

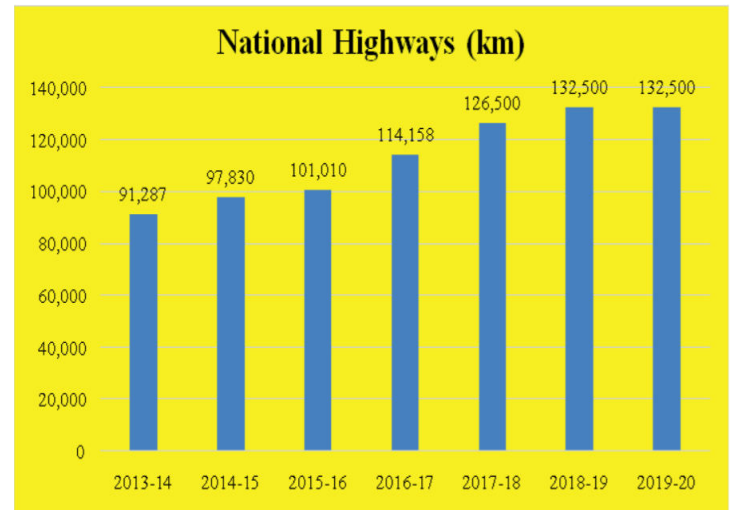
Challenges in consolidation of logistics of Movers and Packers in India

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Abstract: The road and the transport development in India is on the path of a mammoth growth in past 5 years. However, this development is not backed by the parallel growth in the logistics industry and more importantly in the movers and packers domain. The consolidation of logistics can benefit through many dimensions to the movers and packers industry. This can be achieved, only when the hurdles and challenges are addressed for the industry.

Today with the advent of technology, the movement of people from one city to another has become very easy and very user friendly. This calls for a new method of looking at the logistics as in industry and more specifically in the movers and Packers section of logistics industry. Today in India the Metro cities are one of the most prominent and one of the most relevant cities for relocation of goods and home from one city to another, either within a state or outside a state. When such facilities are given in an economy, naturally the ease of experience is expected from the same. However, the reality of Movers and Packers industry is different from the scenarios mentioned.

The road transport yearbook of ministry of roads reported 56 lakh km roads as on 31st March 2016, of which 62% are surface roads.



Source: Ministry of Road Transport – Annual Report 2020

As the numbers suggest, the growth of the roads had dramatically increased in the past 5 years. However, the report of the accidents and the mishaps on the highways are also proportionately increasing. This increase in the accidents and the development work in having a direct and indirect relation to the supply of the logistics as a complete sector. Logistics sector in India is predominantly dependent on roadways as a major route of transport.

One of an important dimension to the analysis is the third party service in the offerings of the logistics sector. According to the Survey of 3PL, the logistics if done efficiently can reduce the GDP costs and reduce the cost by around 20bn\$ and thereby increasing the competency of the Indian products in the international market.

Movers and Packers Market:

The movers and packers market is a fairly fragmented market, especially in India. Absence of entry barriers in the whole industry makes it easy for all types of entrants in the market, and thereby paving way for unethical and fraudulent practices in the movement of home goods from one location to another. The normal business operators are also indirectly impacted due to the image carried by the wrong operators in the market. This directly or indirectly forces the whole industry to fall in the clutches of malpractices to maximize the profitability without understanding a long-term impact.

The current prices of the movers and packers are on a higher side, predominantly due to the lack of consolidation of the materials transported and thereby developing an attitude to dump illegal goods in the same vehicle of transport. This increases the changes of theft, pilferage and delay of delivery.

In order to address these issues, the best way possible would be to consolidate the logistics used for the movement of goods done for the movement from one location to another. This needs to empower with technology and can result in a substantial decrease of price of the goods. This would directly impact in the increase of the profitability of the movers and packers. This increase in profitability would provoke the nature to do the movements ethically and professionally.

However, the achievement of the consolidation of this consolidation is not through a straight path of implementation. There are many hurdles which are encountered in the route to achieve this point of effective consolidation.

The main pitfalls of the lack of efficiency of the industry are:

- **Lack of Awareness:**

As the entry barriers are simple, there is a lack of awareness of the potential and reach out to the right people in the market. The education of the best practices and services which can used to deliver good services seems to be missing in this industry.

- **Poor Infrastructure:**

Though the government in making efforts to enable the transport with a good transport infrastructure and empower them

with a sound technology, the delivery models of can yield more returns.

- **Differential tax policies:**

The tax policies change from different parts, localities and sections of the country. This makes it extremely hard and cumbersome for Movers and Packers to make the industry solutions right and deliver a unified pricing.

With these challenges being addressed, it would become easy for Movers and Packers to increase the consolidation, reduce the cost and thereby improve the economy and efficiency of the logistics of Movers and Packers.