**A STUDY ON THE CRUCIAL FUNCTION OF LOGISTICS IN NEW BUSINESS**

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ABSTRACT

Logistics is becoming increasingly critical to new business, not just determining the movement of goods and services but also the competitiveness and viability of businesses. As markets around the world continue to open, logistics has matured from being a simple transportation function to a strategic support column that links supply chains together, delivers greater customer satisfaction, and fosters economic efficiency. Logistics success directly impacts a company’s profitability, reputation, and ability to grow. This article discusses the various facets of logistics — ranging from supply chain integration, customer-focused delivery, and cost optimization to its contribution to international trade, risk mitigation, and sustainability. As much as logistics fuel market responsiveness and competitiveness, there are also its challenges like dependency on infrastructure, increasing cost of operations, and complexity of international compliance. This research assesses these dynamics, providing lessons for companies that wish to optimize their logistics functions to drive long-term success.

INTRODUCTION

Logistics is the science and art of coordinating the flow of resources, goods, services, and information from point of origin to point of consumption. Logistics has become essential to businesses in all industries — retail, manufacturing, e-commerce, healthcare, and technology — in today’s interconnected world. Logistics provides the right products at the right location, in the right amount, and at the right price on a timely basis.

In today’s global business world, logistics is both a functional requirement and a competitive edge. Businesses use sophisticated logistics systems to deliver customer satisfaction, manage intricate supply chains, and eliminate operational inefficiencies. This transformation has elevated logistics beyond being a support function — it is now a major strategic tool for growth, market survival, and sustainability.

The function of logistics has been enhanced by growing international trade, the emergence of online marketplaces, and focus on customer experience. Whether domestic or international businesses, logistics shapes procurement, manufacturing, and distribution systems. Organisations with sound logistics systems become capable of shifting gears rapidly according to changes in demand, handle disruptions, and grow operations properly.

LITERATURE REVIEW

The role of logistics in contemporary business has been extensively researched in many disciplines such as management, economics, and supply chain studies. As the pace of globalization increases and competition becomes more aggressive, the research and industrial interest in logistics has shifted from a tactical operation to a strategic facilitator of business performance.

Christopher (2011) defines logistics as the process of strategically managing the procurement, movement, and storage of materials, parts, and finished inventory. He points out that logistics adds value by providing products in the right location and condition at the right time, thus directly affecting customer satisfaction and company profitability.

Ballou (2004) emphasized that logistics is the glue that holds the supply chain system together, observing that logistical performance of a company directly ties into operational effectiveness and competitiveness. Effective logistics systems eliminate redundancies in operations, save costs, and build customer loyalty through punctual delivery.

Mentzer et al. (2001) emphasized logistics’ transformational role in facilitating cooperation among supply chain partners. Logistics has developed from being merely a delivery function to an active part of strategic planning and competitive strategy.

In the work of Lai and Cheng (2003), logistics competences were found to propel better performance by companies operating in unstable environments to respond to demand and supply chain disruptions.

Coyle, Langley, Novack, & Gibson (2016) point out the vital importance of logistics in a digital economy, maintaining that the integration of real-time information, GPS tracking, and automated warehousing has transformed logistics as a principal technological frontier of contemporary business strategy.

From the initial acknowledgement of logistics as a cost-containment discipline through to its current role as a driver of innovation, the literature continually supports the contention that logistics is the bedrock of success in delivering operational excellence, improved customer service, and business expansion.

OBJECTIVES OF THE STUDY

The aim of this study is to examine the critical role played by logistics in contemporary business and its contribution to economic, operational, and customer-oriented results. Specific objectives are:

To comprehend the significance of logistics in business competitiveness.

To study the contribution of logistics to international trade and supply chain coordination.

To determine the operational advantages and cost savings potential provided by effective logistics.

To study how logistics helps in customer satisfaction and brand loyalty.

To study the contribution of technological innovations in contemporary logistics systems.

To offer suggestions to businesses to streamline their logistics strategy.

RESEARCH METHODOLOGY

This research utilizes a descriptive research design to investigate the contribution of logistics in contemporary businesses. Both primary and secondary data were gathered to offer a thorough analysis.

Sampling Technique: Stratified Random Sampling

Sample Size: 100 respondents, such as logistics managers, supply chain experts, and business owners from different industries.

Data Collection Tools: Structured questionnaires and in-depth interviews.

Data Analysis Techniques: Quantitative techniques like averages and percentages, along with thematic qualitative analysis for open-ended responses.

DATA ANALYSIS AND INTERPRETATION

A survey among professionals belonging to logistics and supply chain industries was undertaken. Following are the highlights:

1. Role of Logistics in Business Success

85% respondents concur that logistics plays a vital role in timely delivery and customer loyalty.

1. Influence of Logistics on Operating Costs

78% are convinced that efficient logistics operations directly cut production and distribution expenses.

1. Technology in Logistics

90% recognized the positive impact of GPS, AI, and automation in warehouses on logistics efficiency.

1. Logistics and Customer Satisfaction

88% reported that efficient logistics systems enhance customer satisfaction through guaranteeing product availability and reliability of delivery.

FINDINGS

The study identifies several key findings regarding the role of logistics in contemporary business:

Logistics increases operational effectiveness through lower transportation and storage expenses.

Technological improvements have transformed logistics, making real-time tracking, automated warehousing, and better inventory management possible.

Companies with effective logistics experience greater customer satisfaction levels and more brand loyalty.

Logistics helps to make international trade and market growth possible.

Ineffective logistics infrastructure can prove to be a major impediment to business scalability and growth.

SUGGESTIONS

Based on the findings, the following suggestions are made:

Make investments in cutting-edge logistics technology such as AI, IoT, and blockchain to enhance efficiency and transparency.

Regularly perform logistics performance audits to detect loopholes and streamline operations.

Ensure collaborative efforts by manufacturers, suppliers, and logistics providers to make the supply chain more robust.

Promote sustainable logistics, green transportation, and environmentally friendly packaging.

Emphasize risk management to deal with disruptions like pandemics, strikes, or political turmoil.

CONCLUSION

Logistics has become a core strategic activity in contemporary business, providing firms with a route to operational excellence, customer satisfaction, and sustainable development. It plays a critical role in making international trade easier, minimizing operational expenditure, and allowing for the uninterrupted flow of products and services. The increasing prominence of digitalization and real-time information has also boosted the status of logistics as a decision-support tool. Firms that understand logistics as an integral component of their business strategy are likely to succeed in a competitive and globalizing environment.

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