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**A STUDY OF VALUE CREATION THROUGH THE USE OF
3PL AND 4PL PARTNERS WITHIN THE WHITE GOODS
MANUFACTURING INDUSTRY OF CHINA'S DOMESTIC
MARKET**

A thesis presented in partial fulfillment of the requirements for the
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ABSTRACT

Purpose – Over recent years many businesses have recognised that there are strong competitive advantages in adopting outsourcing of logistics functions to logistics providers worldwide. The aim of this research is to understand how Chinese white goods manufacturers utilise contract logistics to increase their profitability and customer service level.

Design/methodology/approach – An interview-based approach was utilized to collect data from three of the leading Chinese domestic white goods manufacturers in mainland of China in 2011. Within-case study and cross-case study were the data analysis methods used in this study.

Findings – Logistics Service Providers (LSP's) do significantly and directly increase Chinese white goods manufacturers' logistics performance efficiency and effectiveness, and in turn, increase their profitability, and indirectly increase customer service levels.

Research limitations/implications – Findings are based on senior managers' personal understandings and responses from three selected manufacturers, therefore personal biases and references could have possibly occurred. Due to time and financial limitations, only three manufacturers were selected from the many possible industry providers, so care needs to be taken not to assume that findings will always be completely representative of the industry.

Practical implications – Competition in the field of white goods manufacturing has become more intense than ever before. Chinese white goods manufacturers need to spend all its resources on its core businesses, in order to increase competitiveness, and leave non-core business functions to outside contractors such as outsourcing logistics functions to a third party logistics (3PL) provider.

Key words – LSP, 3PL, China, white goods manufacturers.

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TABLE OF CONTENTS

Contents

ABSTRACT.....	i
ACKNOWLEDGMENTS	ii
TABLE OF CONTENTS	iii
LIST OF FIGURES	vii
LIST OF TABLES	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1. INTRODUCTION.....	1
1.2. CURRENT STATUS OF CHINA’S WHITE GOODS MANUFACTURING INDUSTRY	1
1.3. BACKGROUND OF CHINA’S LOGISTICS INDUSTRY	5
1.4. RESEARCH PROBLEM GENERATION.....	6
1.5 THESIS OUTLINE	8
CHAPTER TWO: LITERATURE REVIEW	9
2.1. INTRODUCTION.....	9
2.2. BUSINESS LOGISTICS.....	9
2.2.1 History of logistics	9
2.2.2 Definition of logistics management	11
2.2.3 The relationship between SCM and logistics management	14
2.2.4 Logistics is important to businesses.....	15
2.3. OUTSOURCING	21

2.4.	THIRD PARTY LOGISTICS	23
2.4.1	Definition of 3PL	23
2.4.2	Objectives of 3PL	25
2.4.3	Obstacles to adopting 3PL	36
2.4.4	Ingredients of successful 3PL partnerships.....	38
2.5.	FOURTH PARTY LOGISTICS	40
2.5.1	Definition of 4PL	40
2.5.2	Differences between 3PL and 4PL.....	41
2.5.3	Benefits of 4PL	43
2.6.	CURRENT SITUATION OF LOGISTICS OUTSOURCING IN CHINA.....	45
2.6.1	Challenges faced by China’s 3PL industry	46
2.6.2	Factors pushing the growth of China’s 3PL industry.....	50
2.7.	CONCLUSION	52
CHAPTER 3: RESEARCH METHODOLOGY		53
3.1.	INTRODUCTION.....	53
3.2.	RESEARCH PARADIGM	53
3.3.	RESEARCH METHODS.....	55
3.3.1	Case study.	56
3.3.2	Single or multiple cases	57
3.3.3	Case selection.....	58
3.4.	DATA COLLECTION METHODS	59
3.4.1	Interview and archive.....	59
3.5.	DATA ANALYSIS METHODS	60
3.6.	ETHICAL AND CONFIDENTIAL ISSUES	61

3.7. CONCLUSION	63
CHAPTER 4: WITHIN-CASE STUDY	64
4.1. INTRODUCTION.....	64
4.2. TRENDS OF LOGISTICS PERFORMANCE OF CHINESE WHITE GOODS INDUSTRY IN THE PAST FEW DECADES.	64
4.3. COMPANY A.....	67
4.3.1 Background of Company A	67
4.3.2 Company A's style - in-house logistics	67
4.3.3 The Company A logistics phenomenon	70
4.4. COMPANY B AND COMPANY C CASES.....	72
4.4.1 The background of Company B.....	72
4.4.2 The background of Company C.....	73
4.4.3 The Birth of Attend Logistics	73
4.5. COMPANY D.....	78
4.5.1 The Company Background of Company D	78
4.5.2 Change from in-house logistics to 3PL.....	78
4.5.3 Initiate 4PL from 3PL	79
CHAPTER FIVE: CROSS-CASE STUDY.....	82
5.1. INTRODUCTION.....	82
5.2. SWOT ANALYSIS TECHNIQUE IS ADOPTED TO COMPARE THREE DIFFERENT LOGISTICS OUTSOURCING MODELS.	82
5.2.1 Strengths of three different models.....	83
5.2.2 Weaknesses of three different models.....	84
5.2.3 Opportunities of three different models	85

5.2.4 Threats of three different models.....	86
5.3. CORRELATION BETWEEN WHITE GOODS INDUSTRY LOGISTICS OUTSOURCING AND CUSTOMER SERVICES.....	87
5.4. CONCLUSION	87
CHAPTER SIX: CONCLUSION	89
6.1. INTRODUCTION.....	89
6.2. CONCLUSION OF FINDINGS FROM THE THREE MODELS OF CONTRACTED LOGISTICS.....	89
6.3. LIMITATIONS OF THIS STUDY.....	90
6.4. DIRECTION FOR FUTURE RESEARCH	91
REFERENCES:	92
APPENDIX ONE: FOUR ECONOMIC UTILITIES.....	108
APPENDIX TWO: INTERVIEW QUESTIONS ON WHITE GOODS MANUFACTURERS' LOGISTICS OUTSOURCING PERFORMANCE.....	109

LIST OF FIGURES

Figure 1.1 China white goods shipments	2
Figure 1.2 Worldwide shipment of major China white goods	2
Figure 1.3 Accelerating subsidy policy in rural areas	4
Figure 2.1 Perspectives of logistics vs.SCM.....	14
Figure 2.2 Core products vs. product “surround”, illustrating the importance of logistics-related elements.....	17
Figure 2.3 The logic between logistics and profitability.....	18
Figure 2.4 The logistics implications of different competitive positions.....	20
Figure 2.5 Logistics and competitive advantage.....	20
Figure 2.6 What are the core competences.....	26
Figure 2.7 Shippers’ key logistics challenges.....	31
Figure 2.8 Logistics sourcing spectrum.....	42
Figure 2.9 The 4PL as part of the logistics engineering process.....	43
Figure 2.10 Knowledge management and accountability	45
Figure 2.11 Imbalanced transportation development of China.....	46
Figure 2.12 Trucking suffers from complicated licensing and local protectionism....	49
Figure 2.13 Challenges for Chinese domestic and foreign 3PL service providers.....	49
Figure 2.14 Key factors stimulating the growth of outsourcing in China.....	50
Figure 2.15 Chinese contract logistics: market size and forecasts, 2003-2007.....	51

LIST OF TABLES

Table 2.1 Ranked reasons for outsourcing.....	27
Table 2.2 Fixed asset reductions.....	30
Table 2.3 Logistics costs reductions associated with 3PL implementation	32
Table 2.4 Key elements of logistics performance through the utilisation of 3PLs.....	33
Table 2.5 Most important reasons for establishing sustainability program.....	34
Table 2.6 Important ways a 3PL could help customers with green SC initiatives.....	35
Table 2.7 The value a 4PL provider can contribute to an organisation.....	41
Table 3.1 Features of the two main paradigms.....	54
Table 4.1 Performance differences before and after using LSP.....	75