Chapter 1

Introduction to International Transportation and Logistics

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ABSTRACT

Logistics is the management of the flow of goods, information, and resources between the point of origin and the point of consumption. It is a business concept that evolved during the 1950s due to the increasing complexity of supplying businesses with materials and transporting products in an increasingly globalized supply chain. The complexity led to a call for experts in the process called logisticians. Work in logistics involves the integration of information, transportation, inventory, warehousing, material handling, packaging, human resources, and sometimes security. The goal is to manage the life cycle of a project from birth to completion. The main functions of a qualified logistian include inventory management, purchasing, transportation, warehousing, consultation, and organizing and planning of these activities. Logisticians combine a professional knowledge of each of these functions to coordinate resources in an organization.

INTRODUCTION

Today, the concept of logistics plays an important role in reaching all consumers of all products and services. In production activities, it is important to supply raw materials, semi-finished products and other necessary equipment before production, and to carry out transportation and distribution activities after production. Services such as customs clearance, warehousing, insurance, packaging and stock control processes play supporting role in these processes. The importance of logistics becomes even more important when it comes to the inclusion of inputs from different countries in the production process or the delivery of the final product to the final consumer in different countries. In today’s competitive

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conditions, the fastest way to produce the most cost effective and high-quality products to the final con-
sumer depends on the efficiency of the services provided within the scope of logistics.

With logistic activities, companies increase their efficiency in cost and time management and the
firms minimize the obstacles in reaching the final point of the product at the desired standards and qual-
ity. Moreover, the companies support their performance with positive results such as increasing alternative solutions suitable for developing and changing conditions. The fact that companies increasingly
demand logistics services has been effective in reshaping the concept of logistics and the development of the logistics service sector. Therefore, the logistics sector has started to play an important role in the economies of countries.

Many macroeconomic factors have been influencing the recent relocation of logistics in the world.
One of these factors is production changes driven by rapidly developing economies such as China, India, Brazil and Russia. Other factors include the shift of relevant centers to Asian continent in economic activities, increased wages, prices of petroleum and products, and reduction of Common Market barriers due to harmonization in policies and legislation (Gröhn, 2006).

In this study, the development and scope of logistics have been clarified and logistics related concepts such as supply chain, value chain and outsourcing were explained. Then, the paper was concluded after literature review of logistics sector’s development stages.

BACKGROUND

The term of logistics which has gained importance in recent years, it is a very old concept. The word is
derived from the Greek word “logisticos” and it means “science of calculating” or “skill in calculating” (Voortman, 2004).

When looking at the development of the logistics concept, it is seen that the first use dates back to the 1700s. Initially, it was included in the literature as a military origin concept. In this context, logistics has been used to express the design and implementation of all elements that will support the operational capability of a military unit, the provision of the relevant equipment and materials, and all necessary planning (Gourdin, 2006). In other words, logistics in the military field is defined as the activities car-
rried out in order to provide the necessary support items and service support to the fighters in accordance with their strategy and tactics (Bulut, 2007). The first use of logistics in the military field also shed light on the scope of logistic activities that gained importance in the field of trade in the subsequent process. Logistics, which has been examined in a multi-faceted way with the science of economics, has become a field of expertise and work today (Long, 2003).

In the early 1900s, logistics, which was considered as a part of the management strategy, was used especially in the distribution of agricultural products as a method of providing time and space benefits. The 1960s were the first references to logistics in academic studies. In the 1960s, many types of ser-
ices included in the concept of logistics began to gain importance in the manufacturing industry, with particular emphasis on distribution activities. However, the integration of services within the scope of logistics took place in the 1990s. In spite of the fact that the 1990s was a period of technological and political changes that revolutionized the introduction of computer technology and communication, regulations in transport activities and policies gained great importance in the development of the logistics concept (Rushton et.al, 2000). In the 2000s, the concept of logistics has been referred to as a more