Global Third-Party Logistics Market Report

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Executive Summary

Third-party logistics or 3PL is a business process followed by companies to outsource their logistics and supply chain activities to a service provider specialized in handling different logistics functions. 3PL service providers are specialized in handling different logistics functions such as transportation, warehousing, and freight and forwarding. The 3PLs provide transportation, consolidation, forwarding and customs brokerage, warehousing, fulfillment, distribution and virtually any logistics and trade-related services that their international customers need. With international trade mushrooming and supply chains expanding around the world, third-party logistics providers have taken on an increasingly important role for multinational manufacturers and retailers.

Growing recognition of the role of outsourcing of logistics services coupled with growth in production and trade and global economic revival are the major factors driving growth in the global third party logistics market. High fuel prices pose a major challenge for the third party logistics companies and to meet this challenge they are adopting various measures, such as changing mode of transport, realigning network to reduce mileage, and most importantly implementing route optimization software.

The ever increasing requirement for outsourced logistics services and entrance of new players has made the global third party logistics market intensely competitive. Moreover, consolidation amongst 3PL companies through acquisitions and mergers has established itself as a growing trend in recent times and has further intensified the competition.

The report, "Global Third-Party Logistics Market" analyzes the development of the global third-party logistics market, with a focus on its segments. The global market along with markets of Asia Pacific, North America, Europe and South America are being discussed in the report. The major trends, growth drivers as well as issues being faced by the industry are being presented in this report. The three major players in the industry, C.H. Robinson Worldwide Inc., Expeditors International of Washington Inc., and UTi Worldwide, Inc. are being profiled, along with their key financials and strategies for growth.

By combining SPSS Inc.’s data integration and analysis capabilities with our relevant findings, we have predicted the future growth of the industry. We employed various significant variables that have an impact on this industry and created regression models with SPSS Base to determine the future direction of the industry. Before deploying the regression model, the relationship between several independent or predictor variables and the dependent variable was analyzed using standard SPSS output, including charts, tables and tests.
Third-party logistics or 3PL is a business process followed by companies to outsource their logistics and supply chain activities to a service provider specialized in handling different logistics functions...

- The global market for 3PL services registered a growth rate of ...% to reach US$... billion in 2013 as compared to 2012.
- In 2013, international transportation management (ITM) segment of global 3PL market reported gross revenues of US$... billion, while value-added warehousing & distribution (VAWD) segment reported gross revenues worth US$... billion.
- The Asia Pacific 3PL revenues of US$259 billion reported for 2013 represent an increase of ...% over 2012.
- Asia Pacific region is the largest market in terms of supply chain outsourcing 3PL revenues and contributes ...% of the global revenues as of 2013.
- The 3PL industry represents ...% of the US$.... billion spent annually on logistics in North America.
The 3PL industry has matured and 3PLs have continually enhanced their ability to drive innovation and create value for their shipper customers.....

- In 2013, the US logistics expenditures were nearly US$... trillion. Of this, the US 3PL market represented US$... billion, or ...% of U.S. spending on logistics.

- In 2013, South America's third-party logistics market was sized around US$... billion.

- Europe saw its third-party logistics revenues swelled marginally by ...%, from US$... billion in 2012 to US$.. billion in 2013. The highest revenue generated was in 2008, when the European third-party logistics market exceeded US$... billion.
Economies having registered growth trends, expanding market demands, technological advancements coupled with upbeat market forces are suggestive of a greater role of third party logistics in the near future.

- The Global Third Party Logistics (3PL) market is expected to grow at a CAGR of …% over the period 2013-2017.
- The global GDP amount is directly proportional to the global 3PL market revenues due to the fact that an increase in GDP directly leads to increased logistics functions.
- The global exports are directly proportional to global 3PL revenues as with the growth in exports and imports; shipping and general transportation at a wide scale becomes imperative.
- The growing internet penetration is directly proportional to global 3PL market revenues as the growing e-commerce boom has generated demand for third-party logistics services that cater specifically to fulfillment.