

**THE EFFECTS OF THIRD PARTY LOGISTICS (3PL) FIRMS ON ELECTRONIC  
COMMERCE AND CUSTOMER SATISFACTION**



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**JUNE, 2018**

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**JUNE, 2018**

**APPROVAL PAGE**

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## PLAGIARISM

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## ABSTRACT

This thesis focuses on clarifying the issues and relations between electronic commerce (e-commerce), Third Party Logistics (3PL) and customer satisfaction. The thesis aims at analyzing and explaining the relationships between 3PL, electronic retailers and e-commerce. To combine them, in this thesis, the effects of 3PL on e-commerce, and the means by which it provides customer satisfaction in accordance with 3PL services, is explored. There's no doubt that logistics processes have an effect on customer satisfaction in a positive or negative manner, since customers have one-to-one relations with electronic retailers. Actually, electronic retailers provide electronic shopping opportunities to the customers and logistics providers act like a bridge between them. For a deep understanding of the effect of 3PL on e-commerce, the results of the research should be interpreted in accordance with customers and their satisfaction

In the thesis, relations of electronic retailers and 3PL is analyzed and relevant relationships are explained based on available data, a consumer survey and face-to-face interviews with e-retailers. The relations between electronic retailers and customers are also be investigated. As a conclusion of this research, the effects of e-commerce on the relations of 3PL, electronic retailers, and customers are clarified.

This thesis tend to see how e customers is affected accordingly relationships between electronic retailer and 3PL. To deeply understand this, there are analysis and surveys research method among 3PL, electronic retailers and e customers. The research also aim to uncover how the 3PL use the technology and connect the electronic retailers and their customers.

**Keywords:** Electronic Commerce, Electronic Retailer, E Customer, Customer Satisfaction, Third Party Logistics

## ÖZET

Bu tez, e-ticaret, 3PL ve müşteri memnuniyeti arasındaki konuları ve ilişkileri netleştirmeye odaklanmıştır. Tez, ayrıca Üçüncü Parti Lojistik firmalar (3PL), elektronik perakendeciler ve elektronik ticaret (e-ticaret) arasındaki ilişkileri analiz etmeyi ve açıklamayı amaçlamıştır. Bunları birleştirmek için, 3PL'in, e-ticaret üzerindeki etkileri ve 3PL hizmetlerine uygun olarak müşteri memnuniyetini sağlama yöntemleri araştırıldı. Müşterilerin elektronik perakendecilerle bire bir ilişkisi olduğundan, lojistik süreçlerin müşteri memnuniyetini olumlu veya olumsuz bir şekilde etkilediği araştırıldı. 3PL'in e-ticarete olan etkisini derin bir şekilde anlamak adına, müşterilerin geri bildirimleri araştırıldı ve analiz edildi.

Tezde, internet üzerinden satış yapan perakendecilerin ve 3PL'in ilişkileri analiz edilip, mevcut veriler bir tüketici anketi ve e-perakendecilerle yüz yüze görüşmeler temel alınarak ilişkiler açıklanmaya çalışıldı. Elektronik perakendeciler ve müşteriler arasındaki ilişkiler de ayrıca araştırıldı. Son olarak, bu araştırmanın sonucunda e-ticaretin 3PL, elektronik perakendeciler ve müşterilerin ilişkileri üzerindeki etkileri açıklanmaya özen gösterildi.

Bu tez, müşterilerin elektronik perakendeci ve 3PL arasındaki ilişkileri nasıl etkilediğini görme niyetiyle hazırlandı. Bunu derinlemesine anlamak adına, 3PL, internet üzerinden satış yapan perakendeciler ve elektronik müşteriler arasında analizler yapıldı, anketler oluşturuldu ve açık uçlu sorular soruldu. Araştırma ayrıca 3PL'in teknolojiyi nasıl kullandığını, elektronik perakendecileri ve müşterileri birbirlerine nasıl bağlamaya çalıştığını da fikir vermeyi amaçlamıştır.

**Anahtar Kelimeler:**

Elektronik Ticaret, Elektronik Perakendeci, E Müşteri, Müşteri Memnuniyeti, Üçüncü Parti Lojistik

## ACKNOWLEDGEMENTS

First of all, I would like to give endless thanks to my advisor, Assoc. Prof. Dr. Murat Yücelen for his great interest and assistance in preparation of this thesis. Without his support, the completion of this work was impossible with the full meaning of the word. I will never forget his labor and advices in the rest of my life.

There are so many people who give their hearts and shed light on my path throughout this journey, who deserve more than a ‘thank you’. But very special thanks to my parents, Müslüm Yıldız and Furkan Özyurt who were always there for me.

And finally my piece Kübra Ünal, words are not enough. I know your heart beats always with me and for my happiness. I would be so hard without your motivational support.

**Uğur KARADAŞ, 2018**

## LIST OF ABBREVIATIONS

<b>3PL</b>	Third Party Logistics Provider
<b>4PL</b>	Forth Party Logistics Provider
<b>E-Commerce</b>	Electronic Commerce
<b>F2F</b>	Face to Face
<b>EDI</b>	Electronic Data Interchange
<b>WTO</b>	World Trade Organization
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>MNO</b>	Mobile Network Operators
<b>B2B</b>	Business-to-Business
<b>B2C</b>	Business-to-Consumer
<b>C2C</b>	Consumer-to-Consumer
<b>C2B</b>	Consumer-to-Business
<b>B2A</b>	Business-to-Administration
<b>C2A</b>	Consumer-to-Administration
<b>SME</b>	Small Business and Enterprise
<b>BC</b>	Before Christ
<b>SCM</b>	Supply Chain Management
<b>CRM</b>	Customer Resource Management
<b>CAD</b>	Computer Aided Design
<b>FAQ</b>	Frequently Asked Questions
<b>IT</b>	Information Technology
<b>FBI</b>	Federal Bureau of Investigation
<b>UK</b>	United Kingdom
<b>API</b>	Allocation Programming Interface
<b>TL</b>	Turkish Lira

**LIST OF FIGURES**

**Figure 2.3.** Scheme of 3PL processes.....7  
**Figure 2.4.** Three Dyadic Relationships Among Buyer, Seller and The Third Party  
Logistics Provide. ....7  
**Figure 3.3.1.** State of Mobile Commerce.....18



**LIST OF TABLES**

**Table 8.1.** Demographic Status .....50  
**Table 8.4.** Detailed Cluster Schema .....55



## TABLE OF CONTENTS

<b>APPROVAL PAGE .....</b>	<b>I</b>
<b>PLAGIARISM .....</b>	<b>III</b>
<b>ABSTRACT .....</b>	<b>III</b>
<b>ÖZET .....</b>	<b>IV</b>
<b>ACKNOWLEDGEMENTS.....</b>	<b>V</b>
<b>LIST OF ABBREVIATIONS.....</b>	<b>VI</b>
<b>LIST OF FIGURES .....</b>	<b>VII</b>
<b>LIST OF TABLES.....</b>	<b>VIII</b>
<b>PART 1: RESEARCH OVERVIEW .....</b>	<b>1</b>
<b>CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY.....</b>	<b>1</b>
1.1. Introduction .....	1
1.2. Purpose of the Study.....	1
1.3. The Method of Research .....	2
<b>PART 2: LITERATURE REVIEW .....</b>	<b>3</b>
<b>CHAPTER 2: THIRD PARTY LOGISTICS, E-COMMERCE, ELECTRONIC RETAILER, CUSTOMER SATISFACTION .....</b>	<b>3</b>
2.1. Definition of E-Commerce .....	3
2.2. History of E-Commerce.....	4
2.3. Definition of 3PL.....	6
2.4. History of 3PL .....	8
2.5. Definition of Electronic Retailer .....	8
2.6. Definition of Customer Satisfaction.....	9

<b>CHAPTER 3: INTRODUCTION TO E -COMMERCE.....</b>	<b>11</b>
3.1. The Definition of E-Commerce.....	11
3.2. The Scope of E-Commerce .....	12
3.3. The Tools of E-Commerce .....	13
3.3.1. Internet.....	14
3.3.2. Smartphones .....	16
3.4. Types of E-Commerce.....	18
3.5. The Benefits of E-Commerce .....	21
<b>CHAPTER 4: INTRODUCTION TO THIRD PARTY LOGISTICS PROVIDERS .....</b>	<b>24</b>
4.1. Definition of 3PL.....	24
4.2. Choice of 3PL by Retailer or Electronic Retailer .....	25
4.3. Performance Effects of 3PL.....	27
4.4. The Aims of 3PL.....	28
<b>CHAPTER 5: ELECTRONIC RETAILER.....</b>	<b>30</b>
5.1. Development of Electronic Retailing .....	30
5.2. History of Retailer .....	32
5.3. The Retailer's Relations with 3PL.....	33
5.4. Retailers' Relations with Customers .....	34
<b>CHAPTER 6: E – CUSTOMER .....</b>	<b>36</b>
6.1. How Customers Reach Retailers Electronic .....	36
6.2. The Reasons Why Customers Should Use E-Commerce Instead of Classic Shopping.....	36
6.3. Relations between Customer Satisfaction and E-Commerce .....	38
6.4. How to Achieve Customer Satisfaction .....	39

<b>PART 3: METHODOLOGY.....</b>	<b>40</b>
<b>CHAPTER 7: METHODOLOGY .....</b>	<b>40</b>
7.1. Research Methodology .....	40
7.2. Relations between Electronic Retailer and 3PL (Field Research, Survey) .....	41
7.3. Relations between E-Commerce and 3PL (Field Research, Survey) .....	43
7.4. Relations between Electronic Retailer, 3PL and Customer (Quantitative Survey) .....	46
<b>PART 4: DATA ANALYSES AND FINDINGS .....</b>	<b>50</b>
<b>CHAPTER 8: RESULTS AND FINDINGS .....</b>	<b>50</b>
8.1. Demographic Status .....	50
8.2. Customer Satisfaction in Accordance with Survey and Customer Satisfaction Who Say "Yes" .....	51
8.3. The Comparison between E-Commerce Users and Non-Users .....	53
8.4. Cluster Analysis .....	54
8.5. The Opinions and Suggestions of 3PL .....	58
8.6. The Opinions and Suggestions of Electronic Traders.....	61
<b>PART 5: DISCUSSION, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>63</b>
<b>CHAPTER 9: DISCUSSION .....</b>	<b>63</b>
9.1. Discussion .....	63
9.2. Conclusion and Recommendations.....	65
9.3. Managerial Implications .....	67
<b>APPENDIX.....</b>	<b>69</b>
<b>REFERENCES.....</b>	<b>75</b>

## **PART 1: RESEARCH OVERVIEW**

### **CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY**

#### **1.1. Introduction**

There's no doubt that technology has been developing and it causes changes in many aspects of peoples' lives. The internet comes to mind almost as the first and foremost type of technology while it provides people with ease in their daily and professional lives. It makes people life's comfortable and easier to reach in the world. As an example, e-commerce has been developing incessantly for 20 years. As internet usage continuously increases in the world, e-commerce also increase in volume. In conjunction with this issue, there are three phases which are generally 3PL, electronic retailers and lastly customers. People don't have to go to any shopping center to buy something, they have a chance just to click on the internet and to satisfy their needs easily.

In the thesis, relations of electronic retailers and 3PL is analyzed and relevant relationships are explained based on available data, a consumer survey, and face to face interviews with e-retailers. The relations between electronic retailers and customers is also investigated. Lastly, as a conclusion of this research, the effects of e-commerce on the relations of 3PL, electronic retailers, and customers is clarified.

This thesis tends to see how e-customers are affected accordingly with the relationships between electronic retailer and 3PL. To deeply understand this, analyses and surveys among 3PL, electronic retailers and e customers is conducted. The research also tries to uncover how the 3PL use the technology and connect the electronic retailers and their customers.

#### **1.2. Purpose of the Study**

The intention of this thesis is, to investigate the effects of 3PL on e-commerce and how customer satisfaction may be effected due to relations between 3PL and electronic retailer. There can be seen several reasons and results to understand how e-commerce is developing. The focus is on the relations of 3PL, electronic retailers and customers among each other. To improve e-commerce, customers must be really satisfied by their shopping experience and 3PL has to feed the electronic retailers accordingly with customers' needs. It's a

distinctive point of this research that 3PL and electronic retailer would be an inseparable team with each other in accordance with customers' needs and desires.

### **1.3. The Method of Research**

This research focuses on the effects of 3PL firms on e-commerce and customer satisfaction. Due to the nature of the multiple parties under investigation, a hybrid research methodology is employed by combining qualitative and quantitative research methods. Relations between electronic retailers and 3PL's are investigated with the research method of survey and face to face interviews and then the relations between electronic retailers and customers are examined by means of survey method. Once related information is gathered under logical terms, all information is synthesized. Face to face interview and field research and open ended questions (semi structured interview) and empirical analysis of survey findings are the main research methods used in this thesis in accordance with the aims of the thesis. As quantitative method, SPSS program was used and cluster issue commented in accordance with survey results.

## **PART 2: LITERATURE REVIEW**

### **CHAPTER 2: THIRD PARTY LOGISTICS, E-COMMERCE, ELECTRONIC RETAILER, CUSTOMER SATISFACTION**

#### **2.1. Definition of E-Commerce**

E-commerce issues are directly related with electronic commerce. With the advancement of worldwide economy the requirement and importance of e-commerce is growing quickly. E-commerce is essentially a business model that facilitates organizations or people to conduct business over the internet. It involves any transactions that are done on-line. It is often categorized as buying-selling stuff on-line, on-line recreation, banking and monetary services, etc. It encompasses kind of companies involved in buying and selling goods and services. Net sales increase quickly as shoppers' benefit of lower costs provided by wholesalers marketing their merchandise. This trend is ready to strengthen as websites address shopper security and privacy considerations. Since last decade the recognition of e-commerce is staggeringly magnified attributable to fast and convenient means of exchanging product and services each regionally and globally. Nowadays it has become the virtual main street of the planet. E-commerce has grown into a massive trade volume (Abbas, 2016).

E-commerce is quickly overshadowing face-to-face (F2F) contracting, especially in business-to-consumer (B2C) contexts. Business transactions are decreasingly made in person, and deals are no longer made on a handshake. Instead, individuals turn to the internet for their buying and banking needs, while businesses move their sales electronic and close their brick & mortar locations. Electronic merchants have transformed how people arrange their purchases, and lure their buying products and services in previously unimagined ways. For the most part, this growth in e-commerce has benefited both companies and consumers. Companies have gained access to multitudes of customers and consumers have connected with companies they would never otherwise encounter in the physical world. The internet has become a gateway to an ever-expanding and globalized electronic marketplace for consumer goods and services. Nonetheless, the internet also has created disconnections in B2C exchanges that some companies have used to evade consumer claims. For example, some companies have nearly eliminated customer-care call centers. Furthermore, merchants who conduct business on the internet (e-merchants) often use customer-care email and

messaging systems through which consumers rarely obtain satisfying assistance. For example, representatives replying to consumer emails are often slow in responding or lack authority to provide real remedies (Schmitz, 2012).

## **2.2. History of E-Commerce**

Along with the proliferation of information and computer technologies, the relationship between the individuals, government, business enterprises etc. can be solidly improved, particularly over e-commerce transactions. In other words, when applied properly, information technologies (IT) may boost an increase in customer interactions, business processes, and information exchange. Actually, the history of e-commerce can be regarded as how IT has modified the business processes and novel cyber world which is formed for customers' benefits. Eventually, nowadays, the e-commerce industry enjoys an outlay of multi-billion dollars. The history of e-commerce comprises many milestones, first of which can be admitted to be the development of personal computers (PCs). Further, the World Wide Web (WWW) came into the scene, which was an internet technology that was not simply a way to send files from one place to another but was itself a means information gathering from the Internet. However, the niche was the development of the Electronic Data Interchange (EDI), which was first proposed in 1960s.

By utilizing the aforementioned technologies, most of the large companies took the advantage of improved efficiency. For example in financial sector, banks achieved increased back-office efficiency and improved supplier processes, which helped the banks to optimize inventories and operate more effectively to improve customer retention.

During 1980s, the mobile phone systems arose in communication technologies, where the telephone calls could be transmitted wirelessly. Then, at the end of 1980s mobile phone systems switched to transmitting voice calls in digital form to increase capacity and started offering text messaging. In addition the e-mail system started to be largely used. In parallel to such communication technologies, the e-commerce concept found basis on the electronic messaging technologies, which was used by many companies for marketing purposes. The proliferation of IT and technologies ultimately changed the way information is obtained, stored, retrieved and shared. In addition, such ubiquity has commenced the IT driven by

internet and triggered a sharp increase in productivity and economic growth. During the years between 1980s and 1990s, the main communication utility was the electronic messaging technology, which became an indispensable part of any work flow activities within a company. However, the publication of Internet (in all over the world) for commercial use revolutionized the way of commerce by shifting from traditional commerce methods to novel e-commerce concept. Afterwards, many of the businesses started transferring their works over internet through their web sites, which are also still valid. Additionally, electronic data interchange available for over a decade and growing very rapidly. EDI provide remarkable competitive advantage to the suppliers as a result of improved operations, security and inter company communications and customer service, faster processing speed, tracking and control, better accuracy, reduced costs. Along with this, information exchange among channel members is very important to successful supply chain management since timely and precise information is essential for responsiveness, flexibility, and dependability. Thus, electronic data interchange facilitates an effective and efficient supply chain (Lim and Palvia, 2001). In the early 2000s, O'Reilly (2005) introduced the concept of Web 2.0. Web 2.0 is the communications network as a platform covering all devices connected to the network; web 2.0 applications constitute the majority of the main advantages of this platform. This platform advantages; to create software that is constantly updated with the use of more people, by collecting mixed data from multiple sources, including individual users and these collected data can also be used by other users to reveal their data.

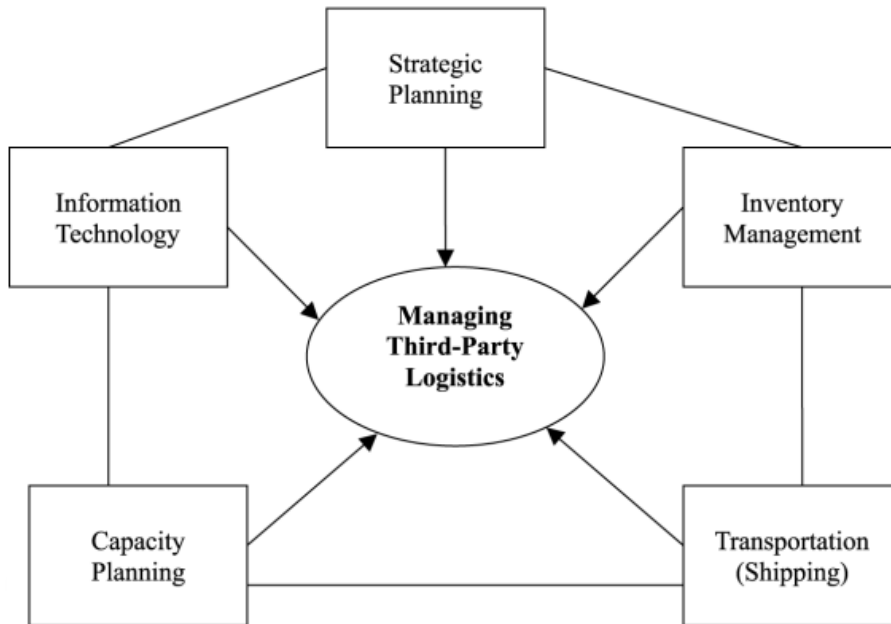
Without the world-wide-web, it was impossible for small-sized and medium-sized business enterprises to cope with resource-rich multinational companies. However, by utilization of straightforward and low-cost methods electronic, it was possible to compete with such large companies. The preliminary and basic type of implementation of e-commerce is to establish static web pages for advertisement and information sharing purpose, which takes replaces the “brochure-ware” concept of the conventional trade. Further, the web sites of the company, which are dedicated for e-commerce, can be designed to provide a search system for the company products with dynamic pages. The catalogue of the company can be transferred online and by integrating the web site interface with the company database, the inventory can be easily searched, the posted packages can be tracked, the job assignments

can easily followed etc. The point need to be informed that the expenses of sustaining an e-commerce system is extremely low compared to the traditional commerce systems.

In the advanced levels of e-commerce, firstly the transactions of customers is done over internet and secondly, the entire e-commerce is occurred. It can be easily inferred that only the last two levels can be strictly described as e-commerce (Chaffey and Mayer, 2000).

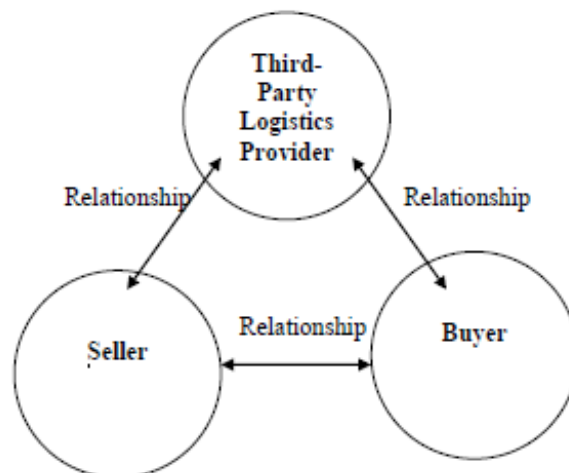
### **2.3. Definition of 3PL**

In the literature, the amount of definitions which are proposed for 3PL is vast. Such definitions can be analyzed in two groups, one of which is the comprehensive definitions, and the other exclusive ones. For, Mc Ginnis (1995), the 3PL provider activities are those logistical operations which can be presented by buyers or sellers. In another definition, 3PL is assumed to an external organization, which takes care of the outright or partial logistical functions of producers, manufacturers or customers (Sink and Langley). On the contrary, Murphy and Poist (1998), present a narrower and more exclusive definition that the 3PL is a relationship between the shippers and a logistics providers, which commonly is established to be bilaterally beneficial. Similarly for Bagchi and Virum (1996), 3PL can be regarded as a long-term partnership of shippers and providers, who handles the logistics activities partially or totally. In this thesis, 3PL is considered to be an external logistics service provider that offers partial or multiple logistics services to its customers, typically established on a contract basis. Providers generally take into account that the logistics activities involve a vast amount of different relationships which comprises all of the activities from the basic ones to the more complex and advanced ones. On the other hand, customers generally think that, the attributes of the outsourced logistics activities vary and the amount of outsourced activities differ accordingly (Ginnis, 1995). The processes of 3PL companies are explained in detail in the figure below. It surely helps the understand progress of logistics.



**Figure 2.3.** Scheme of 3PL processes (Bhatnagar, 1999)

There is a vast amount of needs, which are associated with 3PL clients, to be addressed. A considerable amount of companies deal with the fulfillment of such needs by presenting a great deal of long-term or a short-term transactions or a services, ranging from the very basic ones to the most sophisticated (Tezuka, 2008). The following figure is to describe the subject.



**Figure 2.4.** Three Dyadic Relationships among Buyer, Seller and the 3PL Provider (Akter, 2001).

## **2.4. History of 3PL**

In 1970s and 1980s, some small-sized companies demanded to outsource some of their business operations. Hence, entrepreneurs of 3PL exploited such demand to initiate the first 3PL provision activities. Later on, such 3PL providers enlarged their geographical coverage, facilities and commodities. In addition they started to deploy synchronized warehousing and transportation systems. Before 1980s, there was a strict regulation for truck carriage in the USA. With the provided deregulations of Motor Carrier Act in 1980, truckers become freer and more flexible to adapt their operations, which yielded to increased competition, enhanced service quality and improved efficiency. In addition, intermodal carriage is significantly increased (nearly with an amount of 70%) between the years 1981 and 1986 (Tranh Ha, 2013). The aforementioned actions are regarded to be the initial steps for the 3PL industry, which eventually evolved to the 3PL concept, which was first described by Ken Ackerman and Dean Wise in the Council of Logistics Management Annual Conference in 1986. Although, 3PL has become a vastly appreciated phenomenon among business enterprises, a comprehensive in-depth explanation is still immature to express the essentials and functions of 3PL. Tranh Ha, (2011) explains the 3PL as a representative of the owner of the shipments who is responsible for all logistics-related functions. One example for such functions is to execute export procedures and domestic transportation on behalf of consignor. Also, doing customs clearances and arranging transportation means for placing the destination on behalf of importer can be given as other examples. Hence, 3PL providers provide a quite large amount of services, incorporate many resources and integrate them into the supply chain efficiently. Conclusively, 3PL is a type of contracting service between the man-in-the-middle service provider and the company, where all (or some part) of the logistics needs are addresses. 3PL can be implemented easily and it can be deployed to outsource, subcontract or off-shore needs of many large companies investing in a newly emerging market.

## **2.5. Definition of Electronic Retailer**

As the e-commerce and electronic shopping gained popularity during the last decade, companies has initiated electronic retailing and electronic marketing efforts, which worth

around \$62 billion. Electronic advertising is accepted to be the prominent marketing strategy, which reached to \$43 billion in 2013 (Beales and Eisenach, 2014).

The Internet has ultimately changed everyday life, where the consequences can be clearly observed in all socio-cultural fields. In addition, along with the impacts on the e-commerce industry, customer purchase behaviors has also transformed from a traditional face-to-face buying to shopping electronic from anywhere and anytime. Hence, electronic retailers transfer their selling strategies to Internet to keep up with the enormous competitive markets. In this context, retailers exploit the powerful capacity of Internet on providing a customer relationship infrastructure, by facilitating a two-way communication. The market research can be easily conducted, promotion campaigns can be initiated and consequently, electronic orderings can be successfully tracked (Doherty and Chadwick, 2010).

For retailers, Internet gives rise to a robust mechanism for extending target markets, improving customer relationship, expanding product lines, improving cost efficiency, and addressing the requirements of customers individually (Thurau et al., 2010). On the customers' perspective such facilities have been appreciated and electronic shopping started to be commonly used by customers (Doherty and Chadwick, 2010). Electronic retail sales have grown significantly over the past two decades, and it is expected to continue rising in the near future (Chadwick et al., 2002). There have been profound initiatives for electronic commerce, which emerged in mid-1990s when far-sighted companies grasped the opportunities and challenges posed by the internet, by developing more sophisticated web-pages to serve customers anywhere and anytime (Choi et al., 1997).

## **2.6. Definition of Customer Satisfaction**

The degree of the quality of service that a company embraces can be evaluated by the assessment of its customer satisfaction levels. In other words, customer satisfaction and the quality of a service are closely connected definitions, which have an action-reaction relation. In other words, quality of service is the outcome for customer satisfaction. In addition, there terms are broadly appreciated to be the major decisive factors in maintaining long-term and solid business relationships. Specifically, in the logistics business sector, the relations durations are (or planned to be) usually long-termed, where such terms are vitally important

in keeping good relations between the shippers and providers. Also, one of the most significant elements in service markets is regarded to be the support and development of relationship with the customer. For the relationship to be in Social and Behavioral Sciences terms, a logistics service provider has to address the customer requirements and handle their complaints keenly, in order to keep customer retention. It is also important for logistics companies to emphasize and let the customers be aware that all the efforts conducted by the company targets the customers' precious satisfaction. When this target is understood by the customers, they esteem themselves as valuable which furtherly yield to satisfaction. Also, customer satisfaction becomes the key element of companies' focus on seeking to promote repeated business relationships and increase profitability (Kavaliauskiene et al., 2014). The same time, he think that the current competitive environment urges every company to be customer-oriented. As a consequence of the globalization, every single market are facing competitiveness, and it is obligatory to provide high-quality services that would yield to customer retention and keeping the customers loyal to the company. In this sense, logistics service companies must keep a detailed record of their customers in order to take the best customer-oriented actions. With that valuable information, companies would find more opportunity to make right decisions on the needs of the client, which allows companies to develop new services that provide real value to customers.

## **CHAPTER 3: INTRODUCTION TO E -COMMERCE**

### **3.1. The Definition of E-Commerce**

During the last decade, all around the world, companies have faced important transformations in their business information system infrastructures. Companies have dedicated a quite high volume of investments in implementation of enterprise source planning systems, in order to reach to precious information in advance. As a matter of fact, deployment of such systems is quite crucial in decision making process, which eventually yield to sustainable growth. Transferring the conventional way of commerce and any traditional transactions into the contemporary electronic ones may give rise to ultimate success and enhanced financial profit. In commerce, the prefix of “e” is such a magic wand that, when business turns to e-business, sales to e-sales, payment to e-payment, banking to e-banking, CRM to e-CRM (Customer Research Management), CAD to e-CAD (Computer Aided Design), delivery to e-delivery etc. the doors for success opens widely. Internet, for instance is being utilized widely in the transmission of different data. Users can reach out sort of information in a short time period, when collated with the traditional method that consumes more time. The utilization of internet in all kinds of habits has been contributing such a diversity medium in doing business as well as modifying individuals’ life styles. Whilst, the internet is the natural pre-requisite for the existence of e-commerce, it is described as the skill to make transactions including the trade of goods or services between two or more parties with the help of electronic means. The eruption of e-commerce has given rise to a novel phenomenon in our life style, particularly in the way we shop. Buying goods or services such as magazines and airlines tickets, is quite easy over internet (Khurana, 2014).

E-commerce can be defined as buying and selling goods over the electronic traders. Ali Express, E-bay or Amazon are the first three electronic shopping web sites to be referred, when the electronic retail shopping is mentioned. However, according to Dave Chaffey, as it is declared in his book titled "E-Business and E-Commerce Management", e-commerce should not be understood only as the financial transactions between enterprises and customers by means of online means. It would be also mentioned in this thesis in the same line with this idea and in agreement with notion of electronic networks. According to the description, non-financial dealings, such as an information asked by a customer, should also

be regarded as a parcel of e-commerce as well. Chaffey also states that the definitions of e-commerce which were given by (Whinston et al., 1997) for a variety perspectives and contexts (Chaffey, 2009). According to the World Trade Organization (WTO), it can be qualified as the manufacturing of goods, advertisement, sales and their allocation on the telecommunication network (Taşkıran, 2017). Whinston (1997) defines electronic commerce as purchasing of goods and services by utilizing methods, which are particularly designed for placing and/or addressing orders on computer networks.

### **3.2. The Scope of E-Commerce**

The internet and World Wide Web have severely improved their opportunities for enterprises to establish a communication channel with their clients. Starting from 1991, the number of commercial web sites has grown immensely and keeps inflating each year (Akter, et al., 2015). Such web services offer numerous advantages for the companies that reinforce them; for instance, they enable to advertise in a cost-effective way and give change to commercialize their products within a global market. From the customer's point of view, Internet gives rise to an anywhere-anytime shopping experience electronic and filter out any vendor options easily to achieve the best shopping opportunity. In addition, by its nature, Internet is full-duplex that the communication takes place in two directions, namely from the company to customer and vice-versa. By exploiting this phenomenon, companies can collect valuable data on their customers, their shopping habits and feedbacks for their products or services (Kaye and Medoff, 2001). The frequently ask questions (FAQ) pages can be such an example to provide information electronic. In that sense, information about the customers can be collected and the communication with the customer can be customized by utilization of contemporary IT systems (Akter, 2015). Two examples for information gathering technique can be the "cookie" applications which are embedded within a web site and the electronic registration pages. However, in order to initiate an information gathering process, the customer's approval and willingness is obligatory (Wu and Tang, 2015). Usually, in order to infer meaningful information from the customer data, personal identities, address, credit card number etc. are necessary to build up a customized communication infrastructure. However, electronic customers usually abstain to present them because of online security and privacy reasons. Indeed, a number of studies revealed that the most

important boulder on the way of e-commerce growth is the public concerns and reservation on privacy and online security (Akter, 2015).

One of the top reasons about the concerns and reservations of the customers for the e-commerce technology is the situations where the customer data is spread all-over the Internet. Also, the behaviors of internet users were revealed to public by media reports, without the approval of the users, also fueled the shyness of electronic customers (Freeman, et al., 2010). Lately it is believed that polls of internet operator mirror the immensity of the customer reservation on online privacy. A meta-analysis of chief polls on the subject put forwards that individuals are very concerned about threats to their privacy when using telecommunication means. Some of the most regularly mentioned concerns incorporate unknown parties obtaining individual information and hackers stealing credit card information during business transactions coming about on the web. It can be argued that the public's concerns are well-founded (Flanagin, et al, 2014).

For a final remark, it makes sense that some internet users are unwilling to share their personal information online. As an example, Papadopoulou et al. (2001) conducted a test study to analyze the responses of the online users for information sharing and 95% of them refused to supply personal information when it was asked for by a web site. Different studies revealed that consumers would spend approximately \$6 billion more per year through e-commerce if privacy was not such a concern (Hajli, 2014).

### **3.3. The Tools of E-Commerce**

These tools describe e-commerce a widely perspective however it is mostly perceived that e-commerce just apply with just internet. There is no limitation for time and place on e-commerce, commercial transactions are applied very fast one or more than one person with voices, images and with titles in accordance with lower cost and in short time (Canpolat, 2011).

- Internet
- Computer
- Smartphones

### 3.3.1. Internet

Internet is regarded to be the most widely used communication means, which has effects on socio-cultural and socio-economical habit. Although there are other non-internet network infrastructures, such as the commercial online services, mechanisms for data transfers and conducting the transactions outrange every other network types. However, the internet or network types have two overriding factors in their favor to become a market infrastructure: distributed computing and openness (Whinston, 1997).

There once were two very separate worlds such as online and offline. However with the advent of e-commerce and specifically mobile e-commerce, the segregation between online and offline is has become much more clear. One of the internet's first impacts were to open the way to a much greater proliferation of specialty retailers than ever before retailers with an unparalleled point of view and without a requirement for an immense amount of floor space. The internet has allowed retailers to connect with possible clients and explain their brand in completely new routes, and physical stores have become a part of their communication and sales strategy instead of being their only or fundamental way to reach clients.

While rationale recommends that this disruption in the significance of physical stores lead to less interesting designs, conversely the ability of retailers to communicate and build brands electronic has in fact led to more focused and impactful physical store identities as well. If looked at a successful shopping center compared to twenty years ago, it is very simple to see a much powerful and more varied collection of leaseholder now than ever before, and recipients have the internet and e-commerce to primarily thank for this more ordered collection.

At the same time, omni-channel retailing has a significant role in combining the conventional electronic shopping experience with the traditional offline ones. From the retailers' point of view the prices and associated costs are constant and stable. On the other hand, for the customers, the shopping serves many options ranging from shopping online with home delivery, picking up the bought item from store, shopping at a store and taking merchandise away, or shopping at a store and having it delivered to another place. Moreover, a vast

amount of retailers mimic their store facilities on the web pages (e.g. Burberry in the UK), such as by giving enabling the customers to try clothes artificially or visiting a store as electronic no matter where the store is established. In that sense, retailers do not need to reside and be confined to a particular place. Consequently, such advancements in novel retailing techniques, caused a significant drop in shopping malls' revenues where they are seeking more solid and sustainable solutions to keep up with the competition with electronic commerce. It is a well-known fact that many world-famous brands utilize celebrities of curators to develop novel trends in fashion. Likewise, shopping malls are utilizing the social media means to curate their facilities to connect to consumers and open new shopping channels for them. The most applied method is the integration of popular national or international brands within stores or restaurants with a strong local aesthetic, so that consumers can feel that they have a lot of kind stuff available for them in one place. And it is nevertheless enough to cluster all the luxury brands on one end of the center and the value brands on the other — along with the tried and true, consumers are always in search for novel surprising shopping experiences on both ends of the spectrum concurrently.

On the other hand, traditional shopping started to keep up the race with the electronic shopping trend with initiating more interesting shopping experiences. Pop-up stores, rock star chefs, strong art programs, enhanced programming, better restaurants and food courts, even the increase in mixed-use destinations that include retail, office, hotel and residential uses, all are enhancements to the ceremony of shopping, of people coming together with the purpose of sharing experiences and activities.

As a consequence of the popularity of e-commerce, in order to be able to stay in the race track, shopping malls started to build more convenient and well-coming facilities for their customers. Consecutively, information desks are established, car wash, children play grounds, along with better food courts and entertainment choices are applied within the malls, allowing customers to have the best experience of shopping in the extremely busy lives. In a nutshell, retailers of shopping mall managers are well informed of the competitive nature of the e-commerce that they work hard to address the challenges and opportunities provided by the internet by means of integration of online and real-world shopping

experiences together. And from the customers' point of view, it is a win-win situation (Ellis, 2014).

### **3.3.2. Smartphones**

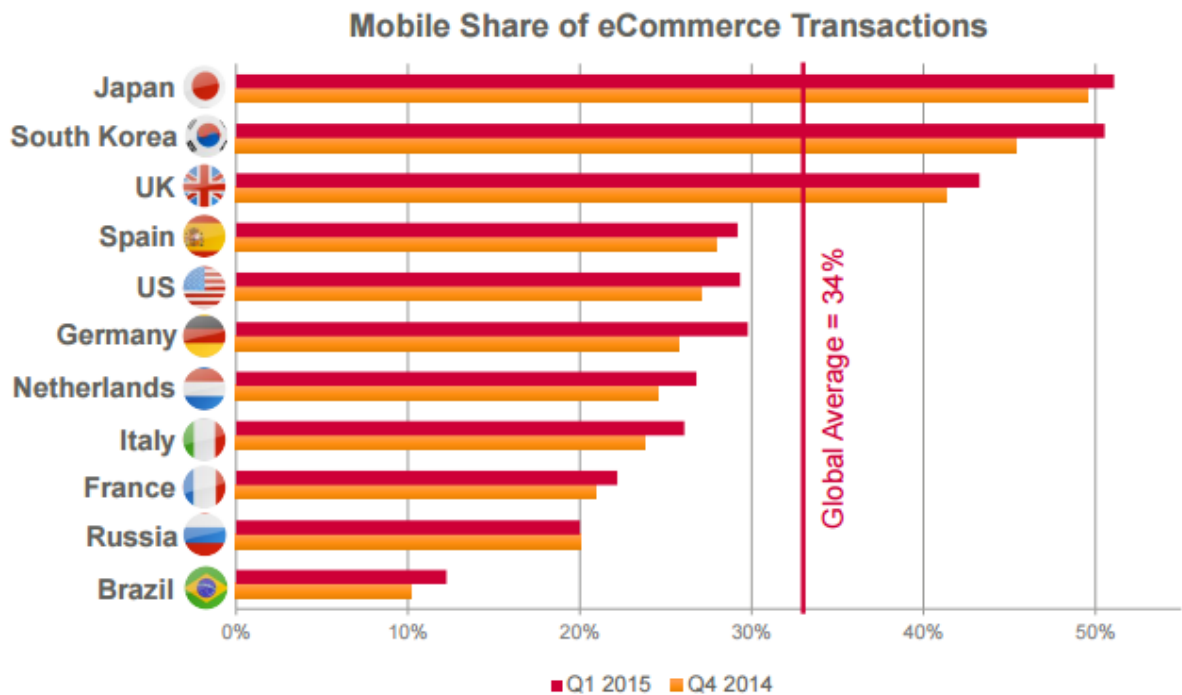
The mobile uprising is modifying source of income, helping to create new businesses, and altering the method that people communicate, work and earn and spend their revenues. The mobile phone network is already “the biggest machine” the world has ever seen, and now that machine is being used to deliver development occasions on a scale never before dreamed. During the first two decades of 2000s, maximizing the potency of mobile phones is a question that pursue governments, the private sector, and the development of residential areas alike. In many developing countries, mobile phones are still mostly used for voice communication and texting. Lately, however, they are escalating being used for data utilization such as e-commerce and m-banking. In most of African countries, especially Kenya, South Africa, Tanzania and Zambia, mobile telephones are being used to do individual banking services. Enterprisers are using calling and texting services to obtain locally related information and services. In the near future, internet-smart phones might assist to deliver the same services but more efficiently. Micro entrepreneurs and small and medium enterprises, many of which are in the casual sector in improving countries, appear to be the most positively affected by the adoption of mobile telephony. Actually, the aforementioned techniques are used to be utilized over PCs, it is now popular to process them using mobile technology (Minges, 2016).

Purchasable tablets, smart-phones and portable computers are transforming the shopping and purchasing habits, whether online or on the go. It's almost increased one in three. The propagation of internet-connected devices gives rise to compose novel techniques, client applications, personalized financial services and payment opportunities. Substantial commercial mercantile occasions emerge in connection with this client's evolving consumer behavior as companies look to improve their grasp on different consuming habit by analysis. Hence, it is enable the companies to turn raw data into meaningful information which results an understanding of consumer attitudes.

All of the markets face huge competition all around the world. In this sense, retailers, card users, technology and financial companies and mobile network operators (MNO) are

presenting novel mobile technologies for their customers to be used for e-commerce transactions. With the technological advancements in micro-electronics, mobile phones, tablets, laptops etc. turned into being affordable and the related software applications changes the way of purchasing (Figure 3.3.1). It is forecasted that tablets and smart-phones are cover 85% of internet connected devices by 2017. With the globalization, all developers (no matter they are big or small-sized) are encourage to take part in the race as the entry for the markets is trivial. Novel innovative developments in computer network architectures (i.e. such as cloud computing) enable the connection of multiple computers and devices concurrently in real time. Advances also include free access to proprietary software programs through the expanding network of open application program interfaces known as open APIs (Application Programming Interface). Because that the software development costs are minimal, the start-up companies have the opportunity to take part to compete in the market.

There is a direct relation between the mobile and electronic commerce and the development level of the countries. However, the technologies and payment methods in developed markets are already non-cash payment sophisticated methods. The example here is Pay-pal, logical money transfer systems. It is interesting to see how newly available technology is actually revolutionizing cash-based payments in developing economies that lack any real legacy networks and systems (8th Annual World Payments Report, 2012).



**Figure 3.3.1.** State of Mobile Commerce

### 3.4. Types of E-Commerce

E-commerce is widely accepted to a commercial transaction, which takes place between a buyer (customer) and a provider (vendor), over Internet. However, view a more technical perspective, e-commerce can be categorized in six different groups which can be listed as follows:

- B2B (Business-to-Business),
- B2C (Business-to-Consumer),
- C2C (Consumer-to-Consumer),
- C2B (Consumer-to-Business),
- B2A (Business-to-Administration),
- C2A (Consumer-to-Administration).

- **Business-to-Business (B2B)**

This type of electronic commerce comprises all electronic processes of products or services managed among companies. It is an e-commerce type, which is widely preferred among manufacturers and traditional commerce wholesalers. For example, Aliexpress.com is headquartered in China. The corporation processes relations between manufacturers wholesalers end consumers. Alibaba is same as a bridge between importers and exporters. Business-to-business (B2B) defines commerce transactions between businesses, such as between a wholesaler and a manufacturer, or between a retailer and a wholesaler. B2B can save or make the company money. B2B is also used in the context of communication and collaboration. When communication is taking place amongst employees, this can be referred to as B2B communication (Kumar and Raheja, 2012)

- **Business-to-Consumer (B2C)**

B2C is exclusive by the enterprise of electronic business correlations between businesses and final clients. It intercommunicates the retail unit of e-commerce, where conventional retail trade generally takes place.

These types of relationships may be easier and more dynamic, however also more intermittent or discontinued. This kind of commerce has advanced thoroughly, owing to the advantages provided by the Internet, and there are already many imaginary stores and shopping centers on the internet that provide many kinds of user products, ranging from everyday needs to electronics and personal care products. While compared to buying retail in conventional trade, the users usually has more information available in terms of illuminating content and there is also a widespread idea that people might be buying cheaper, without putting at risk an equally personalized client service, as well as ensuring quick processing and delivery of customers' orders. The website of Amazon is a great example for this type trade. For instance, Amazon places itself to be a bridge between the buyer and seller, where the products is listed on the registered user web pages. In other words, Amazon hosts and directs the vendors to reach to the final customers. In addition, Amazon itself also is a huge vendor, which provides brand new or second hand products. Additionally, Amazon also sells software to electronic commerce sites. In the near future, unmanned air has announced that it would begin to sell. In general, the aim is to provide the home of people

with what they need. One of their most important initiatives is to buy organic food for their customers and get them in this market.

- **Consumer-to-Consumer (C2C)**

C2C covers all electronic processes of goods or services administered between consumers. Usually, these transactions are ruled through a third party, which ensures the online platform where the transactions are actually carried out. As stated above the transaction keeps on going between consumers and consumers. An example that ebay.com. People may use this web-site easily during selling or buying used stuff; car, house, bicycle or whatever the community may desire.

- **Consumer-to-Business (C2B)**

Business enterprises usually look for products of intermediate product in order to produce their own product or service. Hence, they are continually in look for the individuals who produce and sell them electronic. In C2B, consumers present their products or service, usually in an online auction fashion, for business enterprises and a trade transaction takes place from the consumer to the business companies.

For example, when a company needs for a logo for a product to be newly going to the market, the company calls for the design through web sites such as the freelancer.com. In addition, in Turkey armut.com is another example where consumers present themselves to conduct business enterprises.

- **Business-to-Administration (B2A)**

The proliferation of telecommunication technologies has given way to conduct any official transactions online. In addition the e-government concept fostered such process to be done faster and more accurately. As the business enterprises continually need for official services such as fiscal, insurance, social security, justice, etc., governments initiated services to companies to transact:

- Payment for the duty.
- Deliver the financial reports.
- Sell their goods or services to governmental corporations.

- **Consumer-to-Administration (C2A)**

Many of the official transactions take place electronic. In other words, for individuals, public administration offices provide formal documentation and information through Internet. The examples of such are as follows:

- Education – Disseminating information, distance learning, etc.
- Social Security – Making payments and providing information on retirement debts, etc.
- Taxes – Enabling tax payments and filing out tax return document online, etc.
- Health – Arranging appointments for a chosen health institution, providing the lab results, getting feedback from patients.

The aforementioned examples provide governmental and official information and services utilizing novel communication technologies (Fernandes, 2011).

### **3.5. The Benefits of E-Commerce**

There are numerous advantages of e-commerce when compared to the conventional merchandise. For example, the transactions can be conducted faster and the number of alternatives are broader. In addition, electronic marketing is huge field of competition, where no monopoly can survive. Hence, it is always possible to reach to products and services which are more affordable. However, when a purchasing takes place, there is an inevitable amount of waiting time for the delivery of the purchased items. In addition, keeping the customer records safely and privately is another concern where there is always a risk for security. Hence, electronic retailers generally deploy encrypted communication technologies and implement related electronic security technologies.

Some of the advantages of e-commerce can be listed as follows:

- Extends the market in a global fashion.
- Reduces the cost of transactions, shipment, warehousing and keeping records on soft, digital and technological products.

- Permits decreased inventories and stock volatility by simplifying the supply chain management to a “pull” type rather than a “push” type.
- Reduces the time between the expenditure of capital and the voucher of products and services, backs up the business processes reengineering (BPR) endeavors.
- As the cost for Internet connection is much lower than the privately leased lines, e-commerce over Internet enables the communication means to be more affordable (Daniel and Wilson, 2002). For example, companies which deploy VPN (Virtual Private Networks) can also get the chance to transfer their telephone communication infrastructure through Internet.

- **Advantages of e-commerce**

E-commerce enables the business to take part in the global market resulting in an expansion of financial investments. The most prominent effect of globalization is that the borders are vague and there are no strict limitations for international trading. Hence, e-commerce permits to trade in a world-wide fashion, where companies have a chance to select among various alternatives all around the world. The costs can be compared and crosschecked easily and reach to potential dealers very quickly. Consecutively, the when the costs are reduced, the chance to be successful increase.

The key element for companies to be successful is closely related with the level of relationships they established with their consumers. When customer relationship management strategies are conveyed, customers would be more loyal to the company which ultimately increases the financial profit of the company. In addition, the feedbacks of the consumers can be collected anytime and actions can be taken accordingly.

- **Disadvantages of e-commerce**

Although there are numerous advantages associated with e-commerce, there are also some disadvantages which must be taken into account. The primary disadvantages can be stated as follows:

- As the e-commerce concept fundamentally bases on communication technologies, it is highly dependent on the efficiency of its infrastructure.
- Laws and regulations are still fuzzy.
- Customers cannot actually see or sense the product until the transaction is complete and the product is delivered to the customer. In this sense, there is need to establish a solid trust relation between the customer and the electronic -seller.
- There is always a risk for the customers that personal data (ID, address, credit card information, etc.) to be lost or worst, disseminated, which is the most eminent consequence of customers avoidance on e-commerce (Fernandes, 2011).

## **CHAPTER 4: INTRODUCTION TO THIRD PARTY LOGISTICS PROVIDERS**

### **4.1. Definition of 3PL**

3PL covers all of the services considering efficient planning, warehousing and over sighting of all kind of product, service and information exchange from the very beginning to the end of the supply chain.

The term “third-party logistics” was improved lately in 1980s (Sheffi, 1990) as an extending of contracted intercourses between firms and external logistics suppliers. The relation between a contractual and third-party relationship is not so bright. It’s thus important to suggest a definition of 3PL as a relation between a consignor and 3PL which, compared with basic services, has more modified offerings, contains an extensive number of service missions, and is described by a longer-term, more reciprocally advantageous relations.

Normally, a core corporation obtaining services or products is well-considered the first party; the customer (or client) the second party. A 3PL, then, is a firm hired to do that which neither the first or second party desires to do. A 3PL firm is a firm that ensures outsourced or “third party” logistics services to establishments for some portion or all of their supply chain management duties. 3PL generally specializes in combined warehousing and transportation services that are able to be scaled and customized for customer needs based on market situations and the demand and delivery service requirements for their products and components (Andersen and Larsen, 2009).

Essentially, the meaning of 3PL is that outsourcing logistics activities contains shipping and storing something needed to outside companies, which are not a shipper or a customer. However, it is not ordinary for 3PL to be outsource a only activity of logistics and as a result of outsource various activities from the company’s significant point of view can be outsourced.

3PL and 4PL industries are thriving, approximately between 65 % and 80 % of U.S. manufacturing firms contracting with or considering use of a logistics service supplier in the recent years (Langley, 2006). Consequently, executives are progressively feeling pressured

to make the right sourcing decision, the reason is that business outcomes might be important. Outsourcing practices may also guide for an unintentional loss of operational grade information. Contemplating the case of Toyota Motor Corp, who once outsourced the design and manufacture of electrical systems for its automobiles and surrendered its own capability to understand the processes necessary for this exceptionally specialized work. Therefore, Toyota is no longer able to pressure its own technological advantage as far as concerns with these systems during product development (McGovern and Quelch, 2005).

#### **4.2. Choice of 3PL by Retailer or Electronic Retailer**

The choice of 3PL by electronic or classic retailers is critical in dealings with 3PL and sustaining operations with term show changes. Some of electronic retailers or classical retailers choose the 3PL in accordance with their speed, quality operation or trust. More features can be presented as below;

It is a widely appreciated notion that the effectiveness of the supply chain administration is closely related with the business success. Furthermore, in order to achieve an effective supply chain, eight directions have been defined that are briefly explained as follows:

- **Invest in People**

Make sure that supply chain managers have enough experience and collection of information. The most logical talent set can't be learned on the run; it's crucial significant to invest in and strengthen the raise company's supply chain system. It may ensure firms with a competitive benefit, and have a vital role in their long-term performance.

- **Follow the shipping costs**

Shipping of the goods may be more costly than being transported. Therefore, it's always significant to move goods from Point X to Point Y as rapidly and cost-effectively as possible. A large scheme of shipping services and carriers is available. Make sure that electronic retailers are studying all the alternative.

- **Commit to delivery dates**

One of the most important issues is the commitment to the delivery date dues. When a delivery does not take place, which is promised to the customer, the trust relation breaks apart and the company can easily lose its customer. The competitive market urged companies, such as Wal-Mart and Amazon, to establish a same-day delivery option. Hence, long day delivery windows are valid anymore.

- **Prepare for disruptions of global operations**

It is vital to be well-prepared for the crisis and recession scenarios. The companies have to prepare themselves with what-if questions. For example, when the volcano in Icelad hit Europe, all the air traffic halted but the prepared companies were still able to ship products to the coast via rail or truck. However, they had to wait in line because the sea transportation companies were not prepared for such a situation.

- **Create contingency plans for domestic operations**

Companies must always have alternative or back-up plans. For example, a retailer should have operations in other parts of the country in case its primary location cannot serve because of a catastrophic event. In addition, when a shipment is outsourced to a 3PL company, there should always be contingency plan written into the contract agreement.

- **Evaluate all available resources**

There may be situations where a company has to decide to whether it is more costly to outsource the shipments to a 3PL or do it internally. This can sometimes be as important as outsourcing investments, tax processes, and bookkeeping services. For example, for the companies where shipping is not the core to their business should outsource it to a 3PL.

- **Identify weaknesses**

The electronic retailers may not have the enough experience and expertise for the shipment of products. Also there may be situations where a professional contract negotiator is in need. Hence by identifying the weaknesses for shipment, which incur risks to the company, hiring an expert contract negotiators can be an alternative. Most take a risk-free financial approach, in which they do an analysis and create a report card. There's no cost to the retailer until the savings are delivered.

- **Monitor contracts.**

The market for the logistics is highly dynamic in nature, where there are spontaneous changes in policies and fluctuations in the costs. Hence, the companies must be check the service provider contracts regularly (Haber, 2013).

#### **4.3. Performance Effects of 3PL**

It is simple to say that 2015 was a very busy year for e-commerce. The total revenues from e-commerce was 1.6 billion USD in 2015, totally. In accordance with Quarterly E-Commerce Report, e-commerce sales keep on going their constant climb making up 7.5% of retail sales by the end of 2015. Crosschecking these figures with the end of 2003 while electronic sales made up only 1.8% of all retail sales and it's simple to understand that electronic retailers may maintain to expect a rising in the future.

What can electronic retailers do to maintain they can meet expanding demand? The response lies in logistics. Whether corporations arranged their shipping for a small electronic store or a grand e-commerce supply chain, logistics management is of great importance to simplify the firm's operations. To ease the establishment's shipping process they may either use their own in-house transportation management team or outsource to a 3PL. The advantages of either option is depend on the size of the supply chain and the company's particular needs.

- **Cost Reduction**

Forwarding capacity is a key driver of freight transportation rates. Lots of small and mid-size electronic retailers are at a deficit as for to discussing rates. 3PLs have the buying strength of their entire customers' freight capacity.

- **The sleeker operations and technology**

A 3PL might supply advice on packaging, including crating services. They also ensure e-commerce retailers access to top of the line technology that provides benefits like order optimization and delivery performance reporting.

- **Routing optimization and flexibility:**

Each order shipped – from a single less than container loading to a lorry – would be optimized and satisfied with advance of volume. A 3PL has the perspective to realize the occasions to combine orders. The flow of logistics data into other company systems is important as well. Tracing up and managing cost of goods sold and other significant metrics are made easier when logistics data may be combined with other corporation's systems.

- **Complication of international transportation:**

As most electronic retailers do not make what they sell, most of them have built a supply chain that requires importing products beyond the seas to save on costs. International transportation is much complicated and encompasses a lot of complex necessities and other assets that contain customs brokers, different modes of shipping, and lots of statutes and regulations.

- **Omni-channel and inventory management:**

Retailers are searching for the requirement to potentially share stock across channels (like between electronic and brick & mortar stores) to be certain that the product is at all times available to clients – to the detriment of how they are trying to purchase it. A 3PL might provide inventory tracing tools to make sure that establishments have the visibility – and ability – to get the stock firms need when they need it (Hutchins, 2015).

#### **4.4. The Aims of 3PL**

The 3PL occurs when supplier and buyer have transactions with each other. Once they want to combine their services and products, there must be a strength that integrates these two powers. 3PL needs to find the easiest way to arrange operations of supplier and purchaser. This depends upon certain issues and there can be occurred some competition may occur in accordance with relevant features.

The customers generally seek for swift responses from the companies, which urges the companies to develop novel customer relationship management strategies. Such strategies would enable to establish a trust relationship between the company and the customer by which the company would have the chance to diversify its service. These capital goods are specifically important, and firms are asking for additional routes to pressure the capital they

are spending to rise income streams. In some cases, firms are suggesting these services to new clients or contenders and might create a resolution that may be spun off or provided as a service to others in a parallel or even the same industry. As purchasers keep on demanding more from retailers and ultimately from 3PLs, it's mostly like that investments on both ends of the supply chain is either shared across firms or improved into alternative service suggesting for a more spacious buyer base to improve the return on investment (Langley and Capgemini, 2015).

The 3PL concept, is most often developed by users, clients, researchers or consultants on the fundamentals of the business needs and the services suggested by a third party. While there is no complete agreement, some characteristics, are common to all:

As it is stated earlier, 3PL is a kind of outsourcing some of the management, controlling, and delivering of the goods by utilizing an external supplier. With employment of a 3PL both the supplier and customers have short and long term benefits. Services proposals range from easy to combined, for both normalized and modified services.

The rise use of 3PL has drawn major attraction, which encourages researchers to looking for a deeper understanding of 3PL-related matters and to see the impact of different internal and external factors on 3PL decisions. The following section discusses related research findings on key external and internal elements. As decision making is predominantly a human trait, a concise discussion is presented on the significance of understanding the effect of behavioral elements in decision-making process.

The effects of economic, technological and regulative factors differs across markets, depending on economic positions and the business acumen of 3PL users or future users. Every market behaves differently, and the use of 3PL changes in reaction. To develop decision making in a specific context it is important to extend market quick wit. New 3PL users might come across hardships obtaining modified acknowledgment such as firm-specific statistics, usage patterns, and propensities in a specific country's 3PL market. Finally, a respectable part of 3PL literature concerns studies of 3PL practices from the perspective of a specific country (Akter, 2015), investigating the impellent forces of 3PL use, differences and similarities of 3PL trends, practices, and decision-making processes in different countries and regions.

## CHAPTER 5: ELECTRONIC RETAILER

### 5.1. Development of Electronic Retailing

After the adoption of the internet, a lot of changes have been seen in the trade arena and some sector names were modified or created from scratch. Before the internet, retailers just called on standard retailer's type. Once the internet was used, retailing sector was altered and grew more. Then, it was easy to see electronic shopping centers and electronic clients which are increasing day by day.

Social shopping users have their own ideas as per their suggestions and this also makes the electronic retailer sector stronger. Some relevant information is outlined below and tries to explain how electronic retailers form and grow.

- There are several online viral networks and people are very interested in using them because of cheap prices, easy to reach, etc.
- Electronic retailing is progressively profitable.
- Buying as electronic becomes normal, main flow experience (Giving example of that the ratio of the people which prefer the electronic shopping is about 80% in the USA).
- Choosing of materials online increases, with the inclusion of modified products.
- There is an increase in the average annual buying.
- Expert retail sites show most rapid growth as modified retail goods are improved.
- Increasing emphasis on developed shopping experience, e.g., easy tracking, updated stock, updated information.
- The utilization of interactive multimedia marketing services such as blogs, user-generated content, etc. is increased.
- Retail intermediaries stronger in many areas, e.g., groceries, automobiles, and furniture dealers.
- Retailers progressively effective at integrating multiple channels, from “bricks & clicks” to “click and drive” and in-stores.

- Personalized materials, particularly in garment, become financially successful.
- Electronic shopping becomes more multi-seasonal.

- **The Retail Sector**

The prominent challenge of electronic retailing stems from the need of combining electronic and offline operations. Retail industry may be divided into parts, each of these parts suggest occasions for electronic retail.

The most widely appreciated opportunities that the retail sale enjoys are as follows:

- Those parts that sell small ticket items (specialty stores, general merchandisers, mail-order catalogs, groceries).
- Mail order/telephone order (MOTO) sector is parallel to electronic retail sector.

- **The Electronic Retailing**

- Greatly decreased search costs on the internet might encourage clients to abandon conventional.
- Marketplaces in order to find lower prices for goods.
- Market entry prices may be much lower than those for physical storefronts, and electronic merchants might be more effective than offline competitors.
- Conventional offline physical store merchants would be forced out of business.
- Some industries would become disintermediated as producers build direct relationships with clients.
- This is because customers are concerned with brand name, reliability, and delivery time as significantly as price (Laudon, 2016).

## 5.2. History of Retailer

The history of retailing is as old as human history. As the human-being started to socialize and civilize, the need for various goods increased, which yielded to the need for exchanging goods. The first markets come into play owing to this need and by the time passed, such exchanges turned into being conducted in a more formal way. There were situations where a producer could not find any one to exchange his/her goods, which gave rise to the notion of debts. Hence, the primitive form of credits are invented which is followed by the utilization of money in exchanges.

As predicted the most, by Marvel and Brevoort (2004) from 9000 BC to 6000 BC, barter systems; animals such as camels, sheep and cows are the oldest forms of retailing. Animals were exchanged with each other in accordance with their value. Retailing systems were first observed during these times. During 3000 BC, communities evolved to more detailed systems. As an example, when a man would like to barter an animal, they could consider the weight or height details. The first example is in Mesopotamia and it is called Iraq. By 800 BC, people created markets to change their goods easily. Near 200 BC, first abacus was invented in China and people calculated their goods or animals in accordance with abacus numbers and retailing had become easier than the past. Later, cash register machine was invented by James Ritty in 1883. The machine provided respectable advance for retailing sector because people compared the goods value as per money more easily and they estimated the price for every good and any other used object. Between 1890– 1920, there occurred little shopping stores in the USA. Macy's was the biggest shopping center in the USA and it is still a very well-known shopping center. Then, some form of credit and bank cards were invented, making shopping easier. People had a lot of surplus goods and they used the goods to trade and supermarkets had been started to be established. In 1974, Barcodes were invented and enabling to track goods status easily and advancing the shopping experience. Technology was changing day by day as television, internet were invented and advertisements spread out in the world quickly. Amazon, Apple were established and these establishments started to use e-commerce and sell their goods everywhere in the world with a little effort.

### 5.3. The Retailer's Relations with 3PL

One of the biggest challenge in coordinating two companies is to establish a robust trust relationship. Such relationship can only be established via utilizing a solid communication infrastructure between the two parties. Hence, there has been a vast number of studies in the literature which deal with the effect of communication in inter-company relations (Çetinkaya, 2000).

Supply chain management (SCM) alliances may provide efficiency that conduces to competitive advantages. The literature, on the other hand, provides a multitude of obstacles to and issues with respect to implementation. These include operational, organizational and trust subjects.

How and why SCM is being applied in manufacturing is well documented. To meet customers' needs, shippers have expanded product lines supply over a longer portion of the year and coordinate closely with their customers. But most shippers are medium and small sized. Similarly, while a few large firms dominate in retail and foodservice, there are many medium and small wholesalers and distributors, particularly in the specialty group which includes product handlers. Access by these companies to the efficiencies of SCM may be important to their long-term viability.

Services provided by 3PL services providers are an alternative source. Such services can be obtained from SCM to conduct data analysis and collect management reports that are based on profits and costs. Some firms asserted that services and management assistance can be very inexpensive when purchased along with produced items and services such as transportation. A small retailer might use a 3PL firm to procure and transport its products. A wholesaler might use a 3PL firm as a transportation provider and the 3PL might be able to use customer sales data to optimize inventories for individual customers and reduce transportation costs by better utilization of its hauling capacity.

Information from interviews with some of companies supported the points made in the literature review. The barriers identified were reinforced. Many companies choose not to share information, so those transactions is remain cost-based. Hinson (2005) declared that few companies had successfully implemented most of the applications they purchased and that some of companies stated that a majority of the customers buy a few number of services;

however, larger companies are more enthusiastic to utilize full advantages of SCM. Measurement of supply-chain efficiencies and common measures across partners were other areas where subject companies had found information exchange barriers (Bakos et al., 2005).

#### **5.4. Retailers' Relations with Customers**

Throughout the last two decades, there has been a paradigm shift in the utilization of communication means, between the retailers to customers and customers to other customers. Such communication takes place over mobile networks (i.e. the mobile telephone system and Internet). Retailers are now collecting data from their customers via smart software applications, and customers spread out their opinions on a product by utilization of social media or more commonly pinning in a cyber-forum.

Customers can now act as retailers. New improved technology enables the customers to be a promising retailer easily. The electronic thrift shops (i.e. Craigslist), which enables to exchange second-hand goods mimic to be a flea market or garage sales, which once have a prolonged observance, their economic effect has been rather marginal due to the requirement to meet in person. Internet is widely utilize to exchange or trade second-hand, vintage, antique etc. goods or specific services over Craigslist, eBay or Amazon. Also there are web sites which only presents buying and selling of only the hand-made product (such as Etsy Marketplace and to offer handmade products through platforms like ebay.com to other internet users all over the world. Thus, the involvement of the consumers are rapidly being retailers with the help of Internet (Chu and Liao, 2007).

As stated about the electronic second-hand market is growing very fast, where people find to opportunity to get more reasonable and affordable products. There is an understanding that this market is becoming a thread for the electronic -shopping business. However, it can also be argued that the electronic second-hand market can boost the electronic -shopping business in a sense that the second-hand product usually increases the values of brand-new and long-enduring quality ones. Thus, when an increase in the prices of second-hand market is observed, in a B2B context, it lowers the prices in the brand-new market, which is an advantageous fact for the suppliers (Thrau, 2000). However, this finding arises many questions to be answered such as which of the second-hand products has a relation with the new ones, and how to react to this situation etc. (Freeman, 1984). In another study, Stephen

and Toubia (2008), stated that social media networks has an uttermost effect on electronic marketing issues.



## **CHAPTER 6: E – CUSTOMER**

### **6.1. How Customers Reach Retailers Electronic**

The world is getting smaller day by day in line with advances in ICT. People benefit from smart phones, laptops, and tablets to communicate with each other. On the other hand, they do some specific operations as arrange payments for their electricity, fuel or water bills. In the last decades, people do also electronic shopping from electronic traders' web-sites. Customers would like to get more information and modified experiences throughout all the shopping stages. The aforementioned conveniences of the telecommunication technologies enabled the companies to access to customers easily and vice versa. Hence, by utilizing an Internet enable device, it now possible to reach to anybody, anywhere and anytime. Retailers exploited this phenomenon positively to serve several conveniences to their customers.

The prices rise and inventory capacity management becomes more sensitive. Hence, retailers have to take the necessary actions for keeping their customers loyal. In another sense, the traditional retailers have to transform their marketing strategies from just being a “pass through” to more efficient way of selling. However, it is just very challenging that customers go as online and find much thing which's needed and they desire with reasonable prices. On the other hand, in a store buyers cannot always find the goods that fit their body or budget. Thus, the traditional retailers are trying to establish a robust communication channel with their customers and present special discounts, coupons, campaigns etc. It's believed in trends are effected the industry's future as prominent (Khezr and MacKenzie, 2016).

### **6.2. The Reasons Why Customers Should Use E-Commerce Instead of Classic Shopping**

Using e-commerce is getting more common day by day. It's very simple to purchase products or anything that is needed. There may be seen a lot of advantages of electronic shopping to decrease many kinds of costs. For instance, once having electronic shopping on the internet at home, people don't need to go a physical shopping place with their car, so there is no need to park car, no waste of time, decide easily, etc.

Once there is a physical store, it's limited by the geographical area where the retailers provide the service. Because, they cannot easily bring their goods everywhere for customers who

demand them. It's not impossible, it may be done, but the retailer is required to put up with huge transportation, warehousing and processing costs.

It's easy for clients to track a web page result from a search engine's results, and log onto an electronic shopping website that they haven't visited before. People may obtain any kind of information from the internet and they interrelate any purchasing from internet without having to go to a mall, parking their car, no need to carry the goods which are bought. It is possible to state that that one of the most materialistic positives of e-commerce is the cost savings.

Likewise, Miller (2012) declared that there are many advantages and disadvantages that various people say they would like to have electronic shopping over traditional shopping nowadays. It's very significant to accept the psychology behind it.

There are some consumers' causes for buying electronic as explained below:

- **Convenience:** Once people would like to shop, time is not important for them. Everybody can shop easily and time is not important if they have access to the internet. In the event that people are very busy to go to a shopping center, they could go online and shop without any problems. Electronic shopping enables to buy anytime and anywhere which also rewards people without crowded shopping.
- **Better Prices:** People could get their needs as electronic because products come to people directly from the electronic traders and so many electronic traders offer coupons or discounts to the customers. Therefore they can obtain products at a lower price compared to traditional shopping.
- **Variety:** Electronic shopping provides consumers with quite a variety of goods which people would like to obtain. Electronic shoppers could be informed about the latest fashion trends free of charge by just having internet access or with smart phones which have internet.
- **Comparison of Prices:** People get the opinions of others through forums or social media, which are shared for a specific product. So, it looks logical to choose an electronic retailer which other people would like to do electronic shopping from.

- **Crowds:** Crowded shopping centers are good for retailers but they are sometimes bad for shoppers. They might avoid to be in crowded places to shop. Crowd creates problems for customers. So, people may prefer to shop as electronic. Also, a lot of retailers provide electronic shopping service, so it's logical to not go to crowded shopping centers to shop (Miller, 2017).

### **6.3. Relations between Customer Satisfaction and E-Commerce**

Customer satisfaction is so effective to have positive relations with the end user. A lot of varieties depend on customer satisfaction during shopping or provide service related with anything is required. Normal retailers try to focus on customer satisfaction for their selling, getting permanent clients, etc. And so electronic retailers care for customer satisfaction as much as they can. They arrange their delivery services with fast, low prices and offer various deals to their customers.

Customer satisfaction applies to the level to which users are welcomed with the products or services suggested by a firm. Increasing the level of customer satisfaction is extraordinarily significant to a business as the pleased customer is most expected to be loyal and to make repetitive buying. Likewise, Mediterranean Journal of Social Sciences line up with below conditions to reach the customer satisfaction accordingly e-commerce.

The Web site performance should meet the criteria of web site design, reliability, privacy and security. These four elements provide customer satisfaction on e-commerce websites. In addition to this, sufficient experience must be gained through the web site. Web site design is like a showcase that shows much kind of thing about a company which means their products, policies, also people can understand if their security is adequate or not. To suggest the best appropriate goods, the Web site recognizes and notes their customers and evaluates the needs of the customers which are specific to that customer. When it comes for the true activities of e-commerce successfully, the Web site has to possess adequate infrastructure. It means that web sites should be equipped with enough systems for their speed, security and even give emotions as charm, happiness (Afsar et al., 2013).

#### **6.4. How to Achieve Customer Satisfaction**

Customer satisfaction may become the most important stage to sell goods and retain the customer permanently. Firms prefer to satisfy the customers/consumers as much as they can. The reason for this is gaining competitive advantages for their companies over their competitors. In the e-commerce sector, firms need to have web-site systems with high security level, delivery quality, guarantee, etc.

Customer satisfaction is the affirmative emotional political stage that has been developed in the feelings of a client, following a purchase. The customer retention is so important that when fulfilled, it increases the loyalty to the brand and boosts the financial profit of the company. The retention occurs when a customer is satisfied after a purchasing, by which he/she feels it was worth the effort spent. This is a key factor for the companies that, by addressing the needs of their clients or users, they would increase their loyalty, also attract and keep the customers affectively (Fornell et al., 2006).

Customer satisfaction is a good signature of how pleased clients are. Improving customer satisfaction helps the firm increase profits, decrease costs, lengthen customer life span and ensure networks. Firms provide customer satisfaction as security, pricing, deliver the goods on time, etc. Companies should try to do these in order to keep in touch with the final user more strictly and permanently.

The satisfaction of a customer stems from the retention after a purchase. The level of such contentment is highly related with the level of addressing the expectations of the customers. It has to be to point out that satisfaction might be the pleasure that is reproduced which provides benefits to the e-commerce sector (Agbor, 2011).

## **PART 3: METHODOLOGY**

### **CHAPTER 7: METHODOLOGY**

#### **7.1. Research Methodology**

- **Face to Face Interview**

There are a variety of research methods to conduct research. In this thesis a hybrid research approach has been employed by using multiple research methods, thus both qualitative and quantitative methods were used. Numerical and verbal information has been tried to be obtained from the service providers and the people who are in the sector. In this thesis, face to face survey is used mostly. In this method, the interviewer needs to see respondents where they reside to conduct a personal meeting. As per the respondent's opinion, the process might not be easy. The reason is that the interviewer must be present before the appointment time, glance at the survey for interview, criticize the questions or matters that emerge, and keep a record for the answers. This ease of answer actually puts it to be suitable for the individuals who have difficulty in responding by mail or phone surveys because of their disabilities to read or write.

The amount of information which can be collected from a face-to-face-interview is quite more than the other interviewing methods. Therefore, this method is much more appreciated among researcher. In addition, during a face-to-face interview, the interviewer has the chance to ask open ended questions, can detail a subject by asking longer questions, etc.

- **Field Research**

The field research is a type of scientific research method, which has to be conducted and handled very carefully. Contrary to the general understanding, it is not just a form of listening of observing, but it is an empirical work even for the social science subjects. In addition, the field researcher must be neutral for the subject and obey some pre-defined rules, two of which are the reliability and the validity. Also when doing research in the fields, a meticulous attention has to be paid as it is done through public opinion research centers.

- **Open Ended Questions Method**

Open-ended questions are questions that let someone to give a free style response. In other words, the answers to this type of questions usually necessitate to be answered without choosing from a list, which represent an explanation. During an interview, the answers of the open ended questions must be fully recorded specifically during a self-administered survey (Freeman et al., 2010).

## **7.2. Relations between Electronic Retailer and 3PL (Field Research, Survey)**

In this section, the relationship between the companies that sell via internet and the logistics companies is examined. It was sought to explore the implications of this relationship between the two, the impact on final buyers, and how to improve customer satisfaction. It aimed to explain why and how it was studied and how the methods used in the research were studied extensively at the same time. The research on 3PLs is described in detail in the previous section. This section is focus on companies selling goods as electronic.

The thesis, as in the main title; examines the effect of 3PL companies on e-commerce and customer satisfaction. Under this heading, the bridge between companies selling on the internet and the logistics companies delivering these products to the final buyers has been examined. Three main components appear in the e-commerce sector. These are; 1st: the ones that sell the products, 2nd: the ones that follow-up the logistics process and the last: customers. As a result, the party that best recognizes customers is the selling party. Because they prepare the product and submit it to the buyer's approval. The party that delivers the product contributes to the satisfaction of the customers and by doing that they do support the companies that carry out sales operations via internet. This is the most important step in advancing the companies that sell on the internet and getting their opinions, solving and increasing customer satisfaction. Of course the 3PL companies do have responsibilities in the provision of the satisfaction of the customers; however the first task regarding this belongs to the party that sells the product via internet.

In this section, semi-structured method was intended to be answered. The open-ended question type is simply a classical, written question type that cannot be answered as yes or no. In the open ended question it was targeted to reach the emotions, thoughts, and analysis,

synthesis and evaluation skills of the respondent. Open-ended questions provide answers to the source of the question without bringing a limit, so very different opinions, ideas may be obtained (Balci, 2015).

There are bridges between the companies selling their products on the internet and the customers of the 3PL companies due to mutual interest. While electronic trading companies try to choose logistics companies which are the cheapest, fastest and best quality service in their own terms, 3PL companies want to prepare their qualifications in this direction, try to develop software with electronic trading companies and search how to give the cheapest and best quality service.

Four multiple-choice survey and 4 open-ended questions were asked to the electronic trading companies regarding this subject. The main purpose of asking questions is; what they thought about the 3PL companies, the problems they had with them, the criteria for eliminating 3PL companies, and finally the thoughts on the customers and their satisfaction. In the first phase of the thesis, the questions were planned as only multiple-choice questionnaires in November of the year of 2016, and they were experimented on a respectable company in the market for trial purposes. The Firm said that these questions are relevant to the subject but may be considered inadequate. It was also discussed later on whether to add open-ended questions to these questions or not and it was decided to add them. Open-ended questions are generally tiring on the side of the question, but it is predicted that there is only four questions and that the number of firms to be asked for these questions is limited. For the total of 8 questions determined for this part, companies that made online transactions via telephone and mail were reached one by one, as it was in the previous section, but the process continued insistently, but very positive results were not obtained. In total, the opinions of six companies were received, but only four of the firms that were trying to establish contacts at first were reached and one was returned with short but insufficient answers. Later on in January-February of 2017, messages were sent to the relevant managers of electronic trading companies via LinkedIn and positive feedback was received on these messages in general. Although contact was made with 11 companies via mail and telephone, positive return was received only from six and recorded the data. Of the 11 firms, 3 chose not to answer the questions because of the confidentiality of the information, and the other

two companies claimed that they had no answer to give for those questions. As a result, the opinions of six reputable companies in the e-commerce sector were obtained. Two of these companies are the first and second largest companies in their sector.

Field research, face-to-face questioning method, and survey type inquiry and information acquisition via e-mail are explained in this section. These questions are contribute to the research in terms of the authenticity of the results. The answers to the questions are taken directly from people who come from the kitchen, who are in this business. The good intentions and sincerity of the managers who gave information especially in face-to-face interviews have been observed. Managers who were interested in mail or face-to-face interview have contributed to the healthier progress of the re-observation of the question. In this section, the opinions of companies that sell on the internet in particular are included, and 3PLs can acquire a contribution from this information. In the inquiries, the opinions of the companies selling on the internet and the logistics companies were also mentioned. The missing parts of the 3PLs have been tried to be brought to the surface. At the same time, electronic sellers in the same market can see how the market and customer satisfaction can be diversified in different ways. Only three open-ended questions were asked at the beginning of the thesis. Firstly, after the online interview, it was decided to add questionnaires and one more open-ended questions. Communication via the interview was an important factor in enriching the questions and getting the desired result. The face-to-face interview method has become an important factor in thinking that the number of companies that sell as electronic is not too large and that the opinions of some of them is sufficient by choosing from companies that sell as electronic at every level. Since some of the companies could not give place / time for face-to-face interviews, answers and comments were received by e-mail.

### **7.3. Relations between E-Commerce and 3PL (Field Research, Survey)**

In this section, the aim is to investigate the relationship between logistics companies and the e-commerce sector via internet. Another target is to investigate the effect of logistics companies on e-commerce, the interaction between the two sectors and the satisfaction of the customers regarding this relationship. Below is an overview of such a title; why and how it was opened, as well as in-depth information on the methods used in the name of the title.

The main purpose of preparing such a section in this thesis is unveiling the approach of companies that provide 3PL services to e-commerce, the problems that they feel when they look from their perspectives, how this industry can be developed in terms of themselves and in general, the connection of customer satisfaction to the sector and the operational problems that they generally experience. One of the major aims of this thesis, is to explain how the 3PLs looked at the sector and the steps to progress with 5 questions. The questions were prepared under the principle of total neutrality and originality. At first, only three questions could be prepared, face-to face meetings have taken place in the branches of the companies for trial purposes, but it was understood that this was insufficient, hence the number has been increased to give and several amendments have been made on the first 3 questions.

Open-ended questions were addressed to the responding parties in this section. Survey-type questions have not been arranged in order to avoid receiving same or similar answers because the questions have been directed to the same segment. Based on the configuration of the information in which there are multiple answers; to create questions in the direction of given information, to ask questions such as missing information in the given question, possibly adding personal interpretation of the one solving the question.

Since 3PL companies are now a part of e-commerce, this sector was examined especially within the concept of e-commerce and customer satisfaction. Because these companies act as a bridge between logistics companies, customers and companies that carry out sales transactions via internet, and they ensure the storage of the goods and material transfer of the sold or returned products between two parties. When doing this, they are able to take positive and negative views on both sides, because they act on the basis of their profitability within the framework of their interests. They can best see how to be more productive to the sales person on the internet or they can see at the firsthand how they can make happier the customer to who the sold product is transferred. In these two contexts they can diversify their services or bring them to a better position. It is applied to the views of the logistics companies because they showed the bridging feature between the companies that sell on the internet and the customers who purchase their final products.

In this section, the relationship between e-commerce and 3PL firms are examined. In order to better understand the subject, five questions were prepared and questions were directed to the managers of 3PL companies through face-to-face interviews or e-mails. Three 3PL companies located in Turkey were contacted successfully, questions were answered and permission was obtained to use these answers in this research. A remaining company refused to respond to the questions and interviews by setting forth the principle of confidentiality. 2 weeks after having the idea of writing such a thesis and creating such a section in it and aimed to get in touch with the relevant companies, the companies are quite advanced ones, and therefore there could not have received any feedback from them through e-mails or telephone calls. Mails have been sent again and again to them, they have been called but generally faced negative outcomes. Reached these firms through LinkedIn via one of sponsors and finally succeeded. 80 messages sent to these four companies, including the different managers via LinkedIn. Received feedback to send messages within about a month; however these feedbacks were generally not positive. After receiving their e-mail addresses; (and it was not easy to get those mail addresses.) Because, first, it was necessary to have their trust, although it was quite difficult to gain confidence with one or two text messages. It was able to acquire the e-mail addresses of real and required individuals of four companies. It was re-introduced with these mails and addressed my questions and started to wait for their answers. Unfortunately the feedbacks were not so rapid after delivered my e-mails. The decision to write a thesis became clear in September of 2016, and the decision to write this section became clear in November. It was my first effort to communicate with four companies in November. From November to December, could not get any feedback by mail or phone. After got in touch with them during the first week of January, 2017. After communicating through this platform and addressing my questions, received feedbacks within approximate a week and completed this process in about 20 days. Once completed the questions of this section in this way in February, 2017. As mentioned (Chapter 1 - Section 2) by how and why supply chain is being applied in manufacturing was documented. To meet clients' needs, grand product growers, shippers have expanded product lines supply over a longer portion of the year and coordinate closely with their clients.

Field research and face-to-face research were used in this section. The questions were addressed to 3PL companies and get their opinions about e-commerce sector in general, how

to get better customer satisfaction to a better point and about the companies that carry out sales operation via internet. By taking this occasion, the companies that carry out sales operations via internet may be able to understand where they put themselves from the perspectives of the companies that provide logistics services. In this direction they may realize their expectations or their required competencies. Then, they may ensure the easier contributions of themselves and the companies that carry out electronic sales transactions (partners) within the sector. The field research was conducted first with the branch managers in the logistics branches, and the prepared questions were enriched and additions were made as a result of the feedbacks. Because the field research method was a method that gave clearer results, it was used because it was easier to get to the questions that needed to be asked, and because it was easy and healthy to acquire feedbacks. The way of progressing by asking face-to-face questions was quite difficult to progress. It took about 2 months to obtain face-to-face appointments with the companies. 2 logistics companies accepted to provide information through e-mails, one logistics company accepted to provide information through face-to face interview and lastly another company refused to provide information either through interview or mails by considering the principle of confidentiality. The most difficult situation in the face-to face interview; was trying to reach to the right person. After reaching the right person, it was necessary to gain that person's trust and to reflect the logic of the requested information to that person. Although the process was difficult, the interview was very productive. It is believed that the answers to the questions in the face-to-face interview method are highly believable.

As a result, it's noticed that 3PL companies have a important impact on the e-commerce sector, and that this industry can be taken far more forward with logistics companies. In addition to contributing to the e-commerce sector, 3PL companies also play a significant role in terms of customer satisfaction.

#### **7.4. Relations between Electronic Retailer, 3PL and Customer (Quantitative Survey)**

In the e-commerce sector, some conclusions are reached about the importance of customer satisfaction, which customer types are influenced by which factors, and how these relations can be improved. The purpose of the survey was to examine the customer satisfaction of consumers who shop at e-commerce sites. It's targeted to clarify the information summarized

in the result of the questionnaire's numerical results. 557 people were reached online in the survey. It was understood their opinions regarding the e-commerce sector, important criteria in sales operations, how they try to reach the products via internet by taking into account the main criteria such as age, gender, marital status, average revenue and demographics status.

In this section, the focus is on evaluating companies, logistics companies, and customers who sell as electronic through the internet, and how these three items can improve customer satisfaction and how to improve customer satisfaction. For e-commerce to start there must first be a positive relationship between the seller and the buyer. When this positive relationship is supported by a different variable, it's observed that a more interactive trade pattern emerges. In other words, here the variable is named as the logistics companies or as 3PL companies. Logistics companies control the products of electronic selling companies not only in transport but also in the storage, labeling and other logistic processes of transported products. In this section, a quantitative survey and empirical research method rather than a field research have been used. The results are considered in this direction.

In this section, it is aimed to explain how customer satisfaction is formed and how can it be developed. Survey and empirical research method are used. The idea of survey occurred with the decision of writing a thesis. The reason why the questionnaire is used in this section is due to the idea that it is easier to reach end users in this way; in addition it has provided positive results in this direction. End users have been asked to comment on and provide answers on the sellers and carriers of the product. To achieve a consistent result, the target was reaching 400 people, but this number reached 557. The creation of the questionnaires was inspired by the articles and theses written on this topic and the decision was taken to conduct the questionnaire. Outcomes were tried to be reached without the use of a survey method in most of the studies previously conducted. Progress by conducting the survey has been influential in achieving more transparent and realistic results.

In this section questions have been addressed to people between the ages of 18 and 45 from all kinds of demography. Since various people are included in the segment to which the questions have been addressed and it was hard to receive answers, survey and multiple-choice questions have been directed. A quantitative path has been followed. This method was used because the questions were asked to a lot of people and the answers were received. In the end it was aimed to reach the expected results more easily. Questionnaires and

multiple-choice questions were delivered to 1100 people and answers were received from 557 people which means feedback rate is %50.63 on this survey.

Questionnaires were created in November of 2016. Face to face interviews were made for trial purposes along with ten questions with 10 people at the age of 18 - 46. The questions were discussed and evaluated personally with the respondents. Three questions were added to the questions in the context of the opinions of 7 individuals. The subject of the questions; The products were related to late delivery by logistics companies, undamaged delivery and failure to return to the complaints of problems originating from electronic sales companies or logistics companies. After the questions were added to the questionnaire, the total number of questions was raised to thirteen. In the end, by the end of November 2016, thirteen questions were given to the people of all ages through social networking sites (<https://freeonlinesurveys.com>). The first target was reaching 300 people, but this number could not exceed 160 in 2 months, even though this situation slowed down the process the number reached 557 in May of 2017 by spreading it via my personal account in Facebook, Instagram and Twitter. As explained by Chu and Liao (Chapter 1 - Section 2) the ways clients communicate with each other have been altering strategically over the last years and the same is true for how clients collect and exchange information about products and how they acquire and consume them.

Customers, 3PL and electronic retailer cannot be considered separately from each other. Face-to-face method were used in this section. This method was used because it is more appropriate to ask questions directly to the users and to be able to answer them. The questions were asked to the end users, and information regarding the following was tried to be acquired: on what their general satisfaction is depended, how their satisfaction can be taken further, how they approach to the complaints and e-trade. Companies that sell on the internet and logistics service providers may have an idea about the criteria on which quality understanding is based. In this direction they may develop their expectations or their required competencies. Subsequently, they can then contribute much more easily to the e-commerce sector. The questions, after being drafted, have been finalized and subsequently presented to the views of the people. The preliminary assessment lasted approximately one month. It was not so difficult to get answers from people because of the updated questions and shortness of the same questions asked since the last instance, but it was very difficult to

invite people to this survey and having them responding the questions. The survey includes yes / no, sorting, multiple choice and open-ended response method. It is believed that the answers to the questions in the face-to-face interview method are highly genuine and realistic.

Ultimately, the 3PL companies and the electronic sellers see that the e-commerce industry is the main player, and it has been seen that customer satisfaction should be kept at the highest level.



## PART 4: DATA ANALYSES AND FINDINGS

### CHAPTER 8: RESULTS AND FINDINGS

All of surveys, face-to-face interviews and field surveys have been conducted in Turkey for the thesis. Extra efforts were made to ensure that demographic structures are different and to achieve heterogeneous results. The opinions of all segments of society and people with open age range line have been taken.

#### 8.1. Demographic Status

**Table 8.1.** Demographic Status

<b>Expressions</b>	<b>Options</b>	<b>Number of People</b>	<b>%</b>
<b>Gender</b>	Female	261	46,8
	Male	296	53,2
<b>Age</b>	18-24	229	41,1
	25-34	246	44,1
	35-44	55	9,8
	Over 45	27	5
<b>Income</b>	Less than 1000 TL	140	25,1
	1000 TL - 2000 TL	97	17,4
	2000 TL - 3000 TL	145	26
	3000 TL - 5000 TL	131	23,5
	Over 5000 TL	44	8
<b>Education Status</b>	Primary Education	10	2
	High school	143	25,6
	University	300	53,8
	Master and Doctorate	104	18,6

## **8.2. Customer Satisfaction in Accordance with Survey and Customer Satisfaction Who Say "Yes"**

The survey was conducted over a population of 18 to 45 years of age, and this process lasted within approximately 4 months. The survey was submitted online for the information of the users. 557 people were reached.

65% of respondents stated that they use e-commerce. 55% of this ratio is male and the remaining 45% is female. The proportion of single men who say yes is 72% whereas the rate of single women using electronic shopping is 62%. In this context, single men and single women are more likely to use electronic shopping than married men and married women. If the companies carry out e-commerce focusing on singles and make campaigns it is appropriate in terms of their sales and profitability. On the other hand, this is beneficial for the companies that carry out e-commerce strategies' implementation and constructive campaigns for the married men and women.

The number of men who are primary school graduates and who participate in online commercials is more than the number of the women. When they're compared men and women (primary school graduates) who use e-commerce, it is seen that the incomes of the men are higher than women.

Those who are high school graduates and are female are more than the number of men. The average income of high school graduates who are engaged in electronic trade is between 1000 TL and 2000 TL. The incomes of men who use electronic trading are higher than those of high school graduates who use e-commerce, but women spend more time on the shopping sites.

64% of those who answered yes to the questionnaire have a bachelor's degree. 57% of them are male and 43% are female. When the educational status is evaluated as a bachelor's degree, the proportions are very close to each other. While the high-school graduate men complete their electronic shopping within 45 minutes to 1 hour, undergraduate women spend more than 1 hour on the internet for shopping. This shows that women are more inclined to spend more time on e-commerce sites than men.

The ratio of the people who say 'I use e-trade and my monthly income is between 3000 TL and 5000 TL' is 30%. This rate is the highest one in the survey. This rate is followed by 22% with monthly income of 0 TL and 1000 TL. It is thought that these people are students and have not had a fixed income yet. 10% is consisted of the people with a monthly income of more than 5000 TL. One with a monthly income of more than 5000 TL shops on internet once every 2-3 months.

Most respondents to the survey responded positively to the reasons for their shopping on the internet as follows:

1. I use it (e-commerce) when I cannot find the product outside the internet.
2. I use it when I do not have time to buy it from stores.
3. I use it when I find products with low prices or discounts.

This result provides information on the practicality of electronic shopping sites. The product range and availability of the stock is taking the electronic trading sites one step further. Participants reported that they reach the most of the electronic shopping sites in the following way.

1. I use known internet sites.
2. I reach via the results shown by the search engine.
3. I reach with the recommendation of my friends.
4. I reach through internet commercials.
5. I reach via advertisements.

Some of the participants reported that they reach to the electronic shopping sites as follows: through campaign e-mails and price comparison web-sites. In conclusion, this result shows that users are more confident in the known sites and electronic shopping sites that stand out in the search engine.

The following responses were received when participants were asked about the factors that made their electronic shopping experience satisfying on the websites.

1. Products having cheap prices
2. Reliable e-commerce websites
3. Delivery time of the product is short.

4. Product diversity is adequate
5. The first visual impression left by the e-commerce site
6. Payment options and installment possibility

The fact that the prices of electronic shopping sites are affordable and gives users confidence is taking them one step further. The installment possibility is at the last place for the satisfaction of the users. One of the participants interpreted this situation as follows. *“Membership should not be a prerequisite in the e-commerce websites. I wouldn't like to subscribe for a web-site which I won't use again for a product I liked”*. Another has expressed his opinion as follows. *“It is very important for me that the merchant's product has a customer service related to transportation and the product stock information is up-to-date.”*

### **8.3. The Comparison between E-Commerce Users and Non-Users**

68% of respondents use e-commerce; the remaining 32% do not use e-commerce. The results of the questionnaire are interpreted in the light of the views of ones that said yes, but those of who said no are also mentioned in this section and also concerned about the perspective of those people regarding the e-commerce. For this reason, the views of those who use and those who do not use e-commerce have been compared. It is seen that from the ones who said no; 70% is women, age range of 76% is 18-24, 57% is high school graduate and income of 38% is between 1000 TL and 2000 TL. 45% of the ones who said yes are women. When compared the gender ratio of the ones who said yes and no, it is seen that the rate of women who do not use e-commerce is higher than the rate of men. If the companies that conduct sales through internet focus on young people who do not use e-commerce, this is quite beneficial for them. Although the age range of 76% of the ones said no is 18-24, the age range of the ones said yes is 18-24 which is equal to 62%. This ratio shows that the people who use e-commerce are bigger than the ones who said no. When it's compared the ones who said yes/ no in terms of their levels of income, ratio of the ones who said yes is 30%, the income of these people varies between 3000 TL and 5000 TL, the incomes level of the ones who said no varies between 1000 TL and 2000 TL. The segment with a high level of income consists of people who said yes. The highest percentage of those who stated that they do not use e-commerce is high school graduate people with the ratio of 57%. Besides, 64% of those who use e-commerce have a bachelor's degree. In this comparison, it shows that those who use e-commerce are more educated than those who do not use e-commerce. Based

on this result, for the companies who conduct sales through internet to increase the segments to which they address, they are required to reach to the less educated segments as well and develop their strategies accordingly.

Most respondents to the survey responded negatively to the reasons for their shopping on the internet as follows:

1. I use it when I find products with low prices or discounts.
2. I use it (e-commerce) when I cannot find the product outside the internet.
3. I use it when I do not have time to buy it from stores.

This result expressed the suitability of the price of the product which is an important point for the segment that does not use e-commerce in the event of they focus on the e-commerce activities.

#### **8.4. Cluster Analysis**

In this section, the common parts of the trends of people with the same characteristics were tried to be explained. It has been observed that these trends have a lot of overlap with each other and the results that can be said to have contributed to the formation of ideas for the sales and campaigns of companies selling on the internet.

*“The Cluster Analysis is an explorative analysis that tries to identify structures within the data. Cluster analysis is used to identify groups of cases if the grouping is not previously known. Because it is explorative it does not make any distinction between dependent and independent variables. Lastly, a discriminated analysis checks the goodness of fit of the model that the cluster analysis found and profiles the clusters. In almost all analyses a discriminant analysis follows a cluster analysis because the cluster analysis does not have any goodness of fit measures or tests of significance. The cluster analysis relies on the discriminated analysis to check if the groups are statistically significant and if the variables significantly discriminate between the groups. However, this does not ensure that the groups are actually meaningful; interpretation and choosing the right clustering is somewhat of an art. It is up to the understanding of the researcher and how well he/she understands and makes sense of his/her data! Furthermore, the discriminant analysis builds a predictive*

model that allows us to plug in the numbers of new cases and to predict the cluster membership” (<http://www.statisticssolutions.com>).

**Table 8.4.** Detailed Cluster Schema

<b>Cluster</b>	2	1	3
<b>Description</b>	Young	Professional	Skeptical
<b>Size</b>	41,5% ( 156)	35,9% ( 135 )	22,6% ( 85 )
<b>Gender</b>	2	2	2
	58,3%	54,1%	51,8%
<b>Marital Status</b>	1	1	2
	94,9%	52,6%	56,5%
<b>Age</b>	1	1	2
	66,7%	79,3%	61,2%
<b>Education Status</b>	3	4	3
	79,5%	55,6%	76,5%
<b>Monthly Revenue</b>	1	4	3
	39,10%	54,8%	37,6%
<b>Shopping frequency</b>	2	3	1
	46,2%	40,2%	37,6%
<b>Time</b>	5	3	2
	30,8%	37%	40%
<b>Ease</b>	2,6	2,9	2,52
<b>Economic</b>	3,26	3,5	2,67
<b>Accessibility</b>	3,66	3,84	2,78
<b>Motivation</b>	2,55	2,84	2,28
<b>Preliminary Information</b>	3,41	3,62	2,69
<b>Trust</b>	3,47	3,59	2,72
<b>Clarity</b>	3,86	3,9	2,94
<b>Advice</b>	3,52	3,58	2,54

Legend					
Descriptions	1	2	3	4	5
Gender	Female	Male			
Marital Status	Single	Married	Other		
Age	18-24	25-34	35-44	45 >	
Education Status	Primary Education	High School	University	Master >	
Monthly Revenue	1000 TL- 2000 TL	2000 TL- 3000 TL	3000 TL-5000 TL	5000 TL >	
Shopping Frequency	15 Min	15 Min - 30 Min	30 Min - 45 Min	45 Min - 60 Min	60 Min >

In cluster analysis, research was done on young people, middle and upper aged people who can be deemed as professionals and an uncertain segment (which is not clear in terms of classification). In general, it is seen that these three sections are close to each other and besides some criteria are completely irrelevant to each other.

As it can be observed, the most concentrated part of the clusters is the young people, followed by middle and upper aged people, and finally they are followed by the skeptical. This does not prove that the majority of the respondents are young, but it can give the opinion that the questions in the survey are more appropriate for young people.

When considered as gender, it is seen that women are leading all over the clusters. There is not much variability in this part and the proportions of the clusters are close to each other. The most female concentration appears in the younger generation. It can be deduced that it may be beneficial for e-commerce firms to invest a lot more on women.

When clusters are examined in terms of their marital status, it is observed that the young people peaked between the ages of 18-24 and that they are still single. The proportions of middle-aged and undecided are very close, with less than half of them being single or unmarried. As can be understood from this situation, the e-commerce firms concentrate more

on the single individuals; organize their promotions for these individuals. This is likely to be a consistent policy for them.

When the education levels of the clusters are taken into consideration, the education level of the middle-aged part seems to be the best. 55.6% are graduate students. These are followed by 79, 5 % of high-school graduates (young people) and lastly by 76,5% of undecided segment. It is highly likely that the companies keep interests at the bachelor's level as stable and those they invest in the mass of high school graduates to be effective in sales.

Considering the monthly income-based values, it seems that the professional group is leading. Generally, their income ranges from 3000 TL to 5000 TL. Besides, the group with the lowest income is undecided. Companies that sell online through the Internet are well suited to invest in professionals. On the other hand, making campaigns for the undecided or skeptical segment is also allow them to sell cheaper products, taking into account their income, and it would be appropriate to make campaigns for this.

In terms of shopping favors, young people are at the forefront, followed by middle aged people, and generally referred to as professionals, as they were in the previous rankings. When evaluated from the point of view of frequency, it is a little more concentrated on young people and it is inevitable that the profitability of the companies that sell as electronic increase if they address to the right taste of these people.

It is thought that professionals lead in terms of communication, motivation, acquisition of prior knowledge, trust, clarity and recommendations, and this is because of they are more experienced than the young people and they think more logically than the undecided people.

On the other hand, which qualities are considered by young people, professionals and skeptic people when using e-commerce? These qualities are; products being easy to purchase, the product being available, the (low) price of the product, the product variety, the product information, the trust, the clarity and the advice. The skeptic people are the ones that ignore such qualities and they are followed by young people.

Mostly, the people included in the professional group consider whether the products being sold are economic or not. This shows that; the fact that these people are familiar with the market while making purchases over the internet and this indicates that they are scanning e-

commerce sites before shopping. Likewise, professionals try to supply preliminary information about them before they buy from the internet by making a research regarding the product they purchase. When shopping through the internet, the cluster who has a least level of trust on e-commerce system is the skeptical people, who have the highest level of trust and who are the most stable ones are the professionals. This is due to people's experience and knowledge on e-commerce. The most careful segment in the e-commerce is the professionals. It has been seen that the most conscious shopping group on the internet is the professionals. It is advised to concentrate sales and campaigns of companies selling on the Internet on skeptical groups and on young people in the light of the information and conclusions made from the table on cluster analysis.

### **8.5. The Opinions and Suggestions of 3PL**

Customer satisfaction, e-commerce sector, and companies selling on the internet, including four logistics companies located in Turkey, were questioned via e-mail and face-to-face interviews. One of the main purposes of asking questions is the contribution of 3PL companies to the e-commerce sector and the effect on customer satisfaction. One of these companies did not want to answer the questions because it thought that the information would be against the principle of confidentiality, and the other 3 companies had the chance to give the answers.

3 companies regarding customer satisfaction; defended that the orders should be delivered to the customers rapidly and without any damage. Deliveries that are undamaged and fast deliveries are an effective step for customers' future orders and that their performance needs to be improved accordingly. In addition to this view, one of the companies suggested that a system that is common to electronic retailers, who are in the customer position for better customer satisfaction, could be developed and used more efficiently. The development of this system ensure that customer addresses are entered correctly and completely by electronic retailer customers entering the system, which increase customer satisfaction by causing deliveries to be made faster. Lastly, the other logistics company sent their information in addition to fast delivery and undamaged delivery as follows. One of the 3PL employees interviewed commented on behalf of customer satisfaction as follows. *“Customer satisfaction can be provided with a cheerful, well-trained and educated staff. Our company values staff training very much. Work and behavior training are provided for the new*

*employees, it is aimed to send them to the branches where they shall be employed in the best possible way. In addition, electronic training is provided for all employees of the company with the help of our academy. However the following questions are not understood well in Turkey; what is a logistics business? What kind of service structure does it have? The more we complete our own internal development, the more we realize that we need to work to raise awareness and raise awareness of our people. In this context, communication counselors are trying to reach consciousness through various messages through social media. Moreover, in today's world, communication has become a very important concept. We also have to ensure that our customers are able to contact us in every way. That's why we have a major call center structure. If your calls are not answered due to the busy schedule when you call our branches, the system is automatically directed you to our call center. Again, any kind of communication that has been subject to social media coverage is returned at the moment. It is inevitable to have a strong operation structure in order to fully provide customer satisfaction in the sector. We are working hard to make this structure more digital. For example; Our Transfer Center moved to full automation system and reached high figures in daily cargo volume. With this development, the cargoes are sent to their arrival units in a timely fashion."*

When the questions such as 'how the satisfaction of them and the end users are combined?' are addressed to the logistics companies; even though the views of the firms are the same, their rankings are different. One of the companies argued that the customer satisfaction depends on complete customer-oriented operations. Another company reported that customer satisfaction could be achieved by keeping the communication channels open at all times, without having to stay away from the digitalizing world, with a strong operation and remaining reliable towards the end-users, that they are hands-on tactics as logistics companies. The last company expressed that; customer satisfaction, most notably, thanks to the expansion of the distribution network by means of 3PL, the increase in service areas are automatically lead to an increase in customer satisfaction.

The 3PL and the companies that carry out sale operations have been asked the most common problems they suffer between each other. The most common problem experienced by 3 logistics companies is the error and confusion in the address data of real buyers delivered to logistics companies by electronic traders. 3 firms reported that this situation slowed the

delivery process and that there were expenses that exceed the cost. Among these 3 firms, one of them has been able to get the addresses of the buyers on the web addresses of the companies which sell on the internet in order to overcome the problem, in the direction of their own requests, thus the delays and troubles experienced in deliveries have been minimized.

Another problem that has been experienced is; it has been determined that some shipping companies are late due to the stock-free operations, and this problem can be solved only by one side but also by the logistics company. Keeping stocks of electronic retailers up to date ensures that both buyers and logistics companies are not in a difficult situation. Another problem is; it is stated that the buyer do not at the address despite the fact that the logistics companies go to the address where the product is delivered. In order to solve this problem one of the companies has begun to leave the note "I came but you were not here" to the door of the receiver's delivery address and at the same time informs the electronic retailer of this information. Subsequently, the buyer is requested to pick up the product from the specified cargo location.

The 3PL company has also been asked how to improve the process and how to proceed with a more accurate operation so that its operations can move forward more efficiently. Logistics companies have not had much different opinions than common views on this issue. The common view is that the technology is being used more interactively and the integration of logistics company-electronic retailer systems has been increased. The address data of the end-buyers was only registered with the electronic retailers' system, and later mapped to the data base of the logistics companies. As a result, logistics companies have begun to receive receivers' addresses automatically, not manually, from electronic retailers. This has made it possible for logistics companies to make deliveries more accurately, faster, and at a lower cost by gaining time.

Delivery of the products delivered to the logistics companies to the logistics branches or the shipment band with a little time until the closure of the band by the electronic retailers, causing the cargo to be delivered to the receiver at least 1 day later. In order to prevent this situation, electronic retailers have been requested to add information to their web sites addresses indicating the situation.

As a result, it has been a common view that the technology should be used at the maximum level in order to make the operational process more accurate, the addresses of the buyers are up to date on both sides, and the deliveries can be made on time.

### **8.6. The Opinions and Suggestions of Electronic Traders**

In various sectors located in Turkey which deem Turkey as their market and conducts sales through internet have been asked various questions through the following methods: face-to-face, mail and survey. The overall aim of the questions is to see how electronic trading companies contribute to the e-commerce sector and how they look at customer satisfaction. In total, 6 electronic retailers were interviewed and answers were given to the necessary questions under the confidentiality principle. Four of these firms reported that they were in this sector for more than 4-7 years and two of them for more than 7 years. Firms have stated that they want to use the conditions they need to work with 3PL to minimize their costs first and secondly because they want to keep stock levels at the most reasonable level.

The companies selling through the internet wanted to shift to the electronic retail sector and they have wanted to give a chance in this sector because the sector is promising in terms of development, it is dynamic and it has a growth potential. Among them, a company that sells fresh vegetables and fruits online; wants to enter this sector because it wants to bring fresh vegetables and fruits to the consumers.

Based on the opinions of the majority of the electronic retailers, 3PL companies are required to develop themselves in a few ways. To provide high quality service to electronic retailers; make timely and accurate product deliveries, and make operational improvements to ensure customer satisfaction. There are electronic retailers who believe that 3PL companies can achieve this improvement if they are flexible, deems the efficiency as the most important subject and consider rapid developments. An electronic retailer who sells mainly household goods over the internet has expressed opinion of the logistics companies regarding themselves in the direction of the request of the electronic retailer as follows: *"3PL should educate staff working in the line of service which are provided to the electronic retailers. Full integration (right product receiving, follow-up, right product delivery) should be provided. In order to be able to integrate, they should follow the technology in the most up-*

*to-date fashion, but most importantly educate the personnel who deal with electronic retailers in the best way.”*

When electronic retailers were asked how they could relate 3PL and customer satisfaction to their customers, responses were of a wide variety, but overall they were similar. Satisfaction of last buyers may be provided by minimizing the costs through fast delivery, cheap and a qualified service thanks to a more efficient supply management. An electronic retailer that sells fast-moving consumer goods over the internet has expressed exactly how 3PL and how customer satisfaction can be reconciled. 'The key criterion for electronic retailers and customers is excellent service, low cost and a wide product range. 3PL firms should proceed towards perfect service. They must be extremely sensitive in their cost, targeted at minimum costs, and capable of managing a wide range of products with excellent stock accuracy. In order to be able to do these things, they must make human resources and technological investments.'

## **PART 5: DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

### **CHAPTER 9: DISCUSSION**

#### **9.1. Discussion**

As a result of surveys and research, 3PL companies generally state that electronic sellers suffer from the fact that they do not provide enough data for the addresses to be delivered, in order to make efficient and effective deliveries. In this case, it is thought that the goods to be delivered go to the wrong destination, the handling is excessive, the risk of damage-compensation increases, and the costs increase a lot. At the beginning of the research, 3PL companies talked about the importance of integrating the systems and address data of companies selling on the internet with their customers. They stated that the most significant system between themselves and the electronic sales companies are the address data of the system. In order to do this, companies that sell as electronic must obtain all information from the customers (city, district, avenue number, street number, house number, apartment number) required to receive their delivery addresses and transfer them to the 3PL system. It's been informed that transferring this information manually is too sensitive and that it may give false results.

Another problem is the lack of communication between electronic retailers and customers which is reflecting on the 3PL firms. For example; a bookshelf has been ordered from a company that sells on the Internet, the sender is not informed correctly of the customer, or the buyer requests the installation of this library from the courier delivering the product because it does not have full control of the buyer and even creates a complaint record for not performing the installation. As a similar example, any type of products have been ordered, but the delivered product may not be the same as the advertised product. This responsibility can be attributed to the 3PL rather than the sender. But these responsibilities belong to electronic retailers, not to 3PL.

It has been remarked that the sender's stock-free operations (JIT inventory) has forced their storage and distribution planning by 3PL companies. Even though the customers have given their orders and these orders have been approved by the electronic retailer, it was declared that distribution plans of 3PL companies are lacking due to the lack of products in the stocks and planned deliveries were postponed for one day.

Within the framework of such situations, 3PL companies, electronic retailers have informed that they have not faced problems that cannot be resolved in the previous events of emergence of the problems such problems were concluded in a good manner thanks to mutual exchange of ideas and conciliatory attitudes of parties and recommendations and solutions created as a result of this mutual inter-operability.

It was argued that electronic retailers have a significant influence on 3PL's operational success. Subjects such as product delivery, return process and product reception were among the focal points. There are a number of conditions that 3PL companies expect or demand from electronic retailers for the smooth progress of these stages. Electronic retailers need to be technologically integrated and never lose track of the digitalization path. Because, with the different integrations done with electronic retailers, the operation is made easier and manual operations are prevented. For example, in the past, labels were used by electronic retailers to identify the sender's information on cargoes, and logistics companies had to enter their addresses individually. However, with the developments made, address data is flowing into the system of logistics companies with the integration, the automatic arrival point is determined and only one terminal is registered. Here, both the manual operation is prevented and the growing volume is aimed to be responded as soon as possible. These integrations can be utilized in all kinds of points such as sending/returning the products, etc. Along with the band system, the measurement-weighing process can be done more systematically with the devices placed on the bands of companies that carry out storage activities. In short, all kinds of digitalization activities to be done in cooperation with e-commerce firms strengthen the hand of logistics companies. This makes it easier to conduct a more efficient operation. The products that need to be delivered at this point can be transported to the end user faster and without cross delivery.

3PL and customer satisfaction, most notably the expansion of the distribution network and the increase in service areas thanks to 3PL lead to an increase in customer satisfaction. Currently, there are 4 private logistics companies in Turkey and one logistics company is supported by the government. The one with the largest distribution network among these is the logistics company owned and managed by the state. The wide distribution network makes an important contribution to the electronic retailer companies' products being carried

and delivered from one end of the country to another. This is an important factor in increasing customer satisfaction.

## **9.2. Conclusion and Recommendations**

The thesis is designed to investigate the effects of 3PL companies on e-commerce and customer satisfaction. As a result, it has been focused on how to make customer satisfaction of 3PL companies easier and how e-commerce companies can be better supported. In this context, there are several processes which are expected by the 3PL companies from the electronic retailers. If these processes are brought to their most perfect states, they reach a better level in terms of both the volume of e-commerce and maximum level of acquisition of customer satisfaction.

3PL companies are demanding to jointly use the data of electronic retailers with regard to the delivery and stock status of their products, which makes it possible for 3PL to make fast and accurate deliveries to customers and facilitates the follow-up of electronic retailers by their customers.

3PL companies generally believe that customer satisfaction can be provided with educated staff that are cheerful, business-oriented, and strive to value staff training in this process. New staff are given training in business and behavior, by doing this it is intended to send them to the branches where they shall be employed in the best possible way. As a natural consequence of this situation, communication has become a very important concept. As the communication power of the employees increases, the service offered to the final buyer would increase. In order to maximize the power of communication, 3PL companies have set up call centers to listen to their customers and take their advice and complaints into account. The customers generally indicate that they cannot reach the branches by telephone, and in the event that the calls made to the call center do not reach the customer representative, the call is automatically transferred to the call centers to prevent this situation. This indicates that customers are valued and the necessary attention is given to them. In addition, if the problems of the customers are not resolved, they may submit a complaint or a negative recommendation via social media.

In order to convey in detail what kind of innovations, changes can be made to ensure a good customer satisfaction; 3PL companies have a much easier way of getting better customer satisfaction by improving the systems that are used in common with electronic retailer customers and using them more effectively. The development of this system ensure that buyer customer addresses are entered correctly and completely by electronic retailer customers entering the system, which increase customer satisfaction by enabling deliveries to be made faster. Customer satisfaction can be provided with a cheerful, well-trained and educated staff. All of the 3PL companies expressed their value to their staff training. Work and behavior training are provided for the new employees, it is aimed to send them to the branches where they shall be employed in the best possible way. In addition, one of these companies has set up its own academy and stated that it provides electronic training for all its employees.

In general, the answers to the questions as to what the logistics business is and what kind of service structure it has are not yet fully known and established in Turkey. Although 3PL firms have completed their own internal development, they actually prefer to make awareness campaigns and trainings in order to raise awareness of our public. In this context, communication counselors are trying to achieve consciousness through various messages in social media. It is inevitable to have a strong operation structure in order to fully provide customer satisfaction in the sector. 3PL is working hard to make this structure more digital. A full automation system is being installed in the warehouse and internal distribution systems, and they try to expand the volume of the operations being conducted.

A wide variety of feedback was received with respect to how and in what manner 3PL and customer satisfaction can be reconciled. It would not be so wrong for 3PL companies to be defined as the hands on people. It is inevitable to have a high level of customer satisfaction when communication channels are always open, when there is a strong operation, when the digital world is not distant from the operational world, when it is honest with the customers and the last users. Of course, the biggest supporters of the 3PL companies in this regard are the customers they work with. One of the 3PL companies that supported the research expressed their views differently from the others: *3PL and customer satisfaction, most*

*notably with 3PL, lead to increased customer satisfaction as a result of expanding distribution network and increasing service areas. "*

3PL companies are in a range of expectations from electronic retailers in order to smoothly proceed their operations on both sides (product delivery, return process, etc.). Up to now, while corporate customer delivery has been on the frontline, the growth in electronic sales companies has increased the importance of individual deliveries. It has been stated that the service understanding should be renewed in order to make healthier deliveries to individual customers in this direction. In addition, if a supplier is customer-oriented, it is stated that this rises the service quality of the electronic retailer and services provided for the customers.

### **9.3. Managerial Implications**

There are some recommendations based on the findings achieved as a result of this research, on behalf of managers of electronic retailers and 3PL companies which is the main topic of the thesis. These recommendations are mainly based on customer satisfaction, operational processes and their interrelationships.

3PL companies are undoubtedly the most important partners of the electronic retailers in the e-commerce industry. Decision-making processes in operations and the actual operations are almost too common to be distinguished from 3PL. For this reason, it is very important for electronic retailers to have a successful operation in terms of 3PL companies. Electronic retailers should be able to fully transfer their order data from the end users to the 3PL in order to inform the users as soon as possible. Before the address data is fully transferred, the most important part is getting the addresses correctly from the customers. Instead of manually transmitting to 3PL, the addresses are transferred to the 3PL with a simple integration that can be installed. Thanks to this, the arrival branch for the products is determined automatically and only one record can be created by scanning a terminal. By doing this, the manual operation are prevented and the chance of responding to this growing volume as soon as possible, increase.

Customer satisfaction of the electronic retailers and number of the customers they reach are directly proportional to each other. As it is known, people who shop at an e-commerce site or at any shopping mall are undoubtedly recommending this place to a friend if they are

happy with the process. For electronic retailers to increase their customers' satisfaction, it is obvious that they are required to take a further step to have cheerful, accomplished and well-trained employees.

The e-commerce sector, from the perspective of 3PL companies, means new customers without any effort. Electronic retailers are their closest partners for them in the industry. When they increase operational management and customer satisfaction, they are very popular in the sector. When asked to the electronic retailers, some talked about the speed of delivery of the company, some talked about that it provides service with a reasonable price and some talked about the least cross delivery made by the company. As a result of negotiations with electronic retailers, they mostly request 3PL companies to carry out timely delivery, delivery of the accurate product and at reasonable costs. Some of the electronic retailers demand 3PL companies to consider their supply management system. 3PL companies can achieve this development when they start to become flexible, front-run and consider the rapid developments.

The key criterion for electronic retailers and customers is excellent service, low cost and a wide product range. 3PL firms should proceed towards perfect service. They must be extremely sensitive in their cost, targeted at minimum costs, and capable of managing a wide range of products with excellent stock accuracy. In order to be able to do these things, they must make investments in human resources and technology. 3PL should educate staff working in the line of service which are provided to the electronic retailers. Full integration (correct product receiving, follow-up, right product delivery) should be provided. In order to be able to integrate, they should follow the technology in the most up-to-date fashion, but most importantly educate the personnel who deal with electronic retailers in the best way.

## APPENDIX

### Questions directed to 3PL

1. What's the problem that you most often encounter with electronic retailers? Would you mind give an example with the explanation and solution?
2. How could electronic retailer helps you for operations you have and how can reach out better operation with each other?
3. How could have better customer satisfaction?
4. Do you have any case analysis that you have operation with electronic retailer?
5. How customer satisfaction and 3PL are reconciled?

### Questions directed to electronic trader

1: How long have you been dealing with E-commerce?

- 0 - 1 Years
- 1 - 3 Years
- 4 - 7 Years
- More than 7 Years

2: Which thing is the most important once you would like to work with 3PL? Would you please put in order?

- To reduce storage level
- To make costs the lower
- Strength of 3PL
- Famous 3PL Brand
- Manage the just in time
- Other

3: Would you please rank below elements high to low that 3PL provide?

- Speed
- Precision
- Traceability
- Time Management
- Cost Management
- Provide Integration
- Uninterrupted operation

4. How could 3PL bring more customers to electronic retailers? Would you please put in order?

- Provide high quality service
- Low cost
- Being famous brand
- Trust
- Other
- 

### **Semi Structured Questions**

1. Why did you chose that sector which is dealing with electronic selling?
2. How may 3PL develop themselves accordingly electronic retailer's needs?
3. How could 3PL and customer satisfaction be reconciled?

## Questions Directed to Customers

Sayın Katılımcı,

Bu anketin amacı, Yeditepe Üniversitesi Uluslararası Ticaret ve Lojistik Yönetimi yüksek lisans programında yürütülmekte olan bir tez için veri toplamaktır. Anket sayesinde elektronik ticaret sitelerinden alışveriş yapan tüketicilerin müşteri memnuniyetinin incelenmesi amaçlanmaktadır. Bu formda herhangi bir kişisel bilgi talep edilmemekte olup, elde edilen veriler yalnızca akademik araştırma amacı ile kullanılacaktır. Veri toplama sürecinin etkin olması için tüm sorulara objektif ve içten yanıtlar verilmesi olumlu olacaktır. Katılımınız için şimdiden teşekkür ederiz.

(<https://freeonlinesurveys.com>)

Uğur Karadaş

Yeditepe Üniversitesi

Uluslararası Ticaret ve Lojistik Yönetimi Yüksek Lisans Öğrencisi

1. E-ticaret kullanıyor musunuz?

- Evet
- Hayır

2. Cinsiyetinizi belirtebilir misiniz?

- Kadın
- Erkek
- 

3. Medeni durumunuzu belirtebilir misiniz?

- Bekar
- Evli
- Diğer

**4. Yaşınızı belirtebilir misiniz?**

- 18 - 24
- 25 - 34
- 35 - 44
- 45'ten daha büyük

**5. Eğitim durumunuzu belirtebilir misiniz?**

- İlköğretim
- Lise
- Üniversite
- Yüksek Lisans / Doktora

**6. Aylık gelir aralığınızı belirtebilir misiniz?**

- 1000 TL'den az
- 1000 TL. - 2000 TL.
- 2001 TL. - 3000 TL.
- 3001 TL. - 5000 TL.
- 5000 TL'den fazla

**7. İnternette hangi sıklıklar ile alışveriş yapmayı tercih edersiniz?**

- Yılda 1-2 kez
- 2-3 Ayda bir kez
- Ayda 1 kez
- Ayda 2 defadan fazla

8. Alışveriş yapacağınız e ticaret sitesinde ne kadar zaman geçiriyorsunuz?

- 15 dk
- 15 dk - 30 dk
- 30 dk - 45 dk
- 45 dk - 1 saat
- 1 saatten fazla

9. Hangi durumlarda internetten alışveriş yaparsınız?

- Mağazalardan alışveriş yapmaya zamanım olmadığında.
- Ürünü indirimli veya daha düşük fiyatlı bulduğumda.
- Ürünü internet dışında bulamadığım zamanlarda.
- Diğer:

10. Alışveriş yapacağınız e ticaret sitelerine nasıl ulaşırsınız?

- İnternet arama motoru sonuçlarından ulaşıyorum.
- İnternet reklamları vasıtasıyla ulaşıyorum.
- TV ve Radyo reklamları aracılığı ile ulaşıyorum.
- Arkadaş tavsiyeleri ile ulaşıyorum.
- Bildiğim internet sitelerinden alışveriş yaparım.
- Diğer:

**11.** Alışveriş yapacağınız e-ticaret sitesinde memnuniyetinizi sağlayanları en önemli olandan başlayarak sıralayabilir misiniz?

- Ürünün fiyatı
- Ürünün adresime teslim süresi
- Ürün çeşitliliği
- E-ticaret sitesinin tam güven vermesi
- E-ticaret sitesinin bıraktığı ilk görsel ve kolaylık izlenimi
- Ödeme seçenekleri
- Diğer

**13.** İnternet üzerinden alışveriş ile alakalı olarak aşağıda verilen durumlara hangi ölçüde katıldığınızı belirtebilir misiniz? İnternette verilmiş bir siparişi iptal ve iade etmek daha kolaydır.

- İnternet üzerinden satış yapan firmalar daha uygun fiyat önerirler.
- İnternet üzerinden birçok marka ve çeşitliliğe ulaşabilirim.
- Beğendiğim ürünü almayı planlamamış dahi olsam hemen sipariş verebilirim.
- İnternette alışveriş yapmadan önce e-ticaret sitesi ile ilgili yorumları okurum.
- E-ticaret sitesinin tasarımı alışveriş yapmam için bana güven ve konfor vermelidir.
- Ürün bilgilerinin eksiksiz olması ve görsellerle desteklenmiş olması alışveriş tercihlerimde etkili olur.
- İnternet üzerinden alışveriş yaptığım bir siteyi arkadaşlarıma öneririm.

Kesinlikle      Kısmen      Kısmen      Kesinlikle      Fikrim  
Katılmıyorum      Katılmıyorum      Katılıyorum      Katılıyorum      Yok

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