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ABSTRACT

For B2C e-commerce enterprises, it is of great importance to select the third-party logistics (3PL) providers. The paper, focused on the concept of “logistics capability”, took full account of the characteristics of B2C e-commerce and its logistics service and referred to the research findings of scholars. As a result, on six dimensions, the evaluation indexes of 3PL providers’ logistics capability in the mode of B2C e-commerce were identified. Besides, Case studies were conducted with multi-index decision and evaluation methods based on Relative Approximation, showing that the final results are reliable.

Keywords: B2C E-Commerce, Case Study, Evaluation Index, Relative Approximation, Third-Party Logistics (3PL)

INTRODUCTION

During the recent years, B2C e-commerce has been developing rapidly in China in that the volume of transactions and the proportion in the online retail market have been increasing. According to relevant research and a comparison with the overseas business environment, it can be inferred that B2C mode will eventually become the mainstream mode in the online retail market. Now in China, most of the B2C e-commerce enterprises choose the third party logistics (3PL) mode, in which the choice of the logistics providers with strong comprehensive capabilities is particularly important.

The value of third-party logistics services mainly include the following aspects:

1. **Improve the Core Competitiveness:** The company of purchasing third-party logistics services can focus on its resource to develop core business and reduce the use of staffing and resources. In this way, companies can improve their core competitiveness.

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2. **Reduce Costs:** In the face of increasingly fierce market competition, the ultimate goal of every business is to reduce costs and to increase revenue. Professional third-party logistics service companies can help partners to reduce the amount of logistics costs and to reduce the backlog of capital.

3. **Risk-Sharing:** If choose to build their logistics system, companies will spend a lot of money, and risks may occur in the money chain. Through professional management and fast response time, third party logistics companies could reduce risk for the company of purchasing third-party logistics services.

So, we can say that if chosen properly, a logistics provider can reduce the operating costs, improve the customer experience and promote the competitiveness of the e-commerce enterprise, and thus win the users ultimately. On the contrary, an ill-chosen logistics provider may cause such problems as high logistics costs and long delivery time, which would influence the customer experience and lead to the loss of customers. It can be said that a comprehensive and scientific evaluation of 3PL providers’ logistics capabilities is the premise of and basis for the selection of logistics providers, particularly for B2C e-commerce enterprises.

Scholars have conducted a lot of fruitful research on logistics capabilities. The Global Logistics Research Group in Michigan State University (MSU) is generally recognized as the earliest to conduct systematic studies on logistics capabilities. In 1995, the team proposed an evaluation system of logistics capabilities which included 4 categories of key capabilities and 17 general logistics capabilities, such as strategy, information technology and flexibility, in their study on the relationship between logistics capabilities and business performance. Daughtery et al also agreed that information technology and flexibility are the most important logistics capabilities through his research (Daughery & Pittman, 1995). Morash et al found that the four logistics capabilities that have the greatest impact on business performance are delivery reliability, delivery speed, response capacity to the need and want of the target market and low-cost distribution capability based on empirical research (Morash, Drge, & Vickery, 1996). Fawcett et al believed that five logistics capabilities (transportation and delivery, quality, flexibility, cost, innovation) can improve enterprises’ business performance (Fawcett, Stanley & Smith, 1997). They put forward a conceptual model for the evaluation of logistics capability, which included four indexes (delivery performance, service quality, flexibility and cost). In addition, some Chinese scholars (See Table 1 for the Details) either studied the constituents and influencing factors of logistics capability or established systems of the evaluation indexes of 3PL providers’ logistics capabilities.

From the research mentioned above, we can find that the scholars tended to focus on the relationship between logistics capability and business performance or the constituents and influencing factors of logistics capability. The systems of the evaluation indexes of logistics capability that were established were not comprehensive, and there has been little research that focused on the evaluation of 3PL providers’ logistics capability in B2C e-commerce mode. Therefore, it is of great theoretical and practical significance to establish a comprehensive and scientific system of the evaluation indexes of 3PL providers’ logistics capability in the B2C e-commerce mode.

**Construction of a System of the Evaluation Indexes of 3PL Providers’ Logistics Capability in B2C E-Commerce Mode**

B2C can be understood as a business-to-consumer e-commerce model. Consumers and businesses use the Internet to expand the online trading activity on the virtual network market, which is commonly referred to as “commercial retail.” B2C e-commerce model is divided into two categories: the type with distribution and with no distribution. The type of e-commerce with distribution involves tangible goods and services through traditional distribution channels to complete the transaction. Such as: books,
NTT DoCoMo's I-mode: Developing Win-Win Relationships for Mobile Commerce
www.igi-global.com/chapter/ntt-docomo-mode/26465?camid=4v1a

A Study on the Price Decisions of the Dual-Channel Composite Decision in B2C Mode
www.igi-global.com/article/a-study-on-the-price-decisions-of-the-dual-channel-composite-decision-in-b2c-mode/124076?camid=4v1a