

The Establishment of Logistics Service Providers as a Mean to Developing Trade in the Egyptian Economy

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Student Presentation

SUMMARY

Logistics Service Providers (LSP) have significantly emerged during the past few years. The reason behind this astonishing growth is the rising concern of business managers to relieve frustration in managing non-core competencies, cut down costs and improve customer satisfaction. Logistics outsourcing continues to transform companies as they focus on core competencies to meet corporate objectives. Being a logistics service provider, whether a freight forwarder, warehouse, carrier or other type of provider necessitates an ongoing effort to maintain and gain customers in a very competitive environment.

In particular, Logistics Service Providers in Egypt barely exist, where in other countries; they have already outgrown this preliminary level and now moving to a more sophisticated level i.e. 4PL and LLP (Lead Logistics Providers). In order to be successful in a market where, local and international competitors exist, some essential requirements are needed such as excellent management, qualified staff, application of the latest technology, effective marketing, absolute understanding of the market's needs, etc.

Therefore, we decided to draw the attention of the Egyptian market to the great role that LSP can play towards the prosperity of the Egyptian economy. The reason behind selecting this topic is because we believe that Egypt has a need for LSP to enhance trade, whether locally or internationally by following the international service standards, which will guarantee the success of such services. Aside from quality services provided, minimizing the cost of the product is another reason for the existence of LSP since transportation and logistics services constitute a considerable percentage out of it. If the logistics cost decreases, so will the price for the product and therefore profit will increase since the low price will encourage demand.

Moreover, the market trends are now moving towards "the services business" where they continue to grow enormously, not only in the real market but also in the virtual one, where competition becomes very intense. Hence, it is time for Egypt to take a positive step towards change that will contribute in fixing its current economic status.

In addition, we have chosen to go in depth in how effective marketing could contribute to the development of the Logistics Service Providers in Egypt. Marketing is an issue of crucial importance, which can greatly contribute to the success of many businesses, and unfortunately it is not well developed in the Egyptian community. In Egypt, marketing is thought of as a method to sell products and make profit, regardless of quality and customer satisfaction, which in turn lead to short-term profits. However, successful marketing allows companies to reach targeted

customers more efficiently and to build stronger relationships with them, which in turn, lead to more profit.

Data will be collected by conducting a questionnaire targeting local businesses with the intention of providing a thorough analysis of the reasons behind choosing the type of activities they are willing to outsource if there were Logistics Service Providers in the Egyptian market. In addition to the questionnaire, a checklist will be designed for various types of businesses in order to emphasize the marketing mean that attract them to deal with a particular Logistics Service Provider. Moreover, a case study will be included for an international Logistics Service Provider for the purpose of benchmarking in terms of marketing strategies.

Besides the qualitative and quantitative primary data collected through the questionnaire and checklist, secondary data will also be collected by means of reviewing books, magazines and online references for the purpose of providing us with basic fundamentals regarding our research topic.

REFERENCES

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