



MANAGEMENT OF LOGISTICS OPERATIONS: ANALYSIS AND DISCUSSION OF THE CHALLENGES OF COMPANIES TODAY IN RECONCILIATION BETWEEN LOGISTICS OPERATIONS AND EFFECTIVE CUSTOMER SERVICE

LOGISTICS OPERATIONS MANAGEMENT: ANALYSIS AND DISCUSSION OF CHALLENGES FOR COMPANIES TODAY TO RECONCILE LOGISTICS OPERATIONS AND EFFECTIVE CUSTOMER SERVICE

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SUMMARY

Changes in consumer consumption patterns have made it necessary for companies to adapt to this scenario, especially with regard to structuring an assertive and effective logistics network. Thus, this article aims to present and discuss the main trends and practices adopted by the logistics sector in the post-pandemic context, as a consequence of changes in consumer profiles and the growing focus on offering consumer experiences that satisfy and retain customers, enabling business sustainability.

Keywords: Logistics, Supply Chain Management (SCM), Consumer Experience

ABSTRACT

The transformations in consumer consumption patterns have made it necessary for companies to adapt to this scenario, especially with regard to structuring an assertive and effective logistics network. Therefore, this article sought to present and discuss the main trends and practices adopted by the logistics sector in the post-pandemic context, as a consequence of changes in consumer profiles and the growing focus on offering consumer experiences that satisfy and retain customers, enabling business sustainability.

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1. INTRODUCTION

Transformations in consumption patterns and the dynamics of productive activities in the post-war context - The pandemic has brought a series of opportunities and challenges for companies today. While barriers to the commercialization of goods and services are continually being broken, on the other hand, competition between production agents has also increased considerably. In this sense, concepts such as differentiation and consumer experience have become increasingly present in the business environment, applied to efforts to ensure consumer satisfaction and loyalty and enable the maintenance and sustainability of businesses.

In this context, the management of logistics operations emerges as a key element for the success of this process, since it is strategically located in the link between companies and customers. In fact, Ballou (2007) highlights the appreciation of logistics and supply chain management in the business environment in recent years, so that this branch of management has increasingly been considered a fundamental element for achieving organizational objectives, thus demanding a strategic approach.

In this way, the old challenges faced by professionals in the area, such as precarious and insufficient transport infrastructure, are added to others that have been gaining more and more relevance, such as changes in the processes of flow of goods, and of buying and selling, and also the growing demand of consumers with regard to consumption experiences.

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2 THEORETICAL FRAMEWORK

2.1. LOGISTICS AND SUPPLY CHAIN MANAGEMENT (SCM)

Bowersox *et al.* (2014, p. 32) defines logistics as the area that has the function of "designing and managing systems to control the transportation and geographic location of stocks of raw materials, products

in process and finished products at the lowest total cost". Although its evolution has accompanied humanity since ancient times, Ballou (2007) highlights that this area of business management is relatively recent, when compared to more traditional areas such as *marketing* and finance, so that its importance has been increasingly recognized over time, since it can be considered the "bridge that connects production sites and markets separated by distances and time" (BALLOU, 2017, p. 3).

Supply Chain Management (SCM) is an even more recent concept that seeks to integrate the various processes and agents involved in the entire network, from the acquisition of raw materials to after-sales. It is an approach that goes beyond the limits of traditional logistics by considering a broader view of distribution networks, allowing for improvements in efficiency, operational management and strategic positioning (BOWERSOX, 2014).

D. Simchi-Levi, Kiminsky and E. Simchi-Levi (2009) also highlight that given the broad scope In this area, GCS encompasses both the operational and tactical levels, as well as the strategic level, and its optimized global management involves challenges guided by four main factors: the complexity of the chain, the different and conflicting objectives of the agents involved, the dynamism of the network and the variation of the various parameters of the system over time. Finally, it is worth highlighting the challenge posed by risks and uncertainties, which are naturally involved with the environment in which the supply chain is inserted and structured.

2.2. CUSTOMER SERVICE AND CONSUMER EXPERIENCE

According to Ballou (2007), the customer's evaluation of an offer is based on three main aspects: price, quality and service, which determine their reaction to the offer. Thus, customer service, in the context of logistics, can be defined as "the result of all logistics activities or supply chain processes" (BALLOU, 2007, p. 93), which also includes after-sales. Therefore, the practices and strategies adopted in this context have a high impact not only on the process of marketing consumer goods, but also on creating lasting bonds with the consumer market.

In this sense, the focus of organizations over the last few decades has changed significantly. Instead of waiting for customers to adapt to companies, the idea is increasingly being adopted that companies must adapt to their target audience, considering, above all, their needs and expectations.

In this way, the concept of Consumer Experience (*Customer Experience - CX*) gained relevance and can be defined as: "delivering the product or service to the customer through a desired experience, that is, shaping all points of the customer journey with an experience" (MUNIZ *et al.*, 2022, p. 5). Therefore, this approach encompasses the various aspects that interfere in the purchasing process, as well as the factors before and after it, and which also impact the customer experience.

Ballou (2007) also adds that logistics services are essential in terms of customer service, although this issue has often been neglected because it was believed to be the responsibility of other sectors of organizations. However, the various activities that make up the logistics service are generally those that are most perceived by consumers, and are therefore closely related to the loyalty process, which is essential, given that the cost of maintaining a customer already acquired is significantly higher than the cost of acquiring a new customer (BENDER, 1976, p. *apud*.BALLOU, 2007).

2. MATERIAL AND METHOD

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The methodology adopted consisted of a bibliographic review of the most relevant studies in the field of study addressed, both with regard to the definition of concepts and their applicability in current market context. Thus, the revised bibliographic apparatus was combined with the analysis and discussion of market data obtained through research in articles and virtual publications, which allowed for a clear and assertive view of the object of study addressed.

According to the methods of classification of research and studies in administration proposed by Vergara (2016), this work can be classified as descriptive, since it seeks to describe the object of study, through the systematization of concepts and the analysis of their applicability and relationship with the reality analyzed. Thus, through the proposed methods, we sought to make it possible to understand the challenges regarding logistics in the current scenario.

3. RESULTS AND DISCUSSION

Logistics professionals have always faced several challenges in carrying out activities and processes inherent to the area. According to a survey by the National Transport Confederation (CNT), approximately 67.5% of the country's road network is in a state of conservation assessed as fair, poor or very poor. Considering that this mode of transport is responsible for 65% of the total movement of cargo in the country, the structural challenges faced by sectors of economic activity in the movement of goods, merchandise and inputs are evident, which compromises the effectiveness of operations, in addition to making them more costly.

Added to this is the fact that Brazil is a country of continental dimensions, with a marked discrepancy in the distribution of its population, as well as its production and commercial hubs, as can be seen in the economic centralization in the Center-South axis, especially in the Southeast and South regions. This scenario makes the entire logistics planning process more complex, from transportation to the implementation of distribution centers. Nevertheless, the country is still seeing a progressive change in the population's purchasing habits resulting from the rise of digital networks, accentuated in the post-pandemic context.

In fact, consumers' purchasing profiles have been changing drastically over the past few years. According to a survey conducted by YouGov, the total value of goods and services sold online in Brazil between 2019 and 2022 practically doubled compared to the period between 2016 and 2019, which reflects this progressive change in Brazilians' consumption patterns. This market configuration promotes significant changes in companies' operations, which need to adapt their ways of operating to this reality.

In this scenario, issues related to logistics become significant bottlenecks in the process of interacting with consumers. According to a survey conducted by E-commerce Brasil for the RA Trust Experience 2021 event, approximately 80% of the retailers interviewed classified their logistics services as "slow" or "reasonable". This data is in line with information released by Procon – SP, which reveals that delays and delivery problems are among the main complaints of consumers in the state regarding purchases made in virtual environments. In this sense, the ideal level of service to be adopted by organizations becomes an essential parameter, the assessment of which must be based on both a subjective and objective approach to the variables involved, seeking to maximize the results obtained and consumer satisfaction.

According to Ballou (2007), determining ideal service levels consists of balancing network maintenance costs and lost sales costs, so that high service levels tend to increase the former while decreasing the latter. In this sense, customer service levels can be understood as one of the four major problem areas in logistics planning, and is directly related to the other three: the location of facilities, inventory decisions and transportation decisions (BALLOU, 2007). Thus, it can be seen that the decisions involving the definition of these parameters have a major impact, not only with regard to the operationalization of the distribution network, but also on the consumption experience of end consumers.

In view of this, it is important to highlight the influence of market and financial data on the decision-making process of logistics activities. In fact, Ballou (2007) highlights that the area of logistics is closely related to, or even overlaps with, other areas. In this sense, the emergence of the concept of Supply Chain Management (SCM) highlighted the need for an integrated approach between the areas of marketing, production and logistics, seeking a broader and more comprehensive view of the operationalization and management of the processes inherent to them, in addition to including the external agents that are also involved.

Therefore, given the growing challenges faced by companies, it is necessary to increase investments in logistics infrastructure to enable better ways of allocating their goods and services in the market. In fact, according to a study carried out by NAIOP Brazil, in 2023, the area destined for construction of storage environments surpassed the 143 million square meter mark, a record in the historical series. This growth is strongly linked to the need to increase the speed and quality of service to consumer demand, and also to adapt to the dynamism of the market.

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3.1. INTEGRATION OF DISTRIBUTION NETWORKS

In this context, it is worth highlighting that the high cost generated by the operation of large networks and distribution structures means that many companies seek to adopt ways of diluting these costs, through

integration of distribution and marketing networks, as can be seen by the rise of *marketplaces* in recent years.

Youmarketplaces are virtual sales environments, generally controlled by a company that, in addition to making its own items available, also provides space for other suppliers to also sell their products. In this way, the distribution chain of various agents naturally becomes integrated, especially with regard to transportation and delivery processes, thus increasing the availability of products, as well as reducing operational costs by acquiring scale in the process. In this way, suppliers of different sizes are able to benefit from the structure of large *players*, such as large retail chains, which in turn increase their share in market dynamics, increasing revenues and diluting their own operating costs.

This is a trend that has gained significant relevance in recent years, especially in the retail sector. Although it can be argued that these environments accentuate competitiveness and homogenization amid competition, it is also observed that these structures contribute to more integrated, leaner, and consequently more efficient and effective logistics networks. In addition, it also allows smaller suppliers to enter broader markets, thus increasing their reach.

3.2. OUTSOURCING OF LOGISTICS OPERATIONS

This process is closely linked to a trend towards outsourcing logistics operations, which has been intensifying as globalization integrates and redistributes production and commercial activities globally, adding a greater degree of complexity to distribution and supply lines. According to a survey conducted by Gartner in 2021, which interviewed supply chain managers from several countries, around 74% stated that they intended to increase investments in outsourcing logistics operations in the following two years. Among the main reasons highlighted were: improving technology, reducing costs, optimizing operations and increasing consumer satisfaction.

At a national level, the outsourcing of logistics operations has also become increasingly common among companies. According to research by E-commerce Brasil for RA Trust Experience 2021, around 30% of the retailers interviewed wanted to outsource their logistics services, with the main reasons given being cost reduction and improved customer service.

In this sense, Ballou (2007) highlights that, although it adds value, outsourcing presupposes efficient management of the time of products throughout the chain, as well as the operational costs involved. Therefore, it is necessary not only to integrate distribution efforts, but also to integrate information throughout the distribution network.

3.3. INFORMATION SYSTEMS APPLIED TO LOGISTICS

In fact, given the growing relevance of the large volume of information and data generated and managed by companies, the strategic management of these assets has become an imperative for corporations. When it comes to the management of logistics operations, this trend is no different and, in fact, has become essential for the efficiency and effectiveness of activities.

Manter et. al (2001, apud. BALLOU, 2007) considers information an essential element in supply chain management, also highlighting that its flow throughout the network occurs in both directions, both downwards and upwards, between the agents that comprise it. Bowersox et. al (2014) adds that information is one of the five critical flows involved in supply chains, the others being: products, services, finance and knowledge. Although all are essential for maximizing consumer satisfaction, it can be highlighted that the information flow is vital to enable a

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more agile, assertive process, as well as to identify failures and bottlenecks in the system. In the context of integrated supply chain management, the adoption of more sophisticated information systems is a key element that allows for the exchange of information between agents and the maximization of decision-making assertiveness, including order records, inventory control, delivery tracking, among other functionalities. According to a survey by H&R Insights and Trends, commissioned by TOTVS, approximately 37% of the logistics service providers interviewed found that there was a streamlining of logistics processes after the implementation of management systems, while 34% noted improvements in the decision-making process.

Thus, the adoption of information systems applied to the logistics sector, and their use for

Decision-making is a practice that allows the company to obtain a significant competitive advantage, since it enhances the efficiency and effectiveness of customer service, in addition to providing means to identify and correct possible failures in the network. Bowersox et. al (2014) also adds that a solid database of transactions carried out serves as a basis for administrative control, decision analysis and, ultimately, for strategic planning.

4. FINAL CONSIDERATIONS

Therefore, it is concluded that, in the face of an increasingly dynamic consumer market that increasingly demands agility, convenience and efficiency in its consumption choices, it is necessary to adapt and strategically manage logistics and service operations in an integrated manner, not only among the sectors of the company itself, but also among the various agents that act directly or indirectly in the chain. In view of this, it is essential that managers remain attentive to market trends and practices, but always seeking to adapt the actions and strategies developed to the reality experienced and the consumer market served.

As presented, this process requires the management and use of information systems that support decision-making, making it more assertive and enabling the constant improvement of customer service. This makes it possible to have distribution networks that are appropriate to the organization's objectives, effectively, and ensure the sustainability of activities by guaranteeing a consumer experience that meets customer expectations. After all, even in such a dynamic and changing market context, the primary objective of corporate logistics remains valid: to effectively and efficiently provide goods and services at the right time and place, according to demand.

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