

The Present Situation and Development Trend of the Express Logistics Industry

Shanshan Guo

Abstract: In recent years, with the express logistics market demand expands gradually, the express industry revealed a rapid development momentum. But in its crazy expansion but there are many fatal behind the hidden trouble. This paper first to express the development of logistics industry in China are analyzed, and then discusses the logistics industry in China in the market structure, express policy laws, the good faith system, enterprise's main body treatment and so on, the defects of the logistics industry in China and to express the healthy development of the corresponding countermeasures.

Keywords: *express logistics; diversification structures; centralization*

I. INTRODUCTION

Strengthening and diversification of international trade in services, continues to open up China's express delivery market, and the emergence of e-commerce platform mushroomed to express logistics industry has brought good opportunities for development. The increasingly fierce market competition environment requires society to provide more efficient and safe goods delivery service, continuous improvement of traffic conditions and the development of information technology also offers the possibility to express industry, so in recent years the number of express companies surged. However, with the impact of the express industry needs to raise the level of technical equipment and international express industry, enterprises can remain invincible in the beleaguered environment, become an urgent problem.

II. SITUATION EXPRESS LOGISTICS INDUSTRY ANALYSIS

A. Continued growth in the express industry scale

Since 1979, the first year since the establishment of the express companies, China's express delivery industry after 30 years of reform and development, and gradually formed a large-scale network express industry. So far, the country registered record of express companies has reached more than 10,000, the industry employed reached 54.2 million people. 2011 nationwide express companies totaled more than the size of the amount of 3.67 billion, an increase of 57%, the business totaled 75.8 billion yuan, an increase of 31.9%. The main reason for the rapid growth of the express business has the following two points: First, the rapid improvement of infrastructure, transportation network construction standards to improve. To stimulate domestic demand and promote economic growth, the state of the logistics industry to increase investment in rural road construction by the State Council deployed on major infrastructure construction including railways,

roads and airports, including the implementation of measures to effectively enhance China's transportation infrastructure facility level, for the development of express logistics industry provides a more favorable conditions.

Second, the explosive development of e-commerce quickly, for the express industry provides a huge market opportunity. According to statistics, in 2010, China's e-commerce transactions amounted to 4.5 trillion yuan; net retail sales reached 523.1 billion yuan, equivalent to 3.4 percent of total retail sales. The express companies is to businesses, consumers and commercial enterprises, closely linked to the link, and gradually developed into an integral whole. For example, the largest package volume Taobao C2C trading platform produced an occupied its cooperation express companies (mainly tact, Shen Tong) about total business Liu Cheng. Of course, in addition to Taobao, there are a number of home appliances and commercial enterprises, some enterprises in order to provide better service delivery and the choice of self logistics complete; however more companies choose to outsource to the express companies. In short, the rise of e-commerce, online shopping behavior express service to provide a broad market space

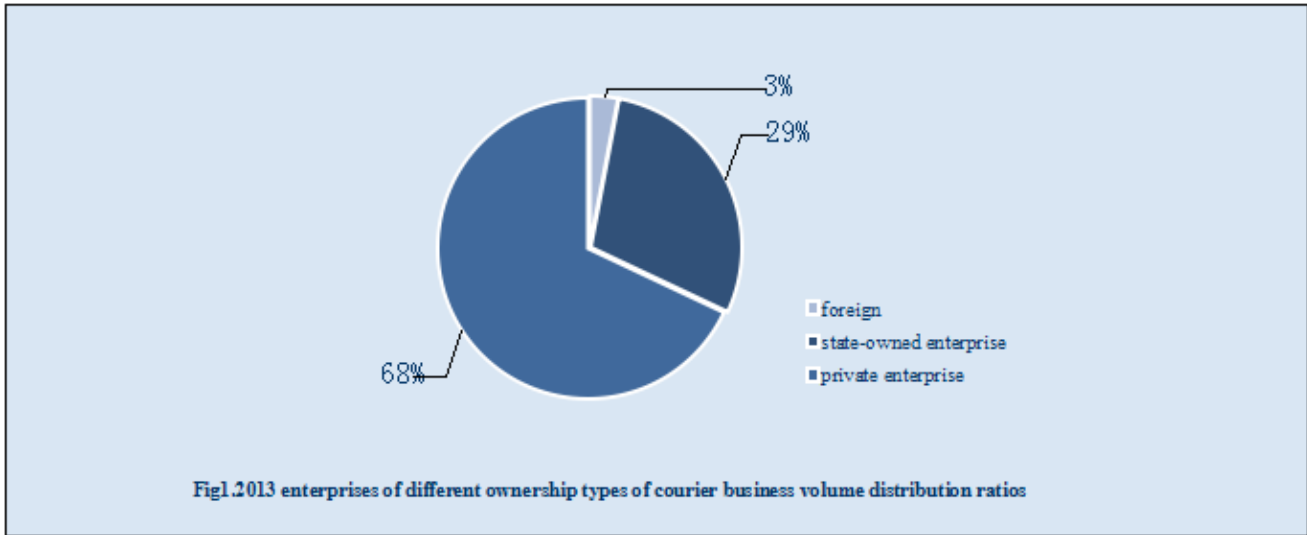
B. The express diversified market formation

With the continuous development of the express industry, China's state-owned express progressive rendering, private, foreign express delivery companies in the three pillars of a new pattern of competing. Specifically, one state-owned enterprises, such as China Post (EMS), the Civil Aviation Express (CAE), CRE (CRE), Sinotrans (CSC); two are foreign express delivery companies such as Federal Express (FEDEX), DHL (DHL), United Parcel Service (UPS); Third, private enterprises, such as SF Express, STO, tact Express, home delivery, etc.

2011, state-owned express companies to complete business volume 1.08 billion, achieving revenue 27.11 billion yuan; private express companies to complete business volume 2.48 billion, achieving revenue 37.44 billion yuan; foreign express delivery companies completed 110 million business volume, achieving revenue 11.25 billion yuan. State-owned, private, foreign express delivery companies business volume market share was 29.4%, 67.6% and 3.0% (as show in figure2) revenue market share was 35.8%, 49.4% and 14.8%. Three express companies annual business volume reached 3.67 billion yuan, compared with 2010 compared to an increase of 36%; revenue totaled 758 billion yuan, representing an increase of 24 percent in 2010.

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Shanshan Guo, Department of Economics, Heze University, Shandongheze, People's Republic of China.

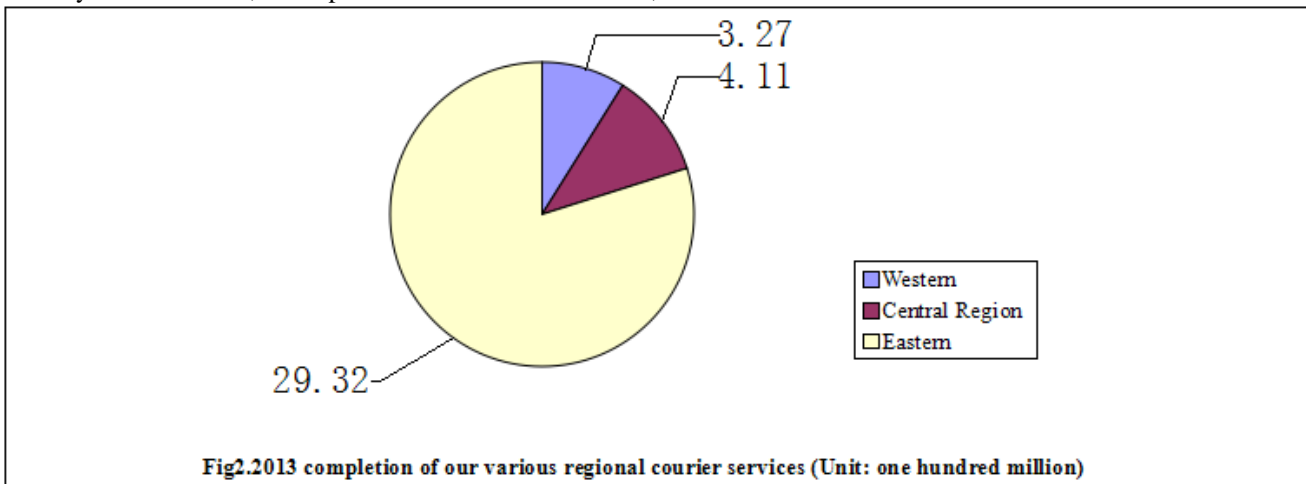


C. Form regional the express industrial structure

The express service levels and the overall level of economic development in the region is highly correlated with economic development of China's relatively unbalanced regional characteristics, China's the express industry is also showing a significant area of centralized features.

As shown in figure2, in eastern China, with respect to the central and western regions, the development of the express industry faster. In 2011, the express business volume eastern,

central and western regions were 2.932 billion, 411 million, 327 million, revenues were 61.474 billion yuan, 7.502 billion yuan, 6.822 billion yuan, the proportion of business volume was 79.9 percent, respectively, 11.2% and 8.9% revenue share, respectively, 81.1%, 9.9% and 9.0%,. the express eastern region accounted for 75.4 percent of corporate assets nationwide the express industry, operating profit accounted for 97.6 percent of China's total profits. Thus, the level of development of the eastern part of the express industry is much higher than the Midwest.



In addition, the the express industry is highly developed eastern region, there are still centralized regional characteristics. In the coastal express business volume and revenue mainly in the eastern part of China's Bohai Bay region, focusing on the area of the Yangtze River Delta, Pearl River Delta and so on, according to data released by the State Post Bureau, the Yangtze River Delta region accounts for 42% of the express business of the national total ; Pearl River Delta region accounted for 38% of the national total; Bohai Bay region accounted for 12% of the national total.

III. EXPRESS LOGISTICS INDUSTRY DEVELOPMENT TREND

A.Union Trends express companies and e-commerce company

Today, e-commerce has brought enormous business opportunities and markets, express companies are

increasingly paying attention to the cooperation with e-commerce businesses. In the process of cooperation, some of the larger, financially strong business enterprise in order to better meet the customer's customer user experience, faster capture the market share have chosen self logistics. As a result, not only resulted in a large number of companies competing to imitate the electricity supplier, while resulting in second and third tier cities in logistics equipment, facilities idle, utilization is not high situation. Therefore, the strategic alliance with the electricity supplier express business enterprise can be a win-win, express delivery companies can rely on sophisticated business enterprise information systems and management models promote the improvement of their strength; punctual delivery companies in the warehousing, distribution links,

making it flexible electrical businesses will be more energy into marketing model innovation platform.

B.From the trend of traditional postal services to the logistics business development

June 2011, the Post launched the IPO. Post Express listed officially opened the Chinese express delivery companies to seek listing prologue. In order to play a leading domestic express equity restructuring, improve the management structure, business model innovation, the Post is also actively seeking to achieve as soon as possible ways to achieve the transformation from traditional postal services to the logistics business. For example, object to the express cargo expanded from general letters, parcels to the documents, electronics, medicine, books, auto parts, high-end cosmetic products and other commodities as a new object of the express industry. Post request Hunan, Yunnan, Hebei and other 16 provinces and active pharmaceutical logistics and distribution services, and the official launch of the pilot in Gansu, Ningxia and Nei Monggol.

C.Stationed in foreign domestic express market trends

In order to fulfill its WTO commitments of time, opening up the domestic express delivery market. Therefore, foreign express delivery giant FedEx and UPS have been active in the domestic express license application. Recently due to FedEx and UPS expects to expand the business scope, distribution in more cities to make application for a license on hold. According to expert analysis Express Association, the two giants get licenses only matter of time [333], the strength and influence of FedEx and UPS global express industry is not self-evident. Therefore, foreign express delivery companies to join the domestic express market is bound to bring no small impact.

D.express companies centralization, integration trend

On the one hand, with the development of electronic commerce and express industry to join the more apparent pattern drawbacks: the rapid growth of the number of companies within the industry, the industry is gradually increased competitive pressures and disorderly, even vicious competition highlights. The new round of consolidation and restructuring of the conclusions have been endorsed by most of the industry, and the acquisition of joint enterprises; on the other hand, the urgent need for delivery of related industries supporting role, is bound to attract more domestic and foreign capital, will the allocation of resources will play a fundamental role in mergers and acquisitions within the industry will be more frequent. Mergers and acquisitions by virtue of collective strengths to enhance their competitiveness and thereby increasing concentration of Chinese express delivery market terms, that the express industry will have become more centralized;economic globalization and the development of regional integration, express services, "integration" have become increasingly demanding, competitive express delivery companies will be from the "one to one" mode of competition into the competition between regional alliances. Changes in competition mode will promote the traditional single-function to multi-functional express companies express company as a whole new type of change. To ensure safe shipment, arrived on time to complete the task, but also to increase the number of express companies to extend value-added services such as customs clearance, storage and receivables. Therefore, multi-functional integrated express

companies will be the development trend of China's express delivery industry, the express industry will show "integration" of development.

IV. CONCLUSION

Our express industry is an important part of the economy, but also the fastest-growing sector of the economy. Popularity of the Internet and e-commerce, foreign trade gradually increased, making personal or business needs of the industry is not constantly increasing. Therefore, to improve China's express delivery market as soon as possible, and vigorously support the express business, legal, policy, loans, tax and other aspects of support, learn advanced experience, to develop more effective laws and policies and the promotion of healthy express logistics industry, can sustainable development. In addition, with the gradual improvement, and gradually optimize the structure of the express express market, market, how to maintain efficient, healthy and sustainable express market will be an important subject of our study.

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AUTHOR PROFILE



Shanshan Guo, female, Assistant, Master.From 2008 to 2011, I have studied in Southwest Jiao Tong University Logistics Engineering.During the graduate student,have published four theses and the title of Master's thesis was *After evaluation of the operational flow logistics park*.Research direction: logistics economy and e-commerce Work units:Heze University Economic Management Institute.Phone Number:15562810550.