

## LOGISTIC TRAFFIC – A SUPPLY CHAIN MANAGEMENT FACTOR IN HOSPITALITY

*Review*

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### **Abstract**

The purpose – The purpose of this paper is based on the fact that managing supply chains as a separate area of business management opens up numerous possibilities for improving the competitive position of business systems. Supply chain management is increasingly often named as the key offensive factor to increasing the efficacy and effectiveness of economic systems.

Design – The purpose of the paper is to point to the fact that hospitality logistics fulfils its basic mission only then when high quality products are delivered to the right place, at the right time, in the appropriate assortment, with the lowest internal and external costs, while doing their maximum to meet the wishes, needs and the demand of the customers.

Methodology – The methodology is based on proving the proposed hypothesis: Modern logistics traffic represents a condition sine qua non of rational supply chain management in hospitality.

Approach – The approach of the paper is based on the fact that supply chain management represents a broader, strategically significant concept which includes the entire supply chain and has the following goals: customer satisfaction, formulating and implementing appropriate strategies and effective supply chain management.

Findings – Although each modality of the traffic logistic system has its own specific mission, they all have a common basic mission: to prepare material goods for manipulation, transport and distribution, the actual transport and distribution of material goods and conducting various logistic activities connected to preparing, manipulating, transporting and distributing material goods.

The originality of this research – The originality of this research is revisiting the traffic logistics model as an exclusive factor of the competitive micro-hospitality industry in tourist destinations on a theoretical level, which can be set up via simple, complicated and multimodal traffic logistic models in micro-hospitality industries.

**Keywords** logistics traffic, management, supply chains, hospitality

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### **INTRODUCTION**

Managing supply chains as a separate area of business management opens up numerous possibilities for improving the competitive position of business systems. Supply chain management is increasingly often named as the key offensive factor to increasing the efficacy and effectiveness of economic systems. Recent relevant national and international research (Vujošević 2004, 110 and Soon 2011, 506) shows that making small improvements within any segment of decision-making in the supply chain can

cause relatively large rationalizations in business and/or can develop a new competitive advantage on the marketplace.

Supply chain management is a broader, strategically significant concept that includes the entire supply chain and has the following goals: customer satisfaction, formulating and implementing the appropriate strategy and effective supply chain management. The logistic supply chain is defined as a collection of logistic links with the same interest, i.e. logistic partners (subjects) who independently or as a part of the logistic distribution channels supply buyers, consumers, users with something, e.g.: materials, water, drinks, food, oil derivatives, knowledge, capital or various goods. These chains achieve their mission only when the quality product (or service) is delivered to the right place, at the right moment, in the optimum amount and the appropriate assortment, under the best conditions for all logistic subjects of such chains and with the active participation of road, rail, maritime and air traffic and sometimes even river/canal/lake traffic.

According to the described issues the following hypothesis is proposed: modern logistic traffic represents a condition sine qua non of rational supply chain management in hospitality.

## **1. THEORETICAL ASPECTS OF MANAGING SUPPLY CHAINS**

This chapter will define various theoretical approaches to managing supply chains, significant guidelines of the evolution of supply chain management and basic characteristics of modern supply chain management, i.e. it will explain the relationship between the terms logistics, supply chains and supply chain management.

### **1.1. Defining supply chain management**

Supply management dates back to 1832 when the text titled “On machine and production economics” was published, or to the year 1933 when the first text was published that deals exclusively with supply. However, it has also been determined that the first fundamental beginnings of logistics and supply chains originate back to the age of the construction of the pyramids, especially since then there were certain principles for moving materials and information to satisfy someone’s demands.

Although the term supply chain and supply chain management have been used since the early 1980’s, there is still no theoretical unity in their definitions and various approaches by different authors have to be critically examined. Quite often this term is equated with the term logistics. Logistics is a term which dates back to Plato’s name for practical mathematics. In modern times this word has become common in the military vocabulary; from there it entered into the area of economics and primarily refers to goods (material flows). Logistics, i.e. managing supply chains, is a function responsible for the transport, distribution and storage of materials on their journey from the original suppliers, via transitory operations, to the ultimate buyer.

Each supply chain has its own unique characteristics. Elements that all supply chains have in common have been determined and it is therefore considered that businesses have to, individually as well as together, make decisions in five key areas that are in fact initiators of supply chains (Luetić 2013, 106): 1) production, i.e. which products does the market want, what amount and when to manufacture it. Answers need to be provided by the production master plan which has to take the capacity, workload balance, quality control and equipment maintenance into consideration; 2) the storage, i.e. which amount of storage is necessary for each phase of the supply chain; which amount should be in storage in the form of raw material, intermediate goods, and finished products. The primary purpose of storage in the supply chain is to protect from uncertainty, but since having storage is an expense, this poses the question what the optimum level of storage is; 3) location, i.e. where should the produced goods and the warehouses be located, which location is the most feasible, should existing facilities be used or should new ones be built; 4) transport, i.e. how will the stored products be moved from one to another location, how to optimize and select the best means of transport (by road, rail, sea, air or even rivers, canals and lakes; how does the transport (in)security affect the storage amount; 5) information, i.e. how much data should be gathered and how much information shared – timely and precise information ensures better coordination and better quality of decision-making when it comes to production, location, storage and transport.

## 1.2. The most important guidelines of supply chain management

When defining principles of supply chain management we often start from the buyer's viewpoint and explain them in the following way (Luetić 2013, 110): 1) efficiency – there must not be any waste, in the broadest sense of the word, which will have a positive impact on the improvement of all processes; 2) reliability – by improving the process and synchronizing demand and supply in all aspects of the supply chain companies will achieve constant quality of products and services; 3) flexibility – also called agility, this refers to adaptable relationships, processes that are aimed at the buyer and the continuous flow of information within the chain. To become effective and reliable means to enable flexibility especially when improvements have been made thanks to eliminating errors and waste; 4) innovation – efficacy, reliability and flexibility will begin to lag over time, therefore in order to maintain a high quality and competitive position the process and material as well as non-material products need to be constantly innovated.

The supply chain is a dynamic system within which constant flows of information, products and money take place between the participants of the processes. A typical supply chain is represented by a network which is why it might be more suitable to talk about supply networks, rather than supply chains.

The supply chain network is comprised of four object levels. The manufacturing flow has a downward development from the suppliers to the manufacturing facilities, from the manufacturing facilities to the distribution centres and from the distribution centres to the market. The supply chain can consist of an arbitrary number of object levels. Furthermore, production flows sometimes develop in a downward fashion when the intermediate goods or parts of the product are returned to the manufacturing facilities

for further work, or when the products that are not intended for further use are returned from retail facilities to distribution centres to be recycled.

### **1.3. Basic characteristics of managing supply chains**

The term supply chain management is not only used for explaining logistic activities and for planning and controlling materials and information that have circulated within the company as well as outside of the company. Researchers have also used it to explain strategic and inter-organizational matters, to examine and research alternative organizational forms and to explain relationships that companies have developed with their suppliers and buyers. The four main research areas in the domain of supply chain management are, first of all, matters within the organization, then matters between two or more organizations, problems within the chain and matters within the network.

There are three driving forces in the development of supply chain management: uncertain surroundings, orientation towards the buyer and information technology. Moreover, there are four basic directions for research (Luetić 2013, 127): 1) strategic procurement – historically seen procurement has had a passive role in doing business up until the 1980's when its evolution began; 2) supply management – supply management is different from supply chain management because supply chain management encompasses all aspects of product delivery and customer service, while supply management primarily focuses on the relationship between the buyer and the supplier; 3) logistic integration – it can be twofold, internal and external, i.e. expanded. It is characterized by integrated logistic activities in the functional departments of a company and by the fact that the firm's logistic activities are integrated with the same activities of other members of the supply chain; 4) coordination of the supply network – a large number of research was directed towards finding a mathematical model that would optimize the planning and coordination of six basic supply chain positions: procurement, production, storage, sales, transport and distribution.

## **2. SIGNIFICANT CHARACTERISTICS OF LOGISTICS TRAFFIC AND THE HOSPITALITY INDUSTRY**

The significant characteristics of logistics traffic and the hospitality industry are displayed when defining the basic characteristics of logistics transport and traffic, when defining the theoretical characteristics of the hospitality industry and the homogenous unity of the micro-tourism, micro-hospitality and micro-hotel logistics industry as the key for the competitiveness of a tourism destination.

### **2.1. Basic characteristics of transport and traffic logistics**

Transport logistics as a science and transport logistics as an activity belong to the most important kinds of logistics, not only in tertiary logistic systems, but also in primary logistic systems, secondary logistic systems, quaternary logistic systems and quinary logistic systems, because without such logistics the following systems would not be able to function: production, distribution, exchange and consumption. Furthermore, it can be said that transport logistics represents the basic input for all kinds of logistics

processes. This, in fact, means that transport logistics participates to a great extent in the value of each logistic product, as well as in the value of each material product (Zelenika 2005, 428).

It is extremely important to emphasize that transport logistics is a specific kind of logistics that uses the appropriate elements to produce transport and logistic products. This, in fact, means that transport logistics as a science and transport logistics as an activity enable the transport, transfer, relocation, transport of goods, things, matters, live animals, data, information, sounds, images, energy, etc. from one place to another. The production processes of transport and logistic products are made possible by various appropriate elements, such as: logistic infrastructure, logistic suprastructure, logistic production items, logistic intellectual capital of information technology, financial potential and other elements.

Transport logistics, i.e. transport logistic systems fulfil their fundamental mission only if they transport, transfer, relocate, etc. the transport logistic product quickly, safely and rationally from one place to another, by using all or most types of transport, primarily road transport, then rail, maritime and air transport. This actually means that it must satisfy the wishes, needs and demands of transport logistic product users and consumers.

Since transport logistics is the most important constituent of traffic logistics and since the transport logistic system is the most important subsystem of the traffic logistic system, the phenomena of both kinds of logistics and both systems are so intertwined, mixed and complement each other within the transport, traffic and logistic industry that it is virtually impossible to draw distinct boundaries between them. Similarly, knowledge about transport logistics and transport logistic systems is naturally and logically built upon by knowledge about traffic logistics and traffic logistic systems.

Traffic logistics as a science and traffic logistics as an activity are broader terms than transport logistics as a science and activity, but at the same time traffic logistics is a broader term than traffic as a science and as an activity, but a narrower term than logistics. General traffic logistics as a science combines interdisciplinary and multidisciplinary knowledge which examines and applies the rules of numerous and complex planned, coordinated, regulated and controlled activities, functions, processes, measures, jobs, rules, operations, actions, etc. which use traffic and logistic infrastructure, traffic and logistic suprastructure and other potentials and resources to connect all knowledge that is directly and/or indirectly used to overcome spatial and temporal distances of fast, safe and rational circulation flows (i.e. the flow of goods, live animals, passengers, information, etc.) from one place (point of shipment) to another place (point of delivery), including information flows, while meeting the needs of active participants in the production process of logistic products.

Traffic logistics can be classified according to various criteria (Zelenika 2005, 436): 1) according to the purpose (public traffic logistics, traffic logistics for personal needs, interior traffic logistics), 2) according to the territorial production processes of traffic-logistic products (national and international traffic logistics), 3) according to the object that is circulating (traffic logistics for the circulation of cargo, passengers and special

loads), 4) according to the organization of production processes of traffic-logistic products (linear, free or taxi traffic logistics), 5) according to the medium that enables the production of the traffic-logistic product (seaborne, land, telecommunication, air), 6) according to the specific characteristics of the production of traffic-logistic products (traffic-maritime, traffic-railroad, traffic-road, traffic-air, traffic-postal, traffic-communication, traffic-river and other logistics).

Although each modality of the traffic logistic system has its own specific mission, they all have a mutual fundamental mission: to prepare material goods for manipulation, transport and distribution, just transport and distribution of material goods and performing numerous logistic activities connected to the preparation, manipulation, transport and distribution of material goods. This kind of mission is very demanding, because completing partial, specific missions of individual traffic logistic systems enables all production processes of traffic logistic systems. This, in fact, means that the production processes of traffic logistic systems have to be used for safe, quick and rational preparation, manipulation, transport and distribution of material goods, because only then can they meet all the wishes, needs and desires of users and consumers of traffic logistic products.

## **2.2. Theoretical features of the hospitality industry**

Hospitality industry developed from a desire to receive guests, to provide hospitality, which initially was free of charge. A desire to host travellers developed from a moral obligation to that existed in all ancient communities. However, the development of trade led to the more intense movement of people, so that the hospitality services first started to be paid in goods (mainly cereals), and then in cash. The first traces of the hospitality facilities were found around the 5th century BC in the slavery states in the Mediterranean. In Egypt, the inns and taverns generally offered only a dish. The old Greeks used to offer in the inns, which were usually located close to the temples, food, drinks and accommodation. Animals that were sacrificed at temples were prepared and eaten in taverns that usually disposed with a stage for performances and musicians. In the Roman Empire, in the vicinity of the rest areas and spas, the places for consuming snacks were opened and they offered dried fruit and simple meals. Drinks were offered in pubs, and the forerunners of the contemporary restaurants, the so called "popinas" were opened. Croatia, as a part of the Mediterranean, has always been located on busy routes. The first inns were built during the Roman Empire, and from that time originates the "Roman inn" in Sisak. In the 14th century, inns, taverns and hostelrys opened in the area of Dubrovnik, Rijeka and Split. However, to a significant development of the hospitality industry came only in the middle of the 19th century, when in the southern Croatian marine and rail transport was being developed. This is another proof showing that the transport and hospitality facilities are developing together.

Division or classification of hospitality facilities is necessary in order to avoid the abuse of the name of the facilities and thus to protect the guests and caterers. All hospitality facilities are divided into two major groups: facilities providing accommodation and facilities providing food and drinks. Accommodation facilities whose occupancy shows high rates often operate throughout the whole year and they

are: hotel, resort, self catering flats and guest houses. With regard to the accommodation and facilities provided, hotels are classified as: city hotels, boarding and specialized hotels. Unlike hotel rooms, self catering flats have except the sleeping area and sanitary parts, a kitchen and a dining area. Resorts are larger units that consist of a hotel and additional facilities and are usually separated from the tourist destination. Additional accommodation facilities are usually occupied after basic facilities and they are campsites, private accommodation and resorts. Facilities providing food and beverage services are restaurants, taverns, bars, cafés and other food service facilities.

In the tertiary logistics systems a special place is taken by the hospitality logistics systems with their numerous sub-systems and associated elements. This claim results from the fact that the hospitality logistics as a science and the hospitality logistics as an activity is related to the overall operations of hotels, motels, restaurants, inns, bed & breakfasts, buffets, cafés, bars, pubs, taverns, ice cream parlors, inns, resorts, health resorts etc.

Based on a variety of conceptions, facts and statements about the hospitality logistics, hospitality logistics system is a system of interconnected and mutually influenced logistics expertise and logistics activities that with help of certain production elements support the production of hospitality products in the hospitality industry. Without logistics expertise and logistics activities it has not been possible to build and to put in operation all facilities of the hospitality "factories", such as: hotels, motels, restaurants, bars, cafés. The before mentioned fundamental logistics expertise and logistics activities are just upgraded through the tertiary logistics expertise and logistics activities that support and promote the production of the hospitality products. These are, above all, logistics expertise and logistics activities in connection with the transport of guests, food products, beverages, purchase and sale, storage, supply and distribution of food and other items, that is, all the material goods needed in the operation processes of the hospitality companies.

Each of these hospitality facilities has its own special mission. Hotels have, for example, a mission to provide accommodation, food and drinks services, entertainment, recreation and other services to different consumers. Restaurants, for example, have the mission of preparing and serving warm and cold dishes and drinks to groups or individuals. Accordingly, the fundamental mission of the hospitality logistics is to support the production processes of the hospitality products through specific logistics expertise and logistics activities, and above all, to receive and accommodate guests, prepare and serve meals, delicacies and drinks, to provide recreational facilities and to maintain the hospitality infrastructure and superstructure. Hospitality logistics achieves its core mission only if the quality products are delivered to the right place, at the right time, in the proper range, with the lowest internal and external costs, whereby the wishes, needs and demands of the hospitality products consumers are completely satisfied.

### **2.3. Logistics industry and its homogeneous unity of micro-tourism, micro-hospitality and micro-hotel industry – the key to competitiveness of tourist destinations**

Referring to the spatial and temporal dimensions of the production process of hospitality products in the hospitality industry, logistics systems of the hospitality industry can be (Zelenika 2005, 505): micro-tourist, micro-hospitality and micro-hotel logistics systems. Their operation cannot be optimal without efficient logistics networks with all logistics facilities. Such networks should facilitate partnerships among many logistics companies from almost all fields of the primary, secondary, tertiary, quaternary and quinary logistics systems. Logistics networks of the hospitality industry are remarkably intertwined with the hotel logistics networks and tourism logistics networks, so that it is almost impossible to distinguish the eyes of the network, network threads or the network knots.

Micro-tourist logistics systems are designed and organized in accordance with the logistics principles, and their logistics operators operationalize their business with the support of the logistics expertise and logistics activities. They cannot reach the optimum operation without efficient logistics networks with all their elements and facilities, as such networks enable partnerships among many logistics companies from almost all activity fields of the primary, secondary, tertiary, quaternary and quinary sector, i.e. logistics system.

Tourist logistics networks are to a significant extent intertwined with the hotel and hospitality logistics networks, so that in many places and in many situations they are transformed into unique tertiary logistics networks. Such a logistics network has to constantly adapt to the wishes, needs and demands of choosy tourists and other users, that is consumers of tourism, hotel and hospitality products. In addition, such networks should allow a successful, efficient and profitable operation to the producers of tourism, hotel and hospitality products.

Tourist logistics systems achieve their core mission only if they provide services to all or at least the majority of tourists at the right time, right place, at appropriate facilities and at minimal logistical costs of supply.

Firms or companies that produce hospitality products relying on the logistics principles and supported by the logistics expertise and logistics activities belong to the micro-hotel logistics systems.



### **3. LOGISTICS TRAFFIC AIMED AT INCREASING COMPETITIVENESS OF SUPPLY CHAINS IN THE HOSPITALITY INDUSTRY**

Logistics traffic aimed at increasing competitiveness of supply chains in the hospitality industry is analyzed in this chapter with a special focus on the following issues:

1) more important elements and components of the modern logistics turnover, 2) rethinking the model of traffic logistics as an exclusive factor of the competitive micro-hospitality industry and logistics traffic in the center of the micro hospitality industry.

#### **3.1. Important elements and components of the modern logistics traffic**

Elements and components of the modern logistics traffic mainly consist of the transport logistics infrastructure, traffic logistics infrastructure, transport logistics superstructure, traffic logistics superstructure, transport and logistics chains and transport and logistics networks.

The transport logistics infrastructure includes all facilities, instruments of labor, plants, equipment and the like that are constantly fixed to a specific location in order to produce logistics products and to regulate and ensure all production processes in the logistics industry.

The traffic logistics infrastructure is made up of traffic routes, facilities, equipment, plants, different instruments of labor etc. that are permanently fixed to certain places where traffic products are produced and all production services in all types of traffic industries are regulated and ensured.

The transport logistics superstructure consists of all movable instruments of labor used by the logistics infrastructure to produce logistics products (i.e., logistics expertise and logistics activities), and to control and ensure safety of all production processes in the logistics industry.

The traffic logistic superstructure comprises means of transport and loading (reloading) that through the use of the transport infrastructure facilitate the production of traffic products. It actually means that the traffic superstructure consists of all movable instruments of labor that serve to manipulate, transport, transfer, relocate etc. the traffic subjects (i.e., passengers, cargo, energy, information, valuables, etc.); or, more simplified, the traffic superstructure consists of all instruments of labor that produce traffic products, with exception of the traffic infrastructure.

The transport chain is a collection or series of mutually on the basis of interest interconnected links, that is logistics partners and active participants that enable fast, secure and rational production processes of the transport products.

The logistics chain is a set or series of mutually on the basis of interest interconnected links, that is logistics partners and active logistics participants that enable fast, secure and rational production of the logistics products.

The transport network is a system of mutually on the basis of interest connected transport hubs, roads, corridors, routes, lines, etc., which enables fast, safe and rational production processes of the transport products (Zelenika et al. 2007, 181). It consists of a series of transport chains (road means of transport, railways, airlines, ships, river ships, etc.). The transport network is a multimodal network as it allows the movement by the transport network horizontally (through the implementation of the transport means of only one traffic branch, vertically (combined or multimodal transport) and diagonally, depending on the subject of circulation, traffic network, the starting and destination point, respectively.

The logistics network is a system of mutually on the basis of interest connected logistics centers, roads, corridors, routes, lines, logistics chains, logistics and distribution chains, transport chains, transport networks that facilitates fast, secure and rational processes of the logistics products production. The network is, in fact, a model for building the basic structure of the logistics system consisting of nodes and threads. Nodes represent logistics centers, goods and distribution centers, goods and commercial centers and alike, while the threads in the logistics network represent a transport network. In the logistics, the objects or subjects of circulation move through the network with a stop at the network nodes. Since the nodes can be differently connected, so can the products of these nodes move through the network in different ways. Not only products, but also the people, information, energy, or whatever that may be a subject of the circulation, can move through the network.

### **3.2. Rethinking the model of logistics traffic as an exclusive factor of the competitive micro-hospitality industry in tourist destinations**

Scope of activities of the hospitality industry represents a basic scope of tourist activities as a stay in a destination lasting longer than 24 hours is a criterion that determines a trip as a tourism trip. Accommodation facilities, food and beverages services that are provided are essential for a longer stay outside the usual place of residence. It is widely assumed that the scope of activities of the hospitality industry produces a hospitality service consisting of accommodation facilities, food and beverage and other services, as well. It is, however, only partly true, because food service can, only in terms of serving it, be considered a service, while the food prepared in the hotel or in the restaurant kitchen, although it has its specific features, is, on the other hand, a material product.

Possible models of logistics traffic in the competitive micro-hospitality industry in tourist destinations can be determined on the theoretical level as it follows:

a) simple models of logistics traffic in micro-hospitality industries - micro-hospitality industries may be of small capacity - for example, to serve up to 500 or 1,000 guests a day, then of medium capacity serving 1,000 to 5,000 guests daily and of large capacity, whereby, for example, more than 5,000 people a day can be served. Such models have a relatively small number of channels in the supply chains, for example, from 10 to 50 channels dominated by road transport. It is necessary to adequately design the model and scheme with 20 to 40 channels that are logically connected in a certain environment of a tourist destination.

b) complex models of logistics traffic in micro-hospitality industries - suitable for serving hospitality facilities of medium capacity from 5,000 to 10,000 guests per day. Such models have about 100 channels in supply chains dominated by road and rail traffic and they must contain certain hospitality, hotel and private accommodation facilities. They should also provide tourism, hotel and hospitality products of quality. It is necessary to design in the right way a model and a scheme with 80 to 100 channels that are logically connected in a certain environment of a tourist destination.

c) multimodal models of logistics traffic in micro-hospitality industries - are suitable for serving large hospitality facilities with capacity from 10,000 to 20,000 guests a day. Such models have about 200 to 500 channels in the supply chains with an active participation of the road and rail traffic, followed by maritime, river-canal-lake transport and air transport. Large or mega-tourist, mega-hotel and mega-hospitality destinations should provide suitable accommodation facilities and offer high quality products, whereby all sizes of simple, complex and multimodal models of logistics operations have to be adjusted in order to achieve their quantitative optimization in the micro-hospitality industries (of small, medium and large capacity).

### **3.3. Logistics traffic in focus of the micro-hospitality industry**

Traffic demand during the tourist season is basically derived from the tourism demand and it depends on the consumers' preferences of the population of emissive areas, a price and quality of service, a price of a possible substitutive service and prices of additional services. The traffic demand is affected by some determinants typical for the traffic activity, such as: the availability of certain traffic branches, the comparative advantages of individual traffic branches, the level of integration of certain forms of transport in tourist arrangements and their market attractiveness (Mrnjavac 2010, 214).

Traffic is a logistics activity that allows mastering space in time, so that its role in achieving the objectives of logistics is evident. Multi-increase of material flows in a tourist destination presents a major challenge for transport companies and the overall traffic organization because for a large traffic demand an adequate supply should be provided, in order to achieve all the logistics objectives of a destination.

In many destinations transport options are usually limited and determined by the transport infrastructure with an insufficient capacity, with minimal or no possibilities at all to increase it. Spatial distribution is generally determined by the location of cultural and historical monuments, hotels and other accommodation facilities, hospitality, sports, commercial, recreational and other facilities.

For servicing destinations on a high quality level the construction of a warehouse and a distribution center on the outskirts of settlements is recommended, which, depending on the distance to tourist destinations and their potential can serve one or more destinations. The supply of stores, hotels and restaurants is in most cases organized by night. Through such a concept a high level of reliability of supply is ensured, and trucks bypass a destination and end up the transportation in warehouses and distribution centers outside inhabited areas.

## CONCLUSION

The competitiveness of supply chains becomes one of the most important models of the modern business. Current research works (Vujošević 2004, 110 and Soon 2011, 506) indicate that in the segment of the supply chain management there are areas where the competitiveness, market position and achieved market share of companies can be efficiently protected.

The supply chain management represents a broader, strategically more important concept that involves the entire supply chain with the following objectives: customer satisfaction, the formulation and implementation of appropriate strategies and an efficient chain management.

Although each modality of the transport logistics system has its own specific mission, all of them have a common core mission: preparing material goods for the manipulation, transportation and distribution, the transportation and distribution of material goods itself and the performance of numerous logistics activities related to preparing, manipulating, transporting and distributing material goods. Due to the fact that through the performance of partial, specific missions of the individual traffic logistics systems, all production processes of the transport logistics products should be empowered, such mission is a very demanding one. It, actually, means that the production processes of the traffic logistics products have to be aimed at a safe, quick and rational preparation, manipulation, transport and distribution of material goods, because only in this way the wishes, needs and demands of users and consumers of the transport logistics products can be entirely satisfied.

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