

Comparing third party logistics usage in the service and manufacturing industries: a Saudi Arabian perspective

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Abstract: This paper compares manufacturing and service industries on a variety of practices relating to usage of third party logistics and identifies significant differences between the two sectors in the decision-making process; the length of experience with contract logistics providers; extent of commitment; expenditure on contract logistics providers and organisational impact. A survey was conducted among firms from the manufacturing and service industries in Saudi Arabia. Empirical research is used to study the extent to which firms use the services of logistics companies; the length of time these have been used; the decision-making process for choosing contract logistics and its impact on the organisation. The comparison shows that a higher percentage of firms in the service sector have seen the use of TPL services as a positive development in the organisation. The paper concludes with a discussion on the implications.

Keywords: contract logistics; manufacturing; outsourcing; Saudi Arabia; services.

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