

TRENDS IN LOGISTICS INDUSTRY

The logistics industry assists the business entrepreneurial activities bound by two or more parties by means of shipping, storing and distributing commodities via B2B, B2C or C2C distribution chain systems. In the current scenario, logistics firms execute commodity transportation services by surface, air and ocean while adapting to the varying nature of the economic mold and digitization. This industry is one of the pillars of global trade worth over 5.7 trillion Euros. The Asia-Pacific province was the most important logistics market in 2020. With 161 billion Euros market dimension, the worldwide freight forwarding offers the logistics industry faster and easier remedies to the shipping process. Ever since 2004, international air logistics traffic sustained to grow somewhat progressively with the exclusion of 2020, when the corona virus pandemic began and touched 66.2 million metric tons in 2021. The ocean trade transport quantity dropped to 10.65 billion metric tons in 2020, whereas the worldwide seaborne business carried by container vessels augmented exponentially to 1.85 billion tons stuffed in 2020. In 2019, the international rail cargo traffic amounted to approximately 9.3 trillion tonne kilometres and is to touch around 12 trillion-ton kilometres by 2025. This division in Asia, Europe and America has a growing trend, whereas in Africa the trend is volatile or decreasing.



LEARNING OUTCOMES

After studying this lesson the learner:

- identify the fundamental concept of the logistics industry;
- differentiates present and future trends of logistics business;
- assesses the prospects of the logistics industry;



- identifies innovative trends in the logistics business;
- discusses the opportunities of the logistics industry.

10.1 LOGISTICS INDUSTRY-INTRODUCTION

Logistics is normally the detailed organisation and execution of a complex operation. In the common trade sense, logistics is the administration of the flow of commodities from the point of origin to the point of destination to meet the needs of the customers or companies. The logistics industry assists the business entrepreneurial activities between two or more traders by means of shipping, storing and distributing cargoes through B2B, B2C or C2C distribution chain networks. At present, logistics firms implement goods transportation services by surface, air and ocean by accepting the changing nature of the economic outline and digitization. This industry is considered as one of the backbones of global trade with a value over 5.7 trillion Euros. In 2020, the Asia-Pacific region was the most important logistics market.

The term logistics includes the physical movement of accumulating resources, the transportation or positioning of those resources and the final distribution of resources. In recent times, the term has become widespread in the military, explaining the exercise occupied in the acquisition, storage and transport of supplies, utensils, arsenal, munitions, encampment as well as soldiers. Further more, it plays a very important role in national and international trade by moving the commercial cargoes from one destination to another.

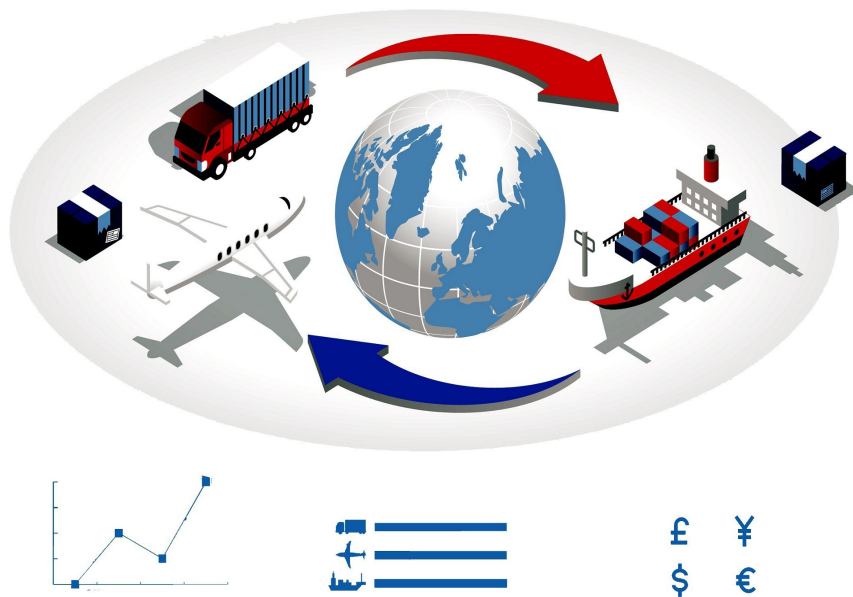


Fig. 10.1: Logistics Industry



Logistics can be as easy as a transaction in which an exporter makes his own commodities and ships it straight away to his importer by involving several layers of handlers in Fourth-party logistics provider (4PL) and agent transactions. The number of intermediaries on any shipment may expand well ahead of just a Fourth party, such as 5PLs and on up.

10.1.1 How huge is the logistics industry?

Measures of the amount of the worldwide logistics industry series from \$8 trillion to \$12 trillion yearly. The rule of thumb is that several forecasters utilize a percentage of GDP. In a developed nation like the U.S., few measure that up to 10% of GDP which is contributed to the logistics industry in a given year. In connection to economic activity in 2019, the U.S. logistics market will end at around \$2 trillion level. Globally, several may trust that the logistics market symbolises around 12% of the whole world's GDP. The difference in the percentage of GDP utilised to foresee the size of the logistics market which has been contributed towards the ineffectiveness that occurs in distribution chains in several regions outside the U.S., which generated an elevated price structure by comparison.

According to research and consulting organisation, Armstrong & Associates Inc, the worldwide logistics market was \$9.6 trillion in 2018; The Trucking alone accounted for 43% of the entire logistics charges globally. The charges connected with storing the stock represented one-third with non-trailing modes such as ocean, rail and air which represent less than 14% of the whole.

Table 10.1: 2018 Global logistics by mode / function

S. No.	Mode / Function	\$ in Billions
1	Trucking	4132
2	Inventory carrying	2116
3	Warehousing	1056
4	Logistics Administration	772
5	Water & Misc	714
6	Air	301
7	Rail	297
8	Forwarding	223



The firm is forecasting the entire global logistics charges to continue to develop at a more than 5% compounded yearly development rate in the year 2023. Other intellectual research firms add in charges linked with shipment infrastructure, like surface, sea ports, rail and airports comprising these investments, some calculate that the size of the worldwide logistics industry will go beyond \$15 trillion by 2023.



INTEXT QUESTIONS 10.1

1. Logistics can be as easy as a transaction in which a _____ makes his own commodities and ships it straight away to his importer.
2. _____ plays a very important role in national and international trade by moving the commercial cargoes from one destination to another.
3. Logistics industry is considered as one of the backbones of _____ trade.
4. Logistics is the administration of the flow of commodities from the point of origin to the point of _____.

10.2 LOGISTICS INDUSTRY GROWTH IN INDIA

In the year 2020, the worldwide logistics industry was valued approximately 8.6 trillion U.S. dollars. North America was considered as the second biggest region in that year, accounting for around two trillion U.S. dollars.

10.2.1 Logistics industry growth in Asia-Pacific

With approximately 3.9 trillion U.S. dollars in size, the logistics industry in the Asia Pacific province is the largest one internationally. The foremost position of the province in the logistics industry could be described mostly because of the significance of the region in movement of most of the essential trade cargoes globally. Since it was extremely economical for western firms to begin moving the complete manufacturing of cargoes to less-developed nations in Asia. Most of the firms at present have their complete amenities performing from Asian nations. The extension of trade routes and the movement of industrial manufacture towards the Asian nations contributed to the logistic industry's growth immensely. However, when one looks at the supply of foremost shipping companies by the origin of the nation, the leading companies are non-Asian headquartered. Moreover, the Asia Pacific province has the world's leading sea or air ports which is developing at a constant rate. The four major marine terminal operators from the province are:

1. PSA International



- A. Recent Scenario:** The present Indian logistics segment consists of inbound and outbound divisions of the manufacturing and services of distribution chains. Further, the logistics infrastructure has increased the much required (a word is missing here) which has been boosted from trade houses as well as strategy makers. Administering the infrastructure to sufficiently compete with other units has not been offered its own emphasis. Insufficient logistics infrastructure can generate bottlenecks in the expansion of an economy. The logistics administration regimen has the ability to overcome the demerits while offering cutting-edge competitiveness in the extended run. There exist numerous challenges and prospects for the segment in the Indian economy.
- B. Challenges:** The biggest conflict faced by the industry at present is poor incorporation of transport networks, sophisticated information technology and store house & supply chain facilities. Regulations which are existing at diverse tiers are set by national, regional and domestic authorities. Yet, the rules vary from city to city, hindering the generation of national networks. Trained employees are necessary for the areas of the fourth party logistics, manufacturing units and retailing. It is deficient at the IT, driving and store house as well as at the superior strategic level. The division is in a disorganised condition particularly in India. The common perception of logistics being an employee-driven industry and shortage of sufficient training institutions have generated a crisis of skilled administration and consumer service personnel. Poor amenities and administration are causes behind high stages of loss and damage of materials, mostly in the perishable division. The issues arise largely because of the absence of expert equipment, like appropriate refrigerators as well as shortage of quality training. Though practitioners, as well as academicians are gradually becoming conscious of the significance of logistics and distribution chain, yet, the field is still not sufficiently explored as far as investigation is concerned. It is necessary to prioritise research and growth so that the weakness in the sector can be taken care of and enhanced.
- C. Remedies:** Infrastructure development is the backbone of every nation's growth and prosperity. The same is factual for the logistics industry. Emphasis should be given building world-class road ways, incorporating rail corridors, and sophisticated goods facilities at airports. Further, the logistics parks should be positioned and accorded a status equal to Special Economic Zones. It is essential to identify that the logistics industry can be benefited if firms establish training institutions to enhance the service quality of the division. Excellent storage and store house amenities are significant for the development of the industry. With an increase in the shipment of perishable goods, logistics firms are required to offer a lot of significance to enhance warehouse amenities. Moreover, emphasis on research is effective because it motivates the use of sophisticated technology, which can create the industry economically and can also bring about development in services.



INTEXT QUESTIONS 10.2

1. _____ is one of the major marine terminal operators from the Asia-Pacific.
2. _____ development is the backbone of every nation's growth and prosperity
3. The extension of _____ and the movement of industrial manufacture towards the Asian nations contributed to the logistic industry's growth immensely.
4. _____ employees are necessary in the areas of the fourth party logistics.



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10.3 IMPACT OF LOGISTICS INDUSTRY ON ECONOMIC GROWTH

India's poor logistics as well as customs has been leading towards the competitiveness of our industries. India's logistics charge is steady to account somewhere among 13-14 percent of the GDP. This contrasts poorly with the charge of 7-8 per cent for developed nations. One of the main reasons for poor output is the shortage of automation in the logistics sector. India is an employee surplus and wealth deficit nation, thus it is much more reasonable to deploy employees than to invest in material handling equipment namely a forklift, conveyor belt structure or hand-held laptops. Despite the entire high logistics prices, the 4PL providers struggle to make profits and are frequently recovered for the slightest price differential. Overall, there is a scarcity of a premium for sophisticated technology-driven, automatic logistics processes over customary ones.

A. Low investment in technology:

Investment in sophisticated technology has been at a much lesser level in India when compared to several developed countries. Ironically, given the victory of India's technology industry, the logistics service providers are not able to find technology assets such as information scientists, robotics experts, and professionals related to operations research etc. Nowadays India's logistics industry is moving towards the organised and sophisticated technology-driven and this division is valued at \$160 billion and provides employment opportunities to over 22 million people directly. It is expected to develop at a CAGR of 10 per cent to nearly \$215 billion by 2022. According to the department of Statistics Research reports, the market worth of the store housing by 4PL in India is steady to reach approximately \$6 billion in the financial year 2025 when compared to \$2.1 billion in The financial year 2018. The market worth of transportation by 4PL is steady to reach approximately \$12 billion in the financial year 2025, from \$3.5 billion in the financial year 2018. Since the manufac-



turing units were rigorously hit owing to the lack of employees and the limitations being set on shipping the goods and trades, the distribution has been disrupted.

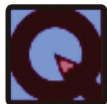
- **Infrastructure boom:** India is also in the centre of an infrastructure construction boom. The government's National Highways Development Project intends to enlarge the nation's present expressway system of 2000 km and strategies to add 18,637 km of eco-friendly expressways by 2022. The Bharatmala venture aims to generate nearly 83,677 km of highways by the year 2024. With the help of Digital Transformation which is mutely underway and will re-define the Indian logistics over the subsequent decade. At present the entire generation of start-ups aimed at solving India particular logistics problems deploying sophisticated state-of-the-art technology. Also, the government has moved towards digitization in a main way via initiatives namely a) E-way bills b) Fast tag c) E-invoicing d) GPS-based toll, etc.

B. Green logistics

One of the main trends for future development will be the appearance of Green Logistics. With India focusing on Net Zero emissions across segments, Logistics firms will require to decrease their carbon footprint as well as and grow quickly. Further, digitization will also assist in several ways. For instance, India has come up with GPS to facilitate the Toll to make sure zero wastage of fuel and resulting emissions among hundreds of Toll Plazas. Current logistics parks are constructed with solar made rooftops and sell carbon-free electricity instead of consuming it. E-commerce firms have dedicated 30 percent of consignments utilising Electric Vehicles. The Pandemic has sped up the adoption of digital technologies and set the phase for the future. India requires a thriving and sufficient logistics segment to attain its growth goal, and digitization is central to distributing the same.



Fig. 10.3: Green Logistics



INTEXT QUESTIONS 10.3

1. India's poor logistics as well as customary has been led towards the _____ of our industries.
2. One of the main trends for future development will be the appearance of _____ Logistics.
3. Investment in sophisticated technology has been at a much lesser level in _____ when compared to several developed countries.
4. Several logistics firms cater to this demand while sticking on to security protocols with OTP-related _____ distribution of items.



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10.4 TRENDS OF TRAVEL AND HOSPITALITY INDUSTRY

What are the current trends in the travel and hospitality industry? It moves without specifying that the pandemic as well as the downturn of economic downturn than the recession of 2008 and disorder which is created by variation in demand have had an important impact on travel hospitality all through the years 2020 and 2021. Few innovative reaction to there extraordinary circumstances like attempting to attract patrons back into foodstuffs and beverage channels and assure holiday movers that it is certainly secure to enjoy travel and a hotel stay, have gone faster by obtainable hospitality industry trends and activated lasting transform. In the meantime, there has been a change in society, partly because of changing values after the sensitive stage of the pandemic. Where as in 2020 and 2021, the fame of satiations, cleanliness, protocols and contactless technologies all at present firmly embedded in the regular activities of travel and hospitality trades has increased sharply, some new trends are emerging. Increase in consumer alertness of all things sustainable, focused and health and well being has put a new platform for travel and hospitality enterprises.



Fig. 10.4: Trends of Travel and Hospitality Industry



The major trends that are shaping the travel and hospitality industry in 2022 are as follows.

1. Leisure time travellers & hotel work spaces:

Working distantly has today become quite routine for many workers and is predicted to become more than merely a passing trend. A shift speed up by the worldwide public health disaster, an unprecedented figure of high-profile firms with large technological firms like Facebook, Twitter, Facebook, and Amazon directing the path had announced that they will take on a mixture or flexible mode to work remotely. In the year 2022, the percentage of employees around the globe that are eternally working remotely was predicted to double. This refers that the travel and hospitality venues are being utilised as make such shift premises for leisure travellers, as well as domestic seeking to alter of work surroundings. This is a huge opportunity for travel as well as hotels and F&B venues to exploit the trend and adapt them by providing to meet the requirements and wants of this emerging division; plenty of plug sockets, free high-speed WIFI and high coffee are excellent starting points.

2. Holistic hospitality, health & well-being:

Preventive medicine and self-care are no doubt has become trending at present owing to the COVID pandemic. The travel and hospitality industry is moving towards trillion dollar market and venues are well located to take a big piece of the pie, particularly those with accessible spa amenities. Additionally to the common beauty and recreation spa offering, there is fast growing demand for fitness diagnostic technology and modified treatment strategies will be delivered by professionals who conduct classes for personal or group sessions to expand vitality, healing, stress administration, emotional balance, mindfulness and improved sleep. Discover more spa trends for 2022 in this article.

3. Digitised guest experiences:

Apps are increasingly important in the way hoteliers manage the services they provide to their customers and can now control many aspects of the guest cycle and experience. Needless to say, the trend towards digital and contactless services has gained new momentum since 2020. Traditionally, customer-facing services are being given an overhaul thanks to the more widespread use of technology-assisted choices, such as mobile verification-in, online payments, voice power and biometrics. At present customers who have become familiar with unlocking their elegant phones and laptops by utilising facial and fingerprint acknowledgment will soon arrive to expect the similar convenience in accessing their hotel rooms as well as booking for travel and rooms. Regrettably, installation and maintenance of these upgrades might be expensive.

**Notes****4. Personalization:**

The current guests have developed and anticipated to be identified and treated them as individuals. Firms are moving towards the extra mile personally to welcome their guests, whereas several firms have done personalized email promotion which is accessible to the masses, by making sure of an extremely target audience with specific communications. Furthermore, they simply add the consumer's name towards email greetings, data offers insight into past receiving habits, by facilitating travels and hotels to tailor their offerings and advertisements, and mechanically offer similar services to earlier travel and stays.

Technological stages such as CRM and CEM utilise big data to generate one-to-one relations between the guest and the host at the level. AI-powered chat bots have been confirmed to be a customer service benefit both during the stage of booking and in reaction towards recurring questions. Moreover, travel; and hotel executions are generally shaped by the utilisation of organisationed structures to examine and optimise revenues, consumer relationships, property, methods and reputation.

5. Experience economy & essentialism:

Consumers request both great personalization and unique experiences. This could direct to the reduction of the travel intermediaries and motivates to be as independent traveller. Travellers are seeking plentiful displays of prosperity, preferring as an alternative to spend intelligently, purposefully and create a positive impact on the globe. Special experiences that provide back to domestic communities in purposeful ways are in demand, as are position properties, adventurous holidays and recreation retreats.

6. Asset administration strategy:

The asset-light method has become widespread in the industry. The separation among the administration of operations and real-estate possessions now permits travel and hospitality firms to focus on their core trade, thus improving effectiveness. Yet it persuades additional structure and possible agency issues, by describing the emergence of new sorts of employments, such as asset executives. Additionally, new work profiles have emerged following the rising structure of the hospitality industry. Similarly, the requirement for quantitative capabilities has also been raised.

7. Solo travel:

In the era of mindfulness, several have embraced the thoughtful worth of spending time alone and project out into the large wide globe unencumbered, interrelate and create friends to anything degree suits. In an attempt to make solo travellers feel



relaxed, barriers among hotel employees and guests are being decreased; interior design preferences made to remind a sense of homeliness and a relaxed atmosphere would be cultivated. This, along with a low stark split among guests and locals, motivates a feeling of hotel community.

8. Sustainability:

The trend of hospitality which is both present and a hallmark of current years: “sustainability” has once again assumed its place. A natural expansion of avoiding throwaway plastics, eradicating unnecessary paper utilisation thanks to opt-in bills and decreasing food waste, more far-reaching moral and ecological considerations are shaping the decisions done at the hospitality administration level. The decisions related to things as easy as which towel rails to implement during renovations have uneven repercussions when executed at scale. Simple ecological-friendly switches include replacing small toiletries with bigger, locally purchased dispensers, selecting ethically manufactured bed sheets created from organic stuff and decreasing energy consumption with elegant bulbs, etc. Vegetarian as well as vegan choices also harbour well-known ecological advantages.

9. **Virtual & augmented reality:** Following the orientation till visually attractive content, it appears only natural that trades in the hospitality sector should look for exploiting characteristics such as virtual tours, which lead to digital surroundings for customers to picture themselves in. Videos offering 360-degree views of the restaurant atmosphere, café terraces surrounded by greenery or beachfront hotel spots, for instance, are merely the ticket to create a firm to stand out this year. As ever, holding the access doorstep low is the key to reach as extensive an audience as feasible with virtual realism material: by creating content accessible on a diversity of devices, without the requirement for a VR headset.

10. Travelling less (& Stay cautious):

Travel limitations in the years 2020 and 2021 have assisted the growth of sanitation. Even with global travel opening back up, among the airline the prices were hiked, the need for covid testing and the difficult bureaucracy comprising moving foreign now, numerous deem foreign journeys either too expensive for a big family vacation or directly too difficult for the weekend breaks. Therefore, opting in favour of staying trend has changed and travelling also become much lower than in pre-pandemic phases. In reality, there are several reasons that vacationers may also be selecting to stay closer to their homes, such as for ecological or budgeting causes, and could see people spending their holidays more locally.



INTEXT QUESTIONS 10.4

1. The travel and hospitality industry is moving towards the _____ dollar market.
2. The _____ method has become widespread in the travel and hospitality industry.
3. The trend of hospitality which is both present and a hallmark of current years: _____ has once again assumes its place.
4. The current's guests have developed and anticipated to be identified and treat them as _____.



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10.5 FUTURE PROSPECTS OF TRAVEL AND HOSPITALITY INDUSTRY

The travel and hospitality industry is spirited, and trade needs to hold up with the newest hospitality trends in order to avoid being left behind. In addition, keeping pace with the sector as a whole is a huge way to make sure that the trade delivers the sort of consumer experience people need and anticipation. However, the requirements and priorities of consumers have also altered due to COVID.

10.5.1 Features accountable for upcoming hospitality growth

The term 'trend' explains a change in behaviour or a more widespread change of circumstances. By bearing this in mind, the hospitality trends may consist of changes in the way consumers behave, innovative ways of offering hospitality services, or common moves in connection with adopting innovative hospitality technology. These trends are naturally influenced by a variety of diverse factors. For example, the rise of sophisticated technology like artificial intelligence has led to a trend where machine learning is utilized more frequently, and AI technology is positioned more regularly for consumer service purposes. For the moment, the urgency of virtual realism technology has changed several travel and hospitality firms to promote their services. Often, the wider worldwide events can persuade hospitality trends too. A good instance of this can be viewed with the COVID-19 pandemic, which made trade across the hospitality division to place a better spotlight on hygiene, sanitation, protection and local markets. Likewise, climate transform concerns have created firms to spotlight on eco-friendly remedies.

Moreover the future prospects of the travel and hospitality industry at present had mainly been influenced by the Covid-19 which is as follows.

- A. Safety & Hygiene:** There are a number of hospitality trends that can be generally explained as being connected to safety and hygiene and these have become particularly



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significant with the urgency of COVID, as the globe adjusts to the disease and exercise to contain the stretch. It is vital that these concepts are a main concern for hotels, travel agents, restaurants, bars and cafes. Any particular regulations require to be done clear ahead of time and require to be enforced to create people feel secure. Furthermore, the hospitality marketing implementation also requires emphasising the protection and hygiene footstep. Describing these steps could be the variation among creating bookings and having consumers look elsewhere.

B. Contactless Payments: Most of the largest hospitality firms are concerned with decreasing friction and contactless cash have been one of the largest examples. When contactless cash is accepted, consumers save time on categorization through payment or entering their PIN. The urgency of things like certain payment apps like Apple Pay, Google Pay also takes away the requirement to even hold a wallet.

a. Voice Search & Voice Control



Fig. 10.5: Travel & Hospitality

The utilisation of voice search is becoming quite widespread among clientele penetrating for and booking tickets, hotels and restaurants, so one is required to respond to this altar in behaviour and create a clear effort to capture these consumers. Above this, voice control can also be utilised to control strategy within hotel rooms, upgrading the guest experience. For instance, smart speakers can offer guests with answers to queries and can also react to voice requests to switch on the lights and devices inside the room.

b. Improve F&B distribution at home: Several restaurants and firms are providing food tailored to the COVID circumstances by growing food and



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beverage distribution, permitting customers to take pleasure in something akin to the café experience at home. Often, this refers to accepting orders via telephone and online distributing quickly and providing contactless distributions. In relation to food and beverage distribution, bars are exploring paths to bring several drinks to consumer's houses, whereas restaurants are increasingly providing extras, including candles, free food, or QR codes with certain playlists.

- c. **Robots in Hotel & Restaurants:** Automation stands high up on the catalogue of hospitality to be conscious of and robotics is a fine example of this being taken ahead. Hotels, restaurants and similar trades can utilize robots to greet consumers and offer customer data, whereas they can also function an important role in safety operations too. Inside the hotel setting, robots have been utilized to provide room service and execute cleaning and other cleaning chores.
- d. **Chat bots:** Chat bots are considered as the major hospitality trends connected with customer service and can be particularly helpful for distributing swift responses to queries, even when staff is not available. In several cases, this can direct to first contact declaration, but the Chabot can also collect data and pass it on to a human representative if needed.

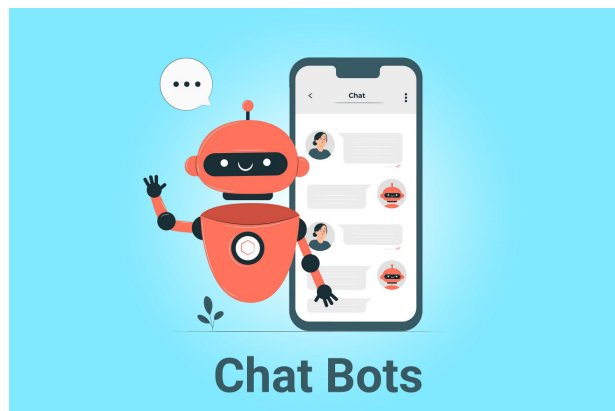


Fig. 10.6: Chat Bots

- e. **Virtual Reality Tours:** Virtual reality stands among the most thrilling hospitality technology trends, offering the means for prospective hotel guests to experience what their environment will be like, all from the console of their own residence. This can be vital for moving these guests from the planning phase till they visit. Virtual tours / 360 videos can assist some consumers to enhanced understand the amenities available.
- f. **Mobile Check-In Service :** It is primarily linked with hotels and other modes of accommodation, providing a mobile check-in service is one of the most helpful



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hospitality trends for decreasing the requirement for human-to-human contact and this is a particularly significant concept inside the situation of the COVID pandemic and the linked exercise to hold the virus.

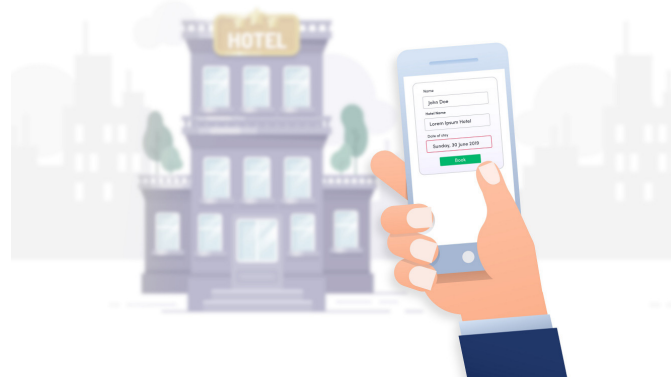


Fig. 10.7: Mobile Check-In Service

- g. Local Experience:** Those in the hospitality sector are obtaining to grips with the wish for travellers to take pleasure in local experiences. Several people do not merely want to experience a life alike to their own, but in a diverse location. As an alternative, they desire to experience a genuine way of life in the place they visit. Trades in the hospitality industry are reacting to this, in order to feed to these demands.
- h. Healthy and organic foodstuffs & nature drinks:** in the past, a substantial division of the hospitality sector was created with fast food restaurants chains and bars able to sell sugary alcoholic drinks. Yet, there is somewhat of a civilising shift, with people becoming more conscious of the belongings they are adding in their bodies, directing to healthy foodstuffs and natural drinks. For restaurants, this refers to revamping their menus with healthier choices, comprising options like gluten-free, low fat, dairy-free, vegetarian, vegan and organic.
- i. Sustainability:** Consumers are anxious with ecological issues and desire to know that the trades they deal with are behaving morally. For this cause, sustainability has been one of the most visible hospitality trends of current and future times, with a rising number of hospitality trades enhancing their eco-friendliness.
- j. Personalization:** Across nearly all sectors, the requirement for personalization is a main trend, and the travel and hospitality segment is no different. This is mainly driven by the increase of big data. In the meantime, a rising number of



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hotel guests desire to be treated as individuals, rather than merely another unidentified customer. Personalization can be positioned in a diversity of ways. Inside hotels, for example, returning consumers can be automatically offered with similar services as they stayed last time, whereas they can further be personally greeted by a member of the executive upon arrival, utilising GPS technology and booking information. Moreover, with the increase of smart appliances, hotel guests can too be facilitated to utilize their own appliances and accounts on entertainment platforms.

- k. Smart Hotels:** In general terms, a smart hotel is one that creates the utilisation of internet-facilitated devices, which are competent in sending information to one another. The designs of Smart hotel have joined in with the thought of the ‘Internet of Things’ and have come out as a more admired concept while smart speakers and elegant hubs became admired of consumer goods. A smart hotel may, for instance, permit guests to control the air conditioning from their smartphone, or turn on / off the TV by providing a voice control to a smart speaker. In several cases, smart rooms also mechanically regulate light bulbs brightness or the radiator temperature, in order to uphold best conditions.
- l. Artificial Intelligence:** Artificial intelligence plays a diverse role within the hospitality sector, but the major one is to progress customer service. The AI-powered chatbots is an example of AI, which can be utilised for online consumer interactions, eliminating the lengthy waiting times and offering swift, bright responses to queries. Still, there are extra benefits offered to travel and hospitality sectors through artificial intelligence technology. For example, some hotels have invented AI and voice-controlled consumer service or tourist data hubs inside their hotels. In the meantime, AI can also be utilized to sort via data, mechanically make alterations to process, and so on.
- m. Augmented Reality:** In several ways, augmented reality technology is similar to virtual reality technology, but relatively more than generating innovative digital surroundings for users. Further it is concerned with improving the real-world surroundings via graphical or data overlays. Other than a Smartphone and an app, unlike the VR technology, it generally needs nothing. These apps can be designed so that consumers can spot their phone at a hotel / restaurant and glance reviews, or opening / closing times. Hotels and other stay related information can also utilise augmented reality to offer the interactive tourist data maps inside their properties, or to generate fun opportunities to produce user-created content.



INTEXT QUESTIONS 10.5

1. Most of the largest hospitality firms are concerned with decreasing friction and _____.
2. _____ is primarily linked with hotels and other modes of accommodation
3. The term 'trend' explains a change in _____ or a more widespread change of circumstances.
4. A _____ hotel is one that creates the utilisation of internet-facilitated devices, which are competent in sending information to one another.

10.6 PROSPECTS OF LOGISTICS INDUSTRY IN INDIA

Gone are the years where logistics was just a lesser consideration in the minds of huge trades. At present, it has become a very important part of the distribution chain system. Even Though the logistics service segment was mostly unorganised earlier, but today the rising demand for online distributions and availability of cargoes by people has directed the industry to develop at a CAGR of 10.5% by 2025. This segment offers jobs to nearly 40 million people in India and it is on the way to becoming one of the leading employee generating segments in the nation by 2022. There are mostly three transformations in trade that have considerable results on the procurement and distribution methods of the assembling sectors. These three forms are: (1) The globalisation of business; (2) Real time data; (3) Changing customer behaviour and their demand. The basic attributes of future logistics development are:

10.6.1 Logistics focuses:

The development of logistics focuses is helpful for industry progression and the advancement of national monetary framework. Logistics spotlight could sufficiently abbreviate the division in the middle of creation and advertising upright. Moreover to coordinate diverse trades evenly and accordingly reduce the expenses. Governments can recommend unique provinces for storage amenities and logistics to reduce the land procurement. The future logistics will contribute towards e-trade, the Internet and the new way of management to generate new trade prospects.

10.6.2 Role of Government

To hold intensity of commercial firms, the legislature requires directing the approach to assist the logistics business ventures. For instance, moving the cargo toward the city

logistics provides to elevate logistics efficiency and reduce the operation charges. Simultaneously, it consists of extensive speculation and a few problems associated with laws and national plans.

10.6.3 Development of global goods transport

The growth of global cargo transport is contributed by a few mechanism. 1. Blooming of E-trade 2. Change of generation system requires international participation 3. The weight of globalised trade, for instance, The WTO pushes nearby business project in order to promote themselves to attain a universal standard .

10.6.4 Improvement of administrations:

The personality of administrations is the basic component to persuade expending conduct between the undertakings with elevated closeness. The administration structure comprises a few generated processes at present, for instance, 1. Adequate Consumer Response (ECR) and 2. Quick Response (QR) and few innovative new structures would be linked in providing better administrations to consumers.

10.6.5 Revolution of logistics execution:

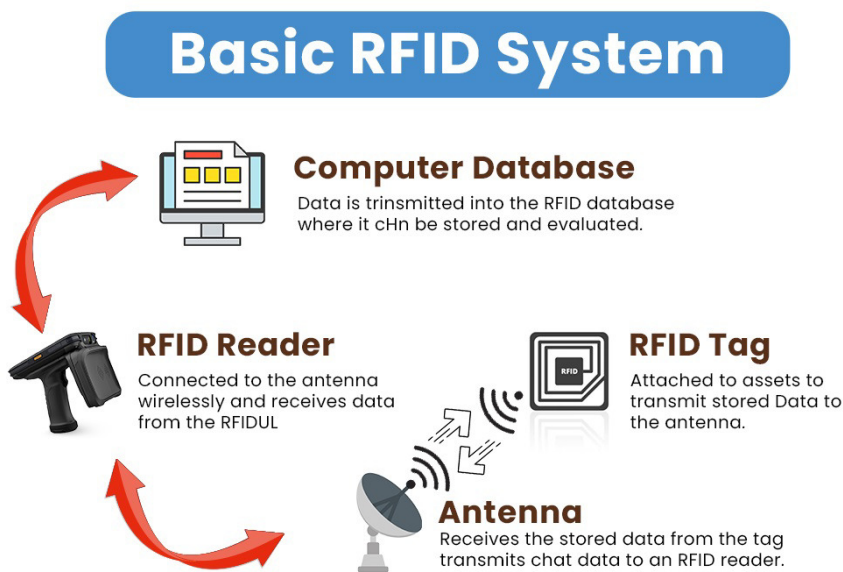


Fig. 10.8: Revolution of logistics execution

IT structures and related items convey output and likeness to the logistics structure. One of these methods is Radio Frequency ID (RFID). The main difference among the



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standardised recognition structure and RFID is it does not need the activity of verifying the scanner tag on products. RFID could standby physical operation time radically. RFID structure could intellectually evaluate merchandise in the labels obviously and right away when the customers push their trolley throughout the way out.

10.6.6 Shorter cargo life cycle

With the present pattern, the stock pattern is varying step by step, and consequently, the product life cycle is shorter, mainly in software engineering. To see the consequence, the logistics structure must augment its output and unwavering excellence of merchandise delivery. In general an improper logistics structure would block the greatness of new cargoes and the trade benefits.

A. Other attributes

- Development of logistics offices
- Channel collaboration between organisations
- Specialised logistics conveyance
- Freight transport

India at present is the prime location for logistic service agents globally and it is reliable that there can approximately be a 9-10 percent development in the next few years. The boom in the retail sector of our nation right now is enormous. Thanks to the augmented buying capability of the middle-and upper-class divisions of customers. But, what is stopping us from being the next major distribution chain and logistics service provider in the globe? The main cause is poor and under developed infrastructure. Still, India is not that advanced in introducing inventive and path-breaking sophisticated technology and right now things are changing slowly. The logistics and distribution chain market in India is likely to touch nearly \$307 billion by the end of 2021. Here are the strong reasons for the future of the distribution chain and Logistics in 2022 of India to be bright:

10.6.7 Improved logistics

India is steadily on the path to attain its vision of becoming an economic and logistical source of power with more investment in the area of infrastructure and operational competence. Tech-driven incorporated logistics are presently becoming an integrated segment of the nation. The store houses in the nation are presently equipped with several automatic sorts and handlers with IoT devices. This assists in saving time in the operation of in-house logistics.



10.6.8 Export opportunities are growing

At present the Indian markets are gaining exposure to quality brands with unconventional niches. This is directing to the boost up of both global exports and domestic utilisation. Manufacturing amenities are much enhanced now than earlier. The production standards have also moved up. The government has introduced several new policies namely 'Zero Defects, Zero Effect' so that our nation ranks up superior in the worldwide market.

10.6.9 Upgraded Logistics infrastructure

Reliable exercise is being set towards pushing the Indian logistics pattern towards a healthier tomorrow. The present logistics hubs and store houses are much superior and improved. Also, at present they are situated more around the prime ports. The spaces as well as logistic divisions are tailor-made which is established to be supportive. Information shows that 9 renowned sea ports of the nation have handled an increase in traffic by 3.11 percent during the period of April 2018 to January 2019 contrast to the period flanked by 2017 and 2018. Thus, all these main sea ports are portrayed as positive expansion indicators and the worth is only supposed to develop even more in 2022.

10.6.10 Leaping marketing strategies

Are you aware what has increased the bilateral business prospects of the nation the best? The bright marketing plans and widespread cultural research. In international trade forums, PM Modi motivates the worldwide trade tycoons to invest in our nation. This assists in optimising whatever technological talent our nation possesses. This is due to the enormous development in the amazing FDI inflows. The exponential development in the worldwide market of audio books and the logistics distribution chain market in India are rising at a similar pace ever since the last three years. In March 2020, the digits went up to \$405.64 billion which will let up furthermore by 2021.

10.6.11 Optimising asset use through cloud computing

In order to progress the operational effectiveness, optimising asset utilisation is vital. The logistics of the nation has to aspire towards being leaner and this is merely achievable via cloud computing. Logistics service providers can join forces by sharing their trucks, vessels and networks via cloud computing. When they share that information on cloud-related stages in real-time, it becomes simple for logistics service providers to harmonise and work together in the picking up and distribution of freight. This decreases the idle time of their journey. It also assists in making the distribution ecology more sufficient.

10.6.12 Facilitating simple storage and access to data through cloud computing

Cloud technology facilitates the simple storage of huge amounts of information. There is



no necessity for even hard drives or physical servers. The Logistics service agents can simply access whatever data they need in almost no time. Thus, the logistics service providers attain the flexibility and control over vital procedure which require 24*7 monitoring.



Fig. 10.9: Big data analytics is driving the future strategy of logistics

10.6.13 Big data analytics is driving the future strategy of logistics

Achieving the operational effectiveness in the nation's logistic structure and recognizing the improvement prospects are becoming simple because of Big Data Analytics. Analytics can be executed on the complete logistics value chain. This analytics can be utilised for the growth of algorithms and opinion of the remaining constructive life of assets. It can further be utilised to recognize the sectors of operational ineffectiveness and remove redundant charges by driving future plans.

10.6.14 New age technologies

The inflows of FDI are pushing the logistics division to invest even higher towards the new-age technologies. Path-breaking as well as extremely innovative technologies namely a) machine learning b) data analytics c) deep learning which much forward of their time are at present being executed. According to the IDG's 2020 State of Digital Business Transformation Report highlights that 93 percent of the companies are at present considering operating these innovative technologies to modernise the logistics and distribution chain units.

10.6.15 Development in the trade policies

The Bilateral business and global business is being augmented and developed because of



the enhanced data policies. Business policies namely 1. The Merchandise Exports from India Scheme (MEIS) and 2. The Service Exports from India Scheme (SEIS) are creating the trade environment much more productive. It is also directed to constructive development in the distribution and logistics chain administration. The ministry of Commerce and Industry had spotlighted that the healthy logistics and distribution chain division has catalysed towards the exports by a massive \$439 billion and also spotlights that in 2025 is moving to be even brighter. The Indian Government has provided incentive by reducing the tariff charges and taxes to several countries. This occurs because of the steady exercise of the Government for enhanced bilateral trade.

10.6.16 Important reduction in manual intervention

Artificial intelligence is heading to automation of trade processes. This is directing to a decrease in manual involvement for freight handling. The progress is getting quicker and the excellence is getting superior which is bringing down the charges. It is also assisting in eradicating the hidden charges and is bringing down the entire high logistics charges of India. This is further to ensure quick inspection by authoritarian agencies and lowest handling damage. The logistics carriers are being prepared with real-time data on key area statistics. This is all in respect to the RFID and GPS which is creating the complete logistics structures much more receptive.

10.6.16 Important development in the block chain technology



Fig. 10.10: Important development in the block chain technology

One point of logistics sequence to another can be flawlessly brought jointly by aligning the progress with the assistance of block chain technology. This is particularly helpful in



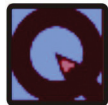
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reducing the duplicity process of the documentation. Because of the manual access of information, there is a possible risk of mistakes in the structure through several points in the value chain. But block chain technology is assisting in controlling this. Also, to attain an incorporated end-to-end logistics structure is becoming much more feasible than before.

A. Conclusion: The digital consumer base is mounting but the ill-planned infrastructural amenities are not capable of complementing it. Our nation is getting trapped among the rising demand for logistics services as well as the fragmented segment for logistics services. As of 2021, India is taking massive steps and experiments to adopt the digital technologies in the nation. But still there are more prospects left unexplored for the generation of great value in the Indian economy. If the logistics and distribution chain management division has to take advantage of it, the stakeholders have to add in more alliance and intense exercise. Everyone has to add in the work comprising:

- a) infrastructure providers
- b) operators
- c) technology firms, and finally
- d) the logistics service providers.

This growth will have their result on day-to-day logistics, and firms will require preparing for ‘the new normal’ in distribution chain administration. With all these transforms, keeping up-to-date on the newest trends in logistics is more significant than ever.



INTEXT QUESTIONS 10.6

1. QR stands for _____.
2. _____ is heading to automation of trade processes.
3. _____ analytics is driving the future strategy of logistics.
4. The logistics of the nation has to aspire towards being leaner and this is merely achievable via _____ computing.



WHAT YOU HAVE LEARNT

- The logistics industry assists the business entrepreneurial activities among two or more traders through shipping, storing and distributing cargoes through B2B, B2C or C2C distribution chain networks. At present, logistics firms implement goods transportation services by surface, air and ocean by accepting the changing nature of the economic outline and digitization.
- With approximately 3.9 trillion U.S. dollars in size, the logistics industry in the Asia Pacific province is the largest one internationally. The foremost position of the province in the logistics industry could be described mostly because of the significance of the region in the movement of most of the essential trade cargoes globally.
- India's poor logistics as well as customary has been leading towards the competitiveness of our industries. India's logistics charge is steady to account for somewhere between 13-14 percent of the GDP. This contrasts poorly with the charge of 7-8 per cent for developed nations.
- Few innovative reactions to these extraordinary circumstances like attempting to attract patrons back into foodstuffs and beverage channels and assure holiday movers that it is certainly secure to enjoy travel and a hotel stay, have gone faster by obtainable hospitality industry trends and activated lasting transform.
- Often, wider worldwide events can persuade hospitality trends. A good instance of this can be viewed with the COVID-19 pandemic, which made trade across the hospitality division place a better spotlight on hygiene, sanitation, protection and local markets. Likewise, climate transformation concerns have created firms to spotlight eco-friendly remedies.
- At present, logistics has become a very important part of the distribution chain system. Even though the logistics service segment was mostly unorganised earlier, today the rising demand for online distributions and availability of cargo by people has directed the industry to develop at a CAGR of 10.5% by 2025.



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KEY TERMS

Logistics	Transport	Travel
Hospitality	Manufacturer	Hotel
Commodity	Distribution	Cargo
Automation	Trade	Technology



TERMINAL EXERCISE

1. Define Logistics.
2. Explain Logistics industry.
3. Define Green logistics.
4. What is the Travel industry?
5. Define Hospitality industry.
6. Explain the importance to hold the latest hospitality trends
7. How huge is the logistics industry?
8. Discuss the logistics industry growth in relation to Asia-Pacific
9. Highlight the role of artificial intelligence in logistics sector
10. Spotlight the functions of Robots in Hotel & Restaurants
11. Discuss the logistics industry growth in India
12. Highlight the impact of logistics industry on economic growth
13. Explain the major trends that are shaping the travel and hospitality industry
14. Point out the main features which are accountable for upcoming hospitality growth
15. Bring out the prospects of logistics industry in India



ANSWER TO INTEXT QUESTIONS



Notes

10.1

1. Manufacturer
2. Logistics
3. Global
4. Destination

10.2

1. PSA International
2. Infrastructure
3. Trade routes
4. Trained

10.3

1. Competitiveness
2. Green
3. India
4. Contactless

10.4

1. Trillion
2. Asset-light
3. Sustainability
4. Individuals

**Notes****10.5**

1. Contactless cash.
2. Mobile check in service
3. Behaviour
4. Smart

10.6

1. Quick Response
2. Artificial intelligence
3. Big data
4. Cloud

**DO AND LEARN**

Learners can undertake their activity work in the areas of different logistics / travel / hospitality organisations .