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A CONTENT ANALYSIS OF THE BARRIERS AND CHALLENGES ASSOCIATED WITH THIRD PARTY LOGISTICS: A COMPARISON OF THE UK AND NIGERIA

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1. INTRODUCTION

The concept of third-party logistics refers to the outsourcing of all or some logistics activities to a logistics providing company or a 3PL company (Vasiliauskas & Jakubauskas 2007; Solakivi et al., 2011 & Li-jun 2012). The practice of third-party logistics emerged as a strategic business concept, which is based on outsourcing (Yang & Lindsay 2011). Several authors agree that third party logistics is aimed at achieving efficiency in logistics management, reducing cost of logistics and enabling companies to concentrate on their core business thereby increasing overall organizational efficiency and productivity (Marchet et al., 2017; Adebambo et al., 2015; Yang & Lindsay 2011 & Li-jun, 2012). Evidence shows that third party logistics is well practiced in the developed countries of the world like the UK, USA, and Europe compared to a lower level of activity in developing and emerging economies such as Nigeria (Dapiran et al., 1996; Sink et al., 1996; Solakivi et al., 2011; Lieb et al., 1993; Arroyo et al., 2006; Tian et al., 2010; Etokudoh et al., 2017; Onyebueke et al., 2019 and Adebambo et al., 2015).

Further evidence shows that there is a dearth of research on the use of third-party logistics in Nigeria hence the need for further research into the practice of third-party logistics in Nigeria (Etokudoh et al., 2017; Onyebueke et al., 2019). Furthermore, evidence shows that third party logistics practice exists in Nigeria as Mac-Kingsley & Ihunwo, (2018) showed that there is a strong presence of third-party logistics in port operations, freight forwarding, delivery and customs clearance and 3PL continues to evolve as it generated a revenue of \$4.6 billion and \$5.2 billion in 2018 and 2019 respectively (Armstrong & Associates, 2020; Statista, 2020). 3PL revenue of \$5.2 billion represents 1.15% of GDP showing a significant contribution to the Nigerian GDP (Armstrong & Associates, 2020; Statista, 2020), which is comparable to some developed country cases such as the US which has a very robust 3PL industry and a market size in 2021 of \$234 billion, expected growth rate of 3.9% and represents 1.17% of GDP.

Furthermore, Nigerian 3PL revenue in 2019 is the highest among all African countries both in figures and percentage. The entire African 3PL market generated a combined \$28 billion in revenues in 2019 (Armstrong & Associates, 2020; Statista, 2020). However, literature acknowledges that the Nigerian 3PL market is still in its infancy stage (albeit with growth prospects) compared to the developed regions of the world, hence the need for further investigation into the practice of third-party logistics in Nigeria and the UK to understand the barriers preventing Nigeria's 3PL sector from developing into a mature

market as well as making recommendations for further study (Etokudoh et al., 2017; Mordor Intelligence, 2020).

This paper uses a comparative content analysis that is aimed at identifying, ranking, and comparing the main barriers and challenges of third-party logistics in the UK and Nigeria in order to find out and provide explanations as to why it is less practiced in Nigeria compared to the UK.

2. REVIEW OF LITERATURE ON BARRIERS AND CHALLENGES OF 3PL IN THE UK AND NIGERIA

2.1 United Kingdom

A research study that was led by Georgia Institute of Technology along with Capgemini, DHL, and SAP in 2007, which aimed at finding out what users of 3rd party logistics wanted showed that 95% of transportation services, 76% of warehousing and 59% of custom's clearance and brokerage are outsourced in Western Europe (Macdonald, 2007, PR Newswire, 2017). Also, the study found out that in Western Europe with the UK in the lead, logistics costs as a result of logistics outsourcing was reduced by 11.4% and fixed logistics assets were reduced by 21.9% freeing up capital for other investments. The areas that needed improvements in Western Europe were service level commitments, which were only 50% realized, a lack of on-going improvements and achievements in logistics services that were being offered was 41% and the insufficiency of information technology capabilities were 38% (Macdonald, 2007).

In 2014, Cooper (2014) argued that unlike most retail stores and outlets in the UK, Amazon does not rely on 3PLs for their logistics operations partly because their brand identity is a very important part of their marketing strategy, which helps them to maintain their customer loyalty. Cooper (2014) further explained: "The problem is that the retailer is effectively handing over its brand to a third party. The customer only sees that part of the chain. Some retailers are a bit uncomfortable doing that and some people have talked about taking it in house" (Cooper, 2014, p.1). Cooper (2014) further points out that for most retail companies in the UK the alternative to outsourcing are mostly too complex and expensive especially for fast fashion retail stores. Perhaps a better solution to the complexity of keeping logistics in-house, which is becoming more popular among fast fashion retail stores in the area of delivery, is click and collect. Cooper (2014) argues that click and collect is easier to manage for many fast fashion retail stores especially when the collection is in store because it can be built into existing supply chain infrastructure. However, it was also noted that some retailers such as Asda and Amazon have installed some collection points in car parks and in some London underground tube stations making click and collect a barrier to logistics outsourcing in the UK fashion retail sector.

SCALA (2019) noted that 20% of UK companies have reported an unsuccessful start to a logistics outsourcing contract according to a study that was carried out by logistics and supply chain consultancy firm SCALA. The research looked at logistics contract start-ups and found out that 15% of 3PL customers have experienced services that were lower than the expected outcome in the areas of cost, deliverables and lead-times. Another 5% had relationship problems with their 3PL company (Motor Transport, 2014). A further survey was done by SCALA of UK businesses and 3PLs whose revenues run into billions of pounds and clients run into the thousands to assess the level of satisfaction and areas of concerns regarding the performance of 3PLs. The survey showed that 54% of 3PLs rated their contract start-ups as highly successful in terms of timeliness or just-in-time logistics, seamless service (no or little supply chain disruption) and in terms of operating within budget or offering good quality, low cost service. On the contrary, only 34% of 3PL customers agreed to the foregoing claims by 3PLs (Motor Transport, 2014). The foregoing shows that the level of 3PL customer satisfaction is relatively low, reflecting a

low level of effectiveness of third-party logistics companies in the logistics and supply chain management of a sizeable number of 3PL customers in the UK. This also reflects the fact that the UK third party logistics industry is faced with some common challenges and issues as reflected in the reports below.

According to the Global third-party logistics industry report 2020 by ReportLinker the UK was not among the major countries with significant growth projections in 2020. The total global growth was estimated at \$495.6 billion at the end of 2020 which was driven mainly by the DTM (Distribution and Transport Management) segment as its global market value is expected to reach \$577 billion by 2025 (ReportLinker, 2020). The report shows that the USA, China, Germany and Japan are the four major markets with the most significant growth projections. The US third party logistics market is expected to grow by 6.3%, while China is expected to grow by 9.2% adding \$167.9 billion in growth to the global third-party logistics market in the next couple of years. Also, Germany's DTM (distribution and transportation management) is expected to add \$14.2 billion to global DTM growth in the next few years up to 2025, while the rest of Europe is expected to add \$21.4 billion to global DTM growth. Furthermore, Japan's DTM market is expected to reach \$17.7 billion by 2025 (ReportLinker, 2020). The report listed the global top 18 third party logistics companies who are the major global competitors and will continue to be the major players during the projected period. Among these 3PLs none are UK owned. Six of these 3PLs are from the USA namely: C.H. Robinson, Fed Ex Corporation, Expeditors International of Washington, Inc., J.B. Hunt Transport services, Inc., XPO Logistics, Inc. and UPS Supply Chain Solutions Inc., while Japan has three 3PLs represented. Germany has three represented as well. Other countries represented are France (2), Netherlands (1), Switzerland (1) and Hong Kong (1) (ReportLinker, 2020).

The FTA (2019) noted that despite the uncertainty and disruptions caused by BREXIT, UK logistics companies are still very optimistic for the future. The total number of logistics companies in the UK in 2019 was 192,525 and almost 190,000 of these were SMEs. The industry saw growth in 2018 and the industry added 200,000 more jobs in the logistics sector. There was a strong occupational growth related to warehousing and storage because of an increase in online sales; however, the uncertainties of BREXIT led to labour shortages in several logistics areas especially in areas that are heavily reliant on EU workers. The report further described the logistics industry as the backbone of the UK economy by not only helping to move goods to and from different hubs and ports but also because it supports the construction, manufacturing and services sectors. The report confirmed that fuel prices are higher than they were in the previous year making it a major challenge to the industry. The report also confirms that congestion on road networks is also a challenge that affects the productivity of the logistics industry. The report further noted that warehousing continues to perform strongly with 14.7% return on investment in 2017 and 11.7% in 2018 and annual growth in rental value grew to 3.1% at the end of 2018.

According to GMID - General Market Information Database (2020) and World Bank database (2020), the UK logistics performance index based on socio-economic indicators has consistently declined from 2014 to 2019 as they ranked 4th out of 160 countries, in 2014, 6th out of 160 countries in 2015, 8th out of 160 countries in 2016, 8th out of 160 countries in 2017, 9th out of 160 countries in 2018 and 11th out of 160 countries in 2019. This is also reflected in the financial reports of big UK logistics firms such as Wincanton logistics whose annual revenues have been fluctuating within the last 10 years and percentage profit margin has remained very low ranging from 2.28% to 5.74% within the last 10 years and in some years like 2011 and 2012 profits margin were negative at -1.19% and -3.94% respectively. The company turnover has remained at over 1.3 billion Euros since 2017. Nevertheless, Wincanton logistics is ranked number 3 out of 18 listed industrial transportation companies in the United Kingdom (Financial times, 2020).

However, according to a Mintel (2018) UK logistical services report; the UK logistical services market is forecasted to grow steadily through to 2023, which will be driven by road freight. The following findings were made from the report below:

- The report confirms that rising fuel prices continues to be a challenge.
- Skills and driver shortages continue to pose a threat to the industry's ability to meet the continuous rise in demand of logistical services.
- Industry wide staff recruitment and retention will continue to pose a challenge to the growth.
- Demand for logistics space reached its high point in 2018, which continues to be driven by an increase in online sales and that 3PLs are seeking to further digitalize their operations because of the boom in their customer's online sales.

2.2 Nigeria

According to reports on logistics risk in Nigeria by BMI Research a Fitch Group company (2014, 2015, 2016, 2017, 2018 & 2019), issues such as high congestion, high rates of traffic accidents and security issues such as armed robberies contribute to the risks of disruption in supply chains and impacts all logistics activities. Nigeria's logistics risks index score in the first quarter of 2018 was 30 out of 100 in a scale of 0-100 where 0 is the highest risk and 100 is the lowest risk. Also, World Bank database shows that Nigeria's logistics performance index (LPI) ranking was 110 out of 160 countries in 2018.

The BMI (2018) report noted that a high incidence of smuggling and other security risks further increases logistics costs, and the security control response further raises the risks of supply chain delay and rent-seeking activities. The report further noted: "Convoluting and costly trade compliance requirements, inadequate transport infrastructure and pervasive corruption at key entry points and along inland routes significantly dent Nigeria's logistical appeal" (BMI, 2018, p.6). Furthermore, the transport network in Nigeria is excessively reliant on road transport and hence the country's supply chain is forced to overly rely on the country's congested road networks and ports, which increases operational risks because of the likelihood of disruption. The BMI (2018) report further noted that despite the country's enormous oil wealth, it still has instances of energy and fuel shortages, which are also among factors that may lead to supply chain disruption. In the first quarter of 2019 the BMI's logistics risk report noted that Nigeria's overall score was 31.5 out of 100 in terms of logistics risk compared to 30 out of 100 in the first quarter of 2018 (BMI, 2019). This placed Nigeria's global logistics risk position at 165 out of 201 nations that were measured. The foregoing analysis and statistics show the high risks of operating logistics and supply chain services as a contract or third-party logistics firm.

Hence, foreign contract or third-party logistics firms are often deterred from entering the Nigerian market. Also, most large manufacturing companies, retailers and other industrial companies would rather keep their logistics in-house because of the foregoing risks which neutralizes the core benefits of contracting a third-party logistics firm such as cost savings, efficiency, and Just-In-Time operations (Adebambo et al., 2015). This is because the aforementioned risks such as continuous road congestion, high rates of traffic accidents and security issues causes disruptions and delays in the supply chain and makes it difficult for a contract logistics firm to achieve lean supply chain services, efficiency and cost savings in the logistics and supply chain of their clients. Thus, the cost of hiring their services is often not justified, making their service offerings less relevant (Onyebueke et al., 2019; Boyson et al., 1997).

In addition to the foregoing risks reported by BMI (2019), some similar country specific challenges and barriers to third party logistics in the Nigerian Oil and Gas industry and manufacturing sector were identified in Etokudoh et al. (2017). They include poor infrastructure (road and port congestions), high cost of business operations,

underdeveloped market, security challenges, host communities pressure/demands and uncertainty in the business environment (Adebambo et al., 2015, Etokudoh et al., 2017). Onyebueke et al. (2019) noted that logistics outsourcing was formally recognized in Nigeria in 1989 and were majorly used by large-scale companies such as Coca Cola, Nigerian Breweries, ExxonMobil, Oando and Total Oil. Onyebueke et al. (2019) further notes that prior to that time these companies were handling their logistics in-house, which was putting them under severe pressure and at some point they even incurred huge business losses. Therefore, these companies started outsourcing some of their logistics functions where they have little or no competency in comparison with specialist third parties so that they can focus on their core operations, increase levels of flexibility and creativity in order to achieve efficiency in service delivery to clients and customers (Onyebueke et al., 2019; Etokudoh et al., 2017). Onyebueke et al. (2019) also noted that 85.6% of respondents in their study of logistics outsourcing in selected Oil and Gas companies (ExxonMobil, Total E&P and SPDC) in Rivers state of Nigeria strongly agree that outsourcing their logistics to third parties improved their service delivery.

Onyebueke et al. (2019) state that 80% of respondents in their study agreed that outsourcing their logistics have reduced overall operational costs (Etokudoh et al., 2017) because working with third party logistics drillers and engineers have helped to reduce overhead and labour costs, which coupled with the expertise that these third-party logistics engineers and drillers bring have enabled them to meet their set targets, bringing good levels of profits to their companies.

In the Etokudoh et al. (2017) study, 76% of respondents both from the Oil and Gas companies and from the 3PL companies agreed that there are benefits in logistics outsourcing. However, Onyebueke et al. (2019) notes that there are some challenges and problems of logistics outsourcing in the Nigerian Oil and Gas industry that were identified in their research. They noted that 67% of respondents agreed that lack of understanding resulting from a change in management of the 3PL customer may lead to poor service delivery, low productivity and failure of contracts. They further noted that respondents lamented on the poor handling of documents by 3PLs and mixing up of documents with documents of competitors (other 3PL customers) may lead to the risk of sharing of information/secrets with competitors. They further reported that respondents acknowledged that corrupt managers of 3PL customers may collaborate with the 3PL companies (based on percentage cuts) to include hidden charges in the account statement. This issue of dishonesty and corruption, which creates issues of trust may hypothetically be one of the barriers to the further use of logistics outsourcing in Nigeria and therefore requires further original research to confirm it. Also, 68% of 3PL customer respondents acknowledged that many 3PLs under pay their staff and many do not provide incentives and comfortable working conditions, which discourages their staff from performing and ultimately affects the quality of service provided by 3PL companies. The foregoing issue may also be a possible barrier to further logistics outsourcing in Nigeria, which requires further original research.

Etokudoh et al. (2017) notes that challenges of logistics outsourcing in the Oil and Gas industry in Nigeria include: information flow management (Lieb et al., 1993), JVP (Joint venture partnership) intervention, employees' reluctance to work with 3PL staff or problems related to staff changes, vendor (3PL) capability and differences in organizational cultures (Lieb et al., 1993) were identified by their research respondents in the Nigerian Oil and Gas companies and their 3PL providers. Some of the challenges that are mentioned above such as information flow management and differences in organizational culture are aligned with Lieb et al.' (1993) findings of general challenges associated with logistics outsourcing.

Furthermore, there are already risks associated with contracting 3PLs anywhere in the world even in countries like the UK where a number of the risks mentioned in relation to Nigeria are negligible (Lambert et al., 1999; Boyson et al., 1997; Brown, 2005; Thurston,

1997; Selviaridis et al., 2008; Cooper, 2014; Afzal, 2011; Moore, 1998; Xu & Wang, 2013). Hence, contracting a third-party logistics firm in Nigeria further increases the risks that are already generally associated with outsourcing logistics to a third-party company (Etokudoh et al., 2017; Onyebueke et al., 2019). These barriers partly provide a possible explanation as to the relatively lower practice of third-party logistics in Nigeria.

Evidence also shows that unlike other sectors, which have little evidence of logistics outsourcing, many Oil and Gas corporations (especially international Oil and Gas companies with operating branches in Nigeria) contract third party logistics firms because their logistical needs are much more complex and sophisticated hence requiring the services of experts (Etokudoh et al., 2017, Onyebueke et al., 2019). Also, they contract logistics companies because keeping their logistics in-house will be very expensive due to the high assets and asset management requirement, hence they outsource their logistics to 3PL firms to optimize resources and save costs (Etokudoh et al., 2017).

Also, there are many logistics firms in Nigeria whose customers are SMMEs (Small Medium and Micro Enterprises) across many sectors including the informal sector (Ezenwa et al., 2018). These logistics companies do not necessarily operate on the basis of contract logistics but rather on 'pay as you go' particularly with their micro business customers and those in the informal sector and are hence not formally documented as 3PL activities (Ezenwa et al., 2018). A study by Ndu & Elechi (2014) on third party logistics among SMEs in Nigeria suggested that one of the challenges with logistics outsourcing in Nigeria is inadequate regulation of the industry, leading to a larger informal sector.

In conclusion, the literature does not provide conclusive evidence of the differences in levels of logistics outsourcing between developed economies such as the UK and developing economies such as Nigeria through a comprehensive analysis of the barriers, challenges and problems that exist in these regions. Hence, this paper fills the foregoing gap.

3. RESEARCH WORK: METHOD OF DATA COLLECTION AND ANALYSIS

The research adopted a content analysis method which reviewed data and information about third party logistics in the UK and Nigeria from various sources. This section explains the process through which this research was carried using content analysis.

ABI/INFORM complete database was used as the main database to search for academic papers and reports from newspapers and magazines. Search words such as "UK AND third-party logistics industry" "Nigeria AND third-party logistics industry" "Nigerian 3PL AND market report" "UK 3PL AND market report" "logistics outsourcing AND Nigeria" "logistics outsourcing AND UK". The search generated over 130,918 papers and after inclusion and exclusion criteria were used, 40 papers were selected. The 40 papers included 24 academic journal and conference papers while 16 were online newspapers and magazines. The inclusion criteria included geographical location (Nigeria and UK), date of publication within the last 30 years, relevance to the barriers and challenges of 3PL in Nigeria and the UK and publications in the English language.

Also, GMID (General Market Information Data) and World Bank database were used to obtain insights, statistics, and quantitative data about logistics performance indices in the UK and Nigeria which were included in the analysis. Statista, Armstrong & Associates, Mordor Intelligence, Mintel, Ibis World and ReportLinker websites were also used to obtain insights, quantitative data and statistics about the third-party logistics market in the UK and Nigeria. Also, special industry reports were included in the analysis such as UK logistics report by Freight Transport Association (FTA), UK logistical services report by Mintel, UK third party logistics report by SCALA consulting, Nigeria third party logistics

market report and forecast by Mordor Intelligence and Nigeria logistics risks quarterly reports by BMI Research the Fitch Group company.

The research reviewed and analysed all secondary data obtained from the various sources as mentioned above first, in the case of the UK and then Nigeria. After each review the barriers and challenges facing the practice of 3PL in each country were ranked in order of priority according to the frequency of occurrence in the literature and data that was reviewed. The ranking was done by listing the issues in the UK case that was found in the literature in a table and ranking them in the order of 1 as highest and 6 as lowest based on their frequency of appearance in the literature. In the Nigerian case, the issues that were identified in the literature were also listed in a table and ranked in the order of 1 as highest and 15 as lowest based on the frequency of appearance in the literature. The effect of each of these issues were also highlighted in the table (Table 1).

4. RESULTS: RANKING THE CHALLENGES FACING THIRD PARTY LOGISTICS PRACTICES IN THE UK AND NIGERIA

A few challenges have been identified in UK third party logistics from the various reports above. The challenges are retailer’s brand image (Cooper, 2014), contract start-up relationship problems and outsourcing relationship issues (SCALA, 2019), labour and driver shortages (Intel, 2018; FTA, 2019), rising fuel prices (Intel, 2018; FTA, 2019), road congestion (FTA, 2019) and click and collect (Cooper, 2014). In the Nigerian case, the barriers and challenges are more; up to 15 were identified and ranked below. Table 1 below shows the ranking of the challenges, problems, and barriers to logistics outsourcing in the UK and Nigeria as well as their effects and relevance.

Table 1 Results of comparative content analysis

N O.	UK- ISSUES	FREQ UEN CY	EFFECT
1.	Driver & labour shortages	2	Causes mild supply chain disruption as reported by FTA (2019)
2.	Rising fuel prices	2	Causes higher costs, reported by FTA (2019)
3	Road congestion	1	Reported by FTA causes mild disruption (2019)
4	Click and collect	1	Presented as a barrier to further logistics outsourcing in the UK retail sector up till 2014 (Cooper, 2014).
5	Brand image	1	Presented as a barrier to further logistics outsourcing in the UK retail sector (Cooper, 2014)
6	Contract start-up relationship problems and outsourcing relationship issues	1	Reported by SCALA (2019) as one of the challenges and problems facing the UK 3PL market
N O	NIGERIA- ISSUES	FREQ UEN CY	EFFECT
1	Congested road networks and ports	7	Identified by BMI Nigerian logistics risk reports 2014 to 2019 and Etokudoh et al. (2017) as a barrier preventing foreign contract logistics companies from entering the Nigerian market. Disrupts entire supply chain
2	Security issues such as smuggling and robbery	7	Identified by BMI Nigerian logistics risk reports 2014 to 2019 and Etokudoh et al. (2017) as a barrier preventing foreign

			contract logistics companies from entering the Nigerian market. Disrupts the entire supply chain.
3	High rate of traffic accidents	6	Reported to be one of the barriers preventing foreign contract logistics companies from entering the Nigerian market by BMI Nigerian logistics risk report 2014 to 2019. Disrupts the entire supply chain
4.	Corruption and dishonesty	2	Reported by Onyebueke et al. (2019) as a major challenge of outsourcing logistics in Nigeria and may hypothetically be one of the barriers preventing further logistics outsourcing
5	Poor information flow management/risk and exposure of 3PL's customer secrets to competitors	2	Reported by Etokudoh et al. (2017) and Onyebueke et al. (2019) as a major challenge that 3PL customers experience in Nigeria. This may be one of the barriers to further logistics outsourcing in Nigeria
6	High cost of business operations	1	Reported by Etokudoh et al. (2017) as one of the country specific challenges that Oil and Gas companies experience while outsourcing logistics to 3PLs in Nigeria. It may hypothetically be a barrier from further logistics outsourcing in the Nigerian Oil and Gas sector.
7	Uncertain business environment	1	Reported by Etokudoh et al. (2017) as one of the country specific challenges that Oil and Gas companies experience while outsourcing logistics to 3PLs in Nigeria. This also may be one of the barriers that prevent further logistics outsourcing in the Nigerian Oil and Gas sector.
8	Underdeveloped third party logistics business market	1	Reported by Etokudoh et al. (2017) as one of the country specific challenges that Oil and Gas companies experience while outsourcing logistics to 3PLs in Nigeria.
9	Joint venture partnership intervention	1	Reported by Etokudoh et al. (2017) as one of the challenges of logistics outsourcing in Nigeria
10	Differences in organizational cultures	1	Reported by Etokudoh et al. (2017) as challenges 3PL customers generally experience in most countries including Nigeria.
11	Poor vendor or 3PL capability	1	Reported by Etokudoh et al. (2017) as one of the challenges of logistics outsourcing in Nigeria
12	Staff changes/replacement	1	Reported by Etokudoh et al. (2017) as one of the challenges of logistics outsourcing in Nigeria.
13	Change in management	1	Reported by Onyebueke et al. (2019) as one of the challenges of logistics outsourcing in Nigeria.

14	Underpayment of staffs by 3PLs and unfavorable working conditions	1	Reported by Onyebueke et al. (2019) as one of the challenges that lead to poor service by 3PLs and may be one of the factors that discourage companies from outsourcing their logistics to 3PLs in Nigeria
15	Inadequate regulations of the Nigerian third party logistics industry	1.	Reported by Ndu & Elechi (2014) as one of the challenges and barriers to logistics outsourcing in Nigeria

5. CONCLUSIONS: COMPARISON BETWEEN NIGERIA AND THE UK

The following conclusions can be drawn from the content analysis.

There are minor and fewer barriers to further logistics outsourcing in the UK (6), which are identified as problems and challenges facing the third-party logistics industry and ranked in Table 1. On the other hand, there are a lot more (15) logistics outsourcing challenges in Nigeria that were identified and ranked and incorporated into Table 1. However, further original primary research is required to evaluate current prevalence of these barriers through the lens of 3PLs and their customers in Nigeria.

The UK third party logistics industry has a well-matured market but this content analysis suggests that Nigeria’s 3PL sector is under-developed. Etokudoh et al. (2017) reported that the underdeveloped Nigerian 3PL market remains one of the challenges that 3PL customers in the Oil and Gas sector experienced. However, further original research is required to ascertain the current levels of logistics outsourcing in Nigeria in a wider range of sectors (Etokudoh et al., 2017; Adebambo et al., 2015; Mac-Kingsley & Ihunwo, 2018).

The UK logistics industry continues to grow and is forecasted to grow further despite a few operational and commercial challenges. The Nigerian logistics industry does not show as much potential according to BMI reports due to levels of supply chain risk however, there are still significant growth projections, due to the size of the economy, according to Mordor Intelligence (2020).

In the Nigerian Oil and Gas sector, logistics outsourcing has contributed to efficiency, improved service delivery, cost savings and increased profit making. On the other hand, in the UK, the foregoing results have been achieved as well but evidence shows that they have been achieved in various sectors of the economy and not only in the Oil and Gas sector.

In the UK, however, major 3PL customer satisfaction was reported to be quite low at only 34%. On the other hand, Etokudoh et al. (2017) reported that 76% of 3PL customers that were studied in the Nigerian Oil and Gas sector agreed that logistics outsourcing has been beneficial, though not specifically related to customer satisfaction, and Onyebueke et al. (2019) reported that 80% of 3PL customers that were studied in the Nigerian Oil and Gas sector agreed that logistics outsourcing has been beneficial in terms of cost reduction. However, the majority of these Oil and Gas companies are international companies with operating branches in Nigeria.

Finally, soft factors such as dishonesty and corruption were identified among the barriers to the further use of logistics outsourcing in Nigeria but only business, economic and politically related factors were identified in the UK. Next steps include empirical research into a wider range of sectors and their use and experience of 3PL services in Nigeria.

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