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# GLOBALIZATION AND ITS IMPACT ON THE LOGISTIC SYSTEMS OF COMPANIES AND NEW MARKET CHALLENGES

#### **Abstract**

Globalization as a concept is basically the integration and mixing of cultural diversity, economic and infrastructural benefits, through the expansion of transnational investments, information and communication technologies. Countries around the world are continually making efforts to deal with global marketing trends by delivering their products and services outside their countries. Globalization has rolled its roots in all spheres of marketing operations, ranging from production to modernization of distribution channels.

Logistic systems, as part of the supply chain, are continually influenced by innovation and global challenges. Logistics, in addition to the process of moving, storing and flowing goods, services and information inside and outside the organization today is a much wider and more complex concept. The globalization process has also imposed

structural changes in logistics systems, management, transport supply chain regulations, company organizational structures, value systems, and competitive vibrations in markets. The range of emergent forms through which globalization appears and affects logistics are numerous. starting from Internet technology, collaboration between different companies and the forms of their association, the entry of new companies and of course perhaps the most important form of influence is the expectations of consumers.

**Key words**: market challenges; globalization; logistics systems; internet technology; consumer expectations

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# ГЛОБАЛИЗАЦИЈАТА И НЕЈЗИНОТО ВЛИЈАНИЕ ВРЗ ЛОГИСТИЧКИТЕ СИСТЕМИ НА КОМПАНИИТЕ И НОВИТЕ ПАЗАРНИТЕ ПРЕДИЗВИЦИ

## Апстракт

Глобализацијата како концепт во основа претставува интеграција и мешање на културните различности, економските и инфраструктурните погодности, преку ширење на транснационални инвестиции, информациските И комуникациските технологии. Земјите ΟД цел континуирано прават напори да се носат со светските маркетинг трендови, така што ги доставуваат своите производи и услуги надвор ΟД нивните земји. Глобализација ги има пуштено своите корени во сите сфери на маркетинг работењето, почнувајќи производството па се до модернизирање на дистрибутивните канали.

Логистичките системи, како дел од синџирот на снабдување се под постојано влијание на иновациите и глобалните предизвици. Логистиката освен процес на движење, складирање и проток на стоки,

услуги и информации во и надвор од организацијата денес е многу поширок и покомплексен Процесот поим. глобализациіа наметна и структурни логистичките промени во системи, управувањето со синцирот за набавки, транспортните регулативи, организациските структури компаниите, вредносните системи конкурентските вибрации на пазарите. Палетата на појавни облици низ кои глобализацијата се појавува и влијае на логистиката се многубројни, поаѓајќи од технологијата, интернет соработката помеѓу различни компании и формите на нивно здружување, влез на нови компании и секако можеби најважната форма на очекувањата влијание ce на потрошувачите.

**Клучни зборови**: пазарни предизвици; глобализација; логистички системи; интернет технологија; очекувања на потрошувачите

#### Introduction

Globalization as a dynamic process of development and promotion of civilizational values is a natural regularity and it can not and must not be limited. Globalization is reflected through the increasing interdependence of national economies with the world economy and the increasing interdependence of any national science with world achievements. The countries are interconnected in a multinational network of economic, scientific, technological, social and political ties. Achievements in information technology have made it possible to overcome the geographical areas, rapid flow of goods, capital and people and impose new technological standards and values. The changes that occur are not connected to any specific point on the planet, but affect and reflect on each point individually. We live in a world of great changes, changes that affect everything we do and fulfill our everyday life. [1]

The rules of the "global competition" are clear and decisive. All those who are unable to meet the challenges and demands of the international market and the "big world" remain on the margins of development as the "victims of globalization". We will not have much benefit from the analysis that will determine if globalization is unjust, exploitative or destined for further extinction in the poorest parts of the world. [2]

In the era of global competition, spatial economics also includes a paradox. Developed economies that have fast transport and communications, as well as easy access to global markets, remain critical to competition, and remain the location of industries or companies. It was thought that with the changes in technology and competition, the traditional role of the site would be significantly reduced. The supply of global resources and communications reduces deficiencies, but does not create an advantage. Supply from global sources is usually not the first, but the second best solution compared to the approach of a competitive local cluster and in terms of productivity and innovation. [3]

Therefore, companies competing in international markets tend to develop an optimal system in the supply chain, that is, the most profitable (or least expensive) supplier and / or transport networks. We can freely conclude that improving logistics performance represents the core of economic growth and is on the agenda of competitiveness in all countries of the world. On

a global level, the logistics sector is one of the key pillars for development.

Inefficient logistics increases the cost of trading and reduces the potential for global integration. This is a huge obstacle and a huge burden to catch the step of countries trying to compete in the global market.

improvements in transport With communications, international business growing considerably faster in the early 21st century. International business includes all transactions (private commercial sales. investments, logistics and transport) that take positions between two or more regions, countries and nations beyond their political borders. Such international diversification is related to solid performance and innovation, positive trends that business spreads spatially, structurally and culturally.

# 1. Logistics and logistics systems in the global business world

The numerous World Bank analytical reports (IBRD / WB, 2014) [4] clearly emphasize the important role of Supply Chain in the international economic arena. Supply chains are the backbone of the international economy and trade activity. Their logistics includes freight transport, warehousing, border clearance, payment systems and many other functions undertaken by manufacturers and retailers of service providers. The importance of good logistics performance refers to economic growth, diversification, and to a large extent today it is committed to reducing poverty, environmental sustainability and spatial planning.

In early 1954, Peter Drucker emphasized that logistics would remain "the darkest continent of business", the least understood sphere of business, and its prediction proved to be true until the beginning of the 21st century. [5] It is not too difficult to demonstrate the importance of physical processes and processes in the handling, movement, storage and retrieval of the material, either as raw material, semi-finished products or final products. In almost every product, more than 50 percent of the cost of a product is materially linked, while less than 10 percent of labor costs. However, over the years this fact has not been given due attention. In 2006, the overall logistics price accounted for about 10 percent of GDP, or \$ 1.3 trillion, in the United States. Among them, only transport costs alone were \$

635 billion in 2006. [6] Since 2006, logistics costs in Europe account for 11 percent of GDP. For comparison, that amount is about 13 percent of GDP for India. For China, the Supply Chain Management Council puts a figure of about 21 percent of GDP - a huge improvement since 1991, when it was about 25 percent.

Logistics is a way of transferring the right product to the actual consumer at the right time, in the required quantity and in the conditions as ordered at the price agreed. This entire definition covers a number of activities that need to be done to achieve the goals of the additional logistics activity.

An important aspect that needs to be addressed is the fact that very often there is a connection, that is, the use of one of the terms supply chain or logistics system as for the same activity. Within the supply chain, much more work is happening as management activity than logistics activities.

Graph 1: Activities within the supply chain



Source: <a href="https://www.michiganstateuniversityonline.com/resources/supply-chain/is-logistics-the-same-as-supply-chain-management/">https://www.michiganstateuniversityonline.com/resources/supply-chain/is-logistics-the-same-as-supply-chain-management/</a>

Each of these activities adds more value to the supply chain, ie its efficiency and effectiveness increase over time and through the proper and timely execution of all these activities, and not just logistics.

# 1.1. Logistics systems in the context of global challenges

Logistic system is defined as a set of interconnected, practically connected and interlinked subsystems and elements that, with the help of logistic infrastructure, logistic suprastructure, logistic intellectual capital and other potentials and resources, in a highly sophisticated logistics industry enable successful, effective and rational production of logistics products.

The logistic system is composed of objects related to transport services. Objects are places where materials are processed (production, storage, sorting, sale or use). Transport services move materials between objects using vehicles -trucks, tractors, trailers, pallets, containers, cars and trains.

Logistic systems consist of three key activities: order processing, inventory management and freight transport. [7]

Order processing is quite a long activity (up to 70% of the entire order cycle). However, in recent

years, the advantages of electronic and information technology have been greatly exploited. Scanning bar codes allows traders to quickly identify the required products and update inventory level records.

<u>Inventory management</u> is a key issue in planning and operations in the logistics system. The inventory are goods waiting to be produced, transported or sold. The purpose of inventory management is to determine the level of inventory in order to reduce the total operating cost, while meeting the needs of customers.

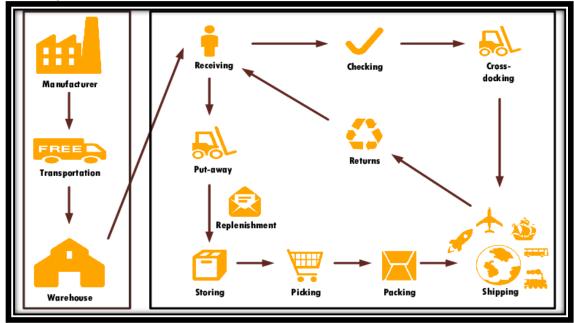
<u>Freight transport</u> plays a key role in today's economy because it allows production and consumption to take place hundreds of thousands of kilometers away from each other. As a result, markets are wider, stimulating direct competition among producers from different countries and encouraging companies to take advantage of economies of scale.

Logistic systems require great efforts to synchronize, coordinate and operate multiple elements, ie entities, in order to raise the level of quality in the products and services they offer.

All entities that participate in customer service and influence their business on products and their delivery are actually part of the logistics center. The main factors that give importance to the establishment of the logistics center are: territorial planning; quality of transport and the development of intermodal transport. By paying attention to all these activities, the level of

quality, specialization and expertise of the logistics center will be at a high level. [8]

Picture 2: Logistics center



Source: https://www.google.com/search?biw=1366&bih=625&tbm=isch&sa=1&ei=dYioXK77FOmclwSvj5HgAg&q=logistic&oq=logistic&gs\_l=img.3..35i39l2j0i19l8.9704.11254..11420...1.0..0.103.870.7j2.....1....1...gws-wiz-img.EZEWZ4ntB8Q#imgrc=6mosHh53xwEeAM:

As in the overall social life, that is, in every field of everyday man's life there are changes caused by the techno-technological boom in the world. The great innovations, the development of technology and technology contribute to the companies seeing it as a threat or a challenge. What is the attitude of the company towards these changes and innovative solutions depends on many factors, starting from its territorial belonging, financial reserves, the willingness of staff in the enterprise, the interests and the reversal of the views of the leading leaders and many other factors.

#### 2. Trends in logistics systems

The future of logistics is based on technology and innovation. Today, many businesses are looking for smart ways to reduce the loss of the supply chain and innovate the industry as a whole. Larger industries should continually strive to become better and more productive. [9] Greater readiness and opportunities enjoyed by larger industries affect smaller, less financially powerful ones. As main trends that can be distinguished in the logistic industry's logs are: e-commerce; information technologies and globalization. Globalization as a trend and its

impact on logistics centers and systems will be discussed below.

#### 2.1. Internationalization of logistics systems

To mention these trends that arise in the operation of logistics systems, one can first mention the process of internationalization of these industrial entities. The reasons why new trends have an impact on the operation of logistics systems is that they are already present on international markets, that is, they can not avoid the impact of events around the world, and not only from the domestic market. The trend of logistic processes, as part of the supply chain, can overcome and emerge from the national borders can not pass without large modifications within the processes themselves occurring. Part of those changes in the logistic processes are:

- > expanding mutual relations through stricter connections in information systems used by consignors and carriers of goods, customs offices and agencies;
- > Increased emphasis on the need for continuous monitoring of international product flows in order to provide import goods;

➤ Increase the demand for connection efficiency in order to provide deliveries for markets located in remote parts of the world.

Today, it is very rare to meet a logistics system that operates on the domestic market, that is, it deals with meeting the needs of domestic customers only. In developed countries, when it comes to logistics and logistic channels, it is thought of internationally developed channels and networks. The configuration of the international logistics network is subject to constant changes, primarily driven by the modernization and development of transport and logistics infrastructure. The international logistic channel means: [10]

- optimal routes created in a deliberate and systematic manner, most often within the boundaries of existing international logistics networks (although in emergency logistic networks it can be created individually, for example Temporary landing sites or warehouses) to the recipient, along with accompanying information:
- the physical network that starts with the supplier and ends with the end customer and covers aspects related to product development, purchase, production, physical distribution, aftersale service and information circulation.

International logistics channels, like all other logistics systems, refer to ensuring the usability and usefulness of the time availability of goods and services. Their inaccurate configuration leads to waste, generates unnecessary costs and reduces the level of customer service.

Logistic companies are looking for continuous improvement in the configuration of logistic channels from several aspects, ie monitoring of several aspects that have implications on the channel. As phenomena that have a direct impact on the efficiency and effectiveness of the international logistics system, one can list:

- o changing customer requirements in terms of logistics services;
- o demand for new types of products and services;
- o the impact of the emerging new economic relations;
- o the emergence of a new form of ecommerce, as well as the expansion of Chinese products in the markets;
- o high prices of logistics activities, such as fuel prices, fixed and variable costs, and other factors.

Contemporary international logistics has put an end to competition between individual business entities, now competition is between entire supply chains. Such threats are greater, as competitions are now much stronger, more powerful and involve multiple entities from different spheres.

# 2.2. Information technologies and e-commerce

Today it is impossible to make an exact distinction of new trends and to discover which ones first appeared or how much it influenced another trend and vice versa. Starting from the information technologies, through electronic banking, electronic commerce and other trends in the operations of enterprises, and everyday living of people, they all have a part in creating a new picture of the functioning of the economy and society as a whole.

New technologies allow greater efficiency and more collaboration in operational models; they also re-shape the market in a way that just begins to become apparent. New entrants, whether new companies or their own customers and industry suppliers, also feel the "shake-up" of the sector. New developments on the world stage affect even the deletion of companies from the market scene, because they can not compete with the array of technological innovations.

Improved technology has also increased productivity in the supply chain, minimizing costs and errors. These achievements benefit in all areas of the logistics industry: trucking, international transport (ocean and air), supply chain management and tracking of consignments. In principle, we can distinguish 5 major technological achievements, which have an impact and already affect radical logistic changes.

#### **→** SHIPPING SYSTEMS

Internet and software advancement allows users to access transport and monitoring systems 24/7. This not only improves the user experience, but also saves time and money for the company.

+ Internet of Things (IoT) and Radio Frequency Identification (RFID)

Today, many devices have been built with built-in Wi-Fi capabilities and sensors, from mobile phones and car ceiling fans. Easy access to Wi-Fi and the Internet connects everything to everything, which is why it is called the Internet of Things. IoT opens up many opportunities for the supply chain, such as cutting costs and delays by avoiding risks. Sensors are built into cabs,

cargo ships, trains and other means of transport, they are connected to an alarm system or a monitoring manager. These sensors process and transmit information to the crew, which then gets insight into the hidden risks and knowledge. Although IoT is not entirely new technology, it continues to affect the future of logistics, allowing for more precise transit visibility and delivery of goods.

RFID technology, which has been in use for many years, is a popular way to save labor, which companies can track their inventory. A mark or sensor is placed on the product and radio waves are sent. Today, many companies use RFID tags in their distribution warehouses to monitor containers. [11]

Autonomous vehicles and drones

Autonomous cars are already a reality, the situation with trucks is not too far away. Efforts have already been made, which have proven to be successful, but there is still room for the development of this technology. Amazon has announced the future of the packages shipped to the drone threshold, called Amazon Prime Air. Delivery of drones is still a couple of years due to regulatory measures and associated costs, but the idea that you do not have to sit around four hours to wait for a package is pretty attractive. [12]

In the sequel (Figure 1) you can see the prototype of Prime Air, which was filmed in November 2016. Since then, we have been working on the development of this project and its improvement that will have enormous impact on the logistics industry on a global scale.

Picture 2: Amazon Prime Air



This technological breakthrough contributes to the positive direction of both sides, that is, looking at manufacturers and trojans where costs are reduced and by consumers who will enjoy maximum satisfaction.

# + Improved GPS accuracy

The accuracy of these devices has increased dramatically over the years, not only helps frustrated, lost drivers, but also improves the supply chain. Advanced GPS precision provides increased productivity and satisfied customers, following truck locations and improving the stay by accessing up-to-date traffic data.

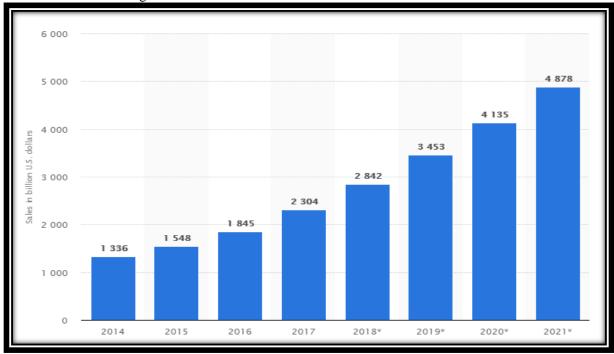
#### + Social media

The power of social media is optimizing the logistics industry and operations in general. These platforms are becoming the easiest and most effective way for companies to communicate with consumers, quickly transmit urgent information, news for industry and customers.

All these technological, progressive measures influence the improvement of logistics systems, ie their overall functioning in full. Another aspect that has a huge impact on changes in logistics systems, as well as the logistics companies themselves, is electronic commerce.

E- trade undoubtedly has enormous impacts on the development of new forms and ways of operation of logistics centers. The extraordinary habits of the past, today the buyer's simplest job is buying online. This way of working with consumers is especially noticeable for younger generations. In order to be able to notice the importance, ie the trend of increase in this way of purchase in continuation, one can look at two graphs (Graph 2 and Graph 3)

Chart 2: Online retailing in the world from 2014 to 2021



Source: <a href="https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/">https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/</a>

Here you can see how online sales take a swing, that is, they will gradually take the traditional purchase. In the previous year 2018, the oval sales amounted to \$ 2.84 trillion, the forecasts being that the retail sales in 2021 would amount

to \$ 4.87 trillion. These data require attention and analysis. For this trend to be understood, one can look at the next chart, where the participation of online retail in the overall global retail market (2015 to 2021) is recorded.

Chart 3: Online sales as part of the global total retail, 2015-2021



Source: https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/

The graph shows that the share of overseas sales in the world's global retail market is growing year by year. As guides in the global electronic commerce Amazon meet; Apple and JD.com, and as mainly growing markets where the potential is seen in this way.

The coupon sale is India, Indonesia, China and the United States. The potential arises from the magnitude of these markets, as well as the development of technology that is seen as a technological innovation.

#### 2.3. Other trends in logistics

Particular attention should be paid to automation and robotization in logistics systems. That is, the process of robotization of almost all the supply chain chains, and especially to look at the impact of this technological boom in logistics.

Robotization and automation in warehouses of logistics centers is a huge progress, which affects labor saving, then on costs and, most importantly, the time of delivery of shipments to consumers. This way of working allows the base of loval consumers to grow constantly, as well as to increase the level of new customers and users of services. Today, various innovative solutions for robotics of warehouses can be found in the world. [13]

Alibaba, a Chinese multinational conglomerate specialized in e-commerce, retail, internet and technology, has increased its robotic workforce in one of its magics, reducing the human workforce by 70%.

One of the biggest innovations can be mentioned Vecna Robotics, a company that offers robotic solutions for operators with warehouse. Vecna Robotics has demonstrated their combination of collective boot and transport robots that can work in warehouses with conventional shelves for selecting cartons and boxes and then moving them into pallet-building areas. One of the most advanced features of Vecna's robots is their ability to work with people. [14]

According to Deutsche Bank estimates, with Amazon, which now has over 80,000 robots in use, it achieves a reduction in operating costs of around 20% in the centers where they are deployed. These cost savings largely arise from improved efficiency, that is, the reduced time for doing things in centers where robots are allocated to 15 minutes per cycle.

These innovative solutions, measures and processes are part of the daily lives of the global

world, where everyday trade deals worth billions of dollars are made, via Internet technology, without physical presence. These innovations represent a challenge for logistics centers, that is, companies operating in the industry.

# Globalization as a process and the changes it causes

Globalization, with its immanent characteristic of increased correlation between national economies, contributes to intensifying competitiveness in global markets. In today's globalized world, it is aimed at directing the nation-state to guide its economic policies, taking into account not only the internal but also the world economic parameters and circumstances.

#### [15]

Globalization can meet many definitions, terms and elements through which it can be named and met. Depending on whether it is viewed as a liberalization of the world economy, then it can be seen as deregulation, ie. reduction of artificially set national boundaries that impede trade between countries. It can be seen as a of homogenization of differences, that is, the merging of culturally different countries. The process of globalization comes to the progressive internationalization of business activities and linking economies. Each of these features of globalization is its characteristic, that is, each of these elements is part of the overall "network" of globalization.

Globalization encompasses all shifts in the direction of reforming the national economy towards a more open system, and of course it also touches on the global economy which aims at enhanced trade and cultural exchange. The development of globalization can not be imagined without the rapid spread of Internet that is, technical-technological technology, innovations.



-Flows of physical goods (mainly asymmetrical)



-Flows of people ( mainly symmetrical)



-Flows of information (mainly assymetrical)

- -Raw materials, energy, food, parts and consumption goods
- -Freight transport models
- -Interconnected hub and spoke networks
- -Ports as main hubs
- -Permanent, temporary, tourism
- -Passangers transport models
- -Interconnected hub and spoke networks
- -Airports as main hubs

- -Communication, power exchanges, symbolic exchanges
- -Telecommunication systems
- -Interconnected and redundant hub and spoke networks
- -Global cities as main hubs

For the purposes of this paper, it is very important to mention the impact of globalization on transport networks, systems and thus the impact on logistics systems. This influence is globalization aims to create a common, global society where everyone will be connected. This involves a transport connection, which is largely supported by information technology.

Tabel 1: Main driving "forces" that influence the logistic systems

Driving "forces"		
Globalization		
Demographic development		
Sustainability	Forces" that can not be influenced	
State intervention		
Rising risk		
Professionalism / efficiency		
Focus on key competencies – effectiveness	Forces" over which powerful businesses can	
Service Oriented	influence	
Innovative technologies		
Faster "knocking" on the clock		

Source: Fraunhofer Institute, 2015

The table shows that globalization as a "force" that has an impact on logistics systems takes the first place. Its impact is inevitable and, more importantly, it can not be influenced much. This implies that logistic systems, that is companies in the logistics sector, must accept those changes and try to exploit them to achieve success. There is no logistics system that is not affected by the changes, that is, innovations in the global logistics world.

As previously mentioned, the logistics system is composed of three main activities: the processing of orders, ie gathering information about what the customers want; inventory management, monitoring the level of inventory of products stored at the enterprise; freight transport, distribution of products to customers. In each of these activities there is room for utilization of the "innovative" solutions offered by information technology.

## Changes in the delivery sector

Changes in the shipping sector are mainly in the transport of single transport solutions and innovations affect the way and the delivery times.

Since each and every consumer is in the center of attention, consumers (buyers) and their wishes and needs, it is quite clear why logistics systems try to reduce delivery time and at the same time increase quality. Increased co-ordination of different types of transport (road, water, air and rail) affects the time for delivery of products to significantly decrease.

However, not only changes in transport solutions, but also changes in the whole system of work of logistics centers affect the quality, timing and manner of delivery of products that affect customer satisfaction.

# 4. Amazon - a company that is a leader in logistics services

In the paper was previously mentioned about the Amazon company, but it is undoubtedly that its endeavors can not be explained in short. It is a company that strives to win global and technologically innovative techniques and methods to create products and services that will change the everyday life of man. She is a company leader in logistics services for the whole

world, that is, her movements are followed by most of the logistics companies in the world.

Zvi Schreiber, chief executive of Freightos, which is the leading platform for sales automation in the logistics industry. His opinion on Amazon is that they will set the foundations in the logistics industry, that is, the technologies that will need to be used. In several of his public appearances, he says logistics is on its way to "amazonizing", that is, the conditions and ways of work in the logistics industry are monitored by the leader - Amazon. [16]

Interesting is the fact that the company has its beginnings in the logistics industry in 2014, and yet today's expansion and in this field are exactly what they are. The utilization of its capacities, assets, labor and energy makes it easier for the company to stand out in lucrative markets.

In 2014, Amazon continued its expansion across the supply chain, focusing on logistic components that were previously outsourced - the first incoming logistics, and then, in 2015, delivery at home. Annually spending over \$ 1

billion on international freight transport, and each year they supply a global fleet of ships, aircraft and trucks that transport more than \$ 19 billion in goods across borders. Huge ships carrying up to 18,000 containers deliver 90 percent of what consumers eat, use and wear.

Delivery of orders is the biggest challenge Amazon faced in 2014, making it the biggest challenge. Striving to deliver free, fast and reliable delivery of orders Amazon cost more than \$4.2 billion or 5% of total net sales in 2014. Another obstacle that they encountered in that period is the lack of control over external outsourcing. Because consumer satisfaction affects them precisely, the company had to turn its attention to this field. Therefore, in 2015, in order to reduce operating costs and dependence on external suppliers, Amazon will take on the role of suppliers in 2015. Already on the roads across the United States the Amazon trucks were encountered, and this vear also began negotiations for leasing the air fleet.

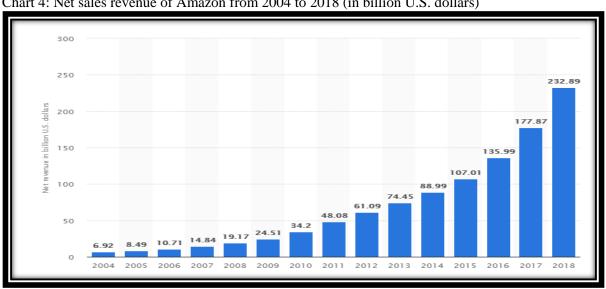


Chart 4: Net sales revenue of Amazon from 2004 to 2018 (in billion U.S. dollars)

Source: https://www.statista.com/statistics/266282/annual-net-revenue-of-amazoncom/

The upward movement of the line every year without exception in the last 14 years suggests how Amazon, in terms of global change and

#### **Conclusion**

In an era of globalization, companies, especially those in the logistics sector, face a number of challenges that they must respond if they want to survive on international markets. The main challenge they face and who must answer is cost competition, is able to exploit innovative creations, and at the same time create innovative solutions to win consumers.

reduction, and at the same time providing high quality services for consumers. During the operation and the global market, logistics companies are required to establish networks of connections and apply more advanced internationalization strategies.

The tendency of consolidating the transport, logistics and freight sectors is inevitable, that is, the originality of the complementarity that these types of services have. Joint offering and performance of these services can bring positive financial results for the company, as operating costs will be reduced.

Innovations that relate to logistics flows and processes require continuous forecasting, monitoring and adapting by companies. Those companies that can not cope with these innovative ventures can be eliminated in a short time.

In the logistics sector, technology offers innumerable opportunities and challenges, ie it is for the enterprises in this sector to be technically prepared. As the main precursor to the technological developments in this sphere, the

company Amazon is considered. The taking of most of the "pie" in the logistics industry requires the company to be responsible, that is, its constant causing others. Increased competition in this industry creates even greater challenges for Amazon to continuously innovate in business.

New entrants, whether new companies or existing customers and suppliers of the industry, also feel the "shake-up" of the sector caused by the wave of innovative business solutions. New technologies make it more efficient and more collaborative with operating models by shaping the market in a way that will fully meet current and future consumer expectations. Improved technology will also increase productivity in the supply chain, minimizing costs and errors.

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