ROAD HAULIER COMPETITION
IMPLIEDS FOR SUPPLY CHAIN INTEGRATION

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ABSTRACT

Purpose
Road hauliers are under substantial competitive pressure. We aim to better understand road haulier competition and its implications in terms of integration and competence in the logistics service supply chain and industrial supply chain.

Design/methodology/approach
Comparative cases of trucking and competition are constructed from Swedish and Polish case studies (interviews, observation and secondary material). Our qualitative approach involves researchers and actors of the road transport chain that collaboratively create understanding of development in the road transport business.

Findings
A transaction and low cost focus might lead to prices which cannot cover the normal expenses for vehicle maintenance, salary and fuel, exploiting drivers sleeping in the truck cabins for weeks and vehicles which are not well maintained. We also find low cost and competent small transport firms driving vehicles with low environmental impact, and with good safety performance. Many industrial firms strive for integration but neglect integration of the logistics and transportation services chain, thus sacrificing integration and competence in the supply chain as well as sustainability.

Research limitations/implications
The study explores rather than proves shortcomings in supply chain management. Future process research approaches can facilitate theory building on operational and strategic interactions of the industrial supply chain and the logistics service chain.

Practical implications
By having CSR requirements but not enforcing them in the transport chain, transport buyers may be contributing to a system of extreme low cost transportation competition where long-term performance is poor especially on social and environmental aspects.

Original/value
The industrial supply chain and the logistics service chain is investigated as an interrelated network.

Keywords: Supply Chain Management, Transport, Road Haulage, Competition, Integration.