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The Use of Third Party Logistics Services in China

A research report

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degree of Master of Logistics and Supply China Management
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ABSTRACT

The aim of this study is to understand the current status of Chinese third party logistics (3PL) industry, and investigate the situation of 3PL services usage in China. An empirical research study is carried out to determine: the extent use of the third party logistics services in China, reasons for Chinese firms outsourcing logistics activities, reasons for Chinese firms not outsourcing logistics activities, the level of satisfaction of the company that outsource 3PL for their 3PL providers, selection criteria for choosing 3PL providers, organization impact of logistics outsourcing and future trend of Chinese logistics services.

The results of this study are gathered through an online survey questionnaire. The respondents are working in the Chinese firms with the management level position or above. The data is analyzed by SPSS, ANOVA and Chi-square test.

The present study has found that outsourcing 3PL services become very popular in China, more than half of Chinese firms outsource 3PL services. The use of 3PL services will be increasing in the future. Most user firms are satisfied with their providers' performance. However, there is still high expectation for providers to improve. In general, Chinese outsourcing firms believe that outsourcing 3PL services would gain a number of benefits and impose positive impacts on their firms.

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