European Journal of Logistics, Purchasing and Supply Chain Management Vol.12 No.3, pp.33-51, 2024 Print ISSN: 2054-0930 (Print) Online ISSN: 2054-0949 (Online) Website: <u>https://www.eajournals.org/</u> Publication of the European Centre for Research Training and Development-UK

Strategy for Organizing Cross-Docking in Supply Chains to Accelerate the Delivery of Goods to E-Commerce Platforms' Warehouses

Igor Tovstolis ARDI Express LLC, California, USA Email: tovstolisigor7@gmail.com

doi: https://doi.org/10.37745/ejlpscm.2013/vol12n33351 Published November 09, 2024

Citation: Tovstolis I. (2024) Strategy for Organizing Cross-Docking in Supply Chains to Accelerate the Delivery of Goods to E-Commerce Platforms' Warehouses, *European Journal of Logistics, Purchasing and Supply Chain Management*, Vol.12 No.3, pp.33-51

Abstract: The rapid growth of e-commerce has fundamentally changed the logistics landscape, creating an increasing demand for faster, more efficient supply chains. One of the most promising strategies to address these challenges is the implementation of cross-docking a logistics method that minimizes storage time, reduces costs, and accelerates the delivery of goods. This article focuses on the strategic organization of cross-docking in supply chains, specifically between China and the USA, with the goal of speeding up the delivery of goods to warehouses of e-commerce platforms such as Amazon and Walmart. The relevance of the study is underscored by the need for e-commerce platforms to adapt to the ever-evolving customer demands while remaining competitive in the marketplace through logistics optimization. The research highlights key differences between cross-docking and traditional warehousing methods, outlining the advantages of cross-docking for minimizing storage time and cost, especially in international supply chains. Cross-docking eliminates the need for long-term storage by allowing goods to be transferred directly from inbound transportation to outbound shipping, providing companies with faster and more flexible supply chain solutions. These strategies are particularly relevant in the context of the US-China trade, where geographical distance and high consumer demand for timely deliveries present unique logistical challenges. The article details the core principles of cross-docking, identifying its main operational schemes: single-stage and two-stage processes. Each of these methods is explored in terms of their respective benefits for e-commerce platforms, including reduced inventory levels, faster order processing, and cost efficiency. Additionally, the article examines the role of advanced technologies, such as Warehouse Management Systems (WMS), RFID tracking, and automation, in optimizing cross-docking operations. These technologies not only enhance the speed and accuracy of cargo handling but also improve real-time visibility of goods throughout the supply chain. The article also addresses the current challenges faced by companies when implementing cross-docking in e-commerce. These include complex supply chain coordination, inventory visibility, high initial investment costs, and the need for welltrained staff capable of managing rapid cross-docking processes. Despite these obstacles, the

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

article proposes strategic solutions, including improved coordination with customs brokers, trucking companies, and express delivery operators, to ensure smooth operations between China and the USA. The strategic placement of cross-docking facilities near final delivery points, as well as the integration of local logistics operators, is crucial for optimizing last-mile delivery and reducing overall costs.Finally, the article provides real-world examples of successful cross-docking implementation by major companies such as Walmart, Amazon, and DHL, demonstrating the tangible benefits of this logistics method in enhancing supply chain efficiency. The prospects for cross-docking in e-commerce are promising, particularly with the ongoing advancement of automation, IoT, and big data analytics, all of which are expected to further streamline cross-docking processes.In conclusion, cross-docking is positioned as a pivotal logistics strategy for supply chains between China and the USA. The article argues that, while cross-docking is not a one-size-fits-all solution, it offers significant advantages when implemented correctly, providing businesses with faster deliveries, lower costs, and greater supply Chain flexibility

Keywords: Cross-docking, E-commerce logistics, Supply chain optimization, Warehouse management, Last-mile delivery, Automation in logistics, USA-China trade

INTRODUCTION

Problem Statement and Relevance of the Topic

In the context of the rapid development of e-commerce, the efficiency of logistics processes has become one of the key factors for success. Cross-docking as a supply organization method allows for significantly reducing warehouse storage time, minimizing costs, and speeding up the delivery process to the end consumer. However, implementing this strategy requires careful analysis, planning, and integration with existing supply chain processes. This article addresses the main challenges of organizing cross-docking in supply chains for goods between the USA and China for e-commerce platform warehouses and strategies to solve them.

The relevance of the topic is driven by the need for e-commerce platforms to adapt to changing customer demands and increase their competitiveness through logistics optimization.

Complex supply chains between China and the USA require a special approach to logistics due to significant distances, a wide variety of goods, and high demand for timely deliveries. In the supply system between China and the USA, cross-docking plays a key role in optimizing delivery and minimizing storage costs. Unlike traditional warehouses where goods may remain for extended periods, cross-docking allows for the significant reduction or complete elimination of storage stages. Goods are transferred from one vehicle to another as quickly as possible, which is particularly important given the high competition in the U.S. market.

European Journal of Logistics, Purchasing and Supply Chain Management Vol.12 No.3, pp.33-51, 2024 Print ISSN: 2054-0930 (Print) Online ISSN: 2054-0949 (Online) Website: <u>https://www.eajournals.org/</u>

Publication of the European Centre for Research Training and Development-UK While traditional warehouses are used for long-term storage, cross-docking minimizes or completely eliminates the need for extended storage since goods are reloaded from one vehicle to another in the shortest time possible. This is why cross-docking is widely used today in various industries, especially in retail, e-commerce, and manufacturing. It helps companies maintain low inventory levels, quickly respond to changes in demand, and increase the flexibility of logistics operations.

Through cross-docking, goods from different sources are consolidated into one vehicle and delivered to the final destination. This not only saves time but also reduces transportation costs and minimizes risks associated with product storage. Therefore, the goal of this article is to reveal the main principles and approaches to developing a cross-docking strategy in supply chains between the USA and China to optimize the accelerated delivery process of goods to e-commerce platform warehouses.

The article will cover the key stages of cross-docking implementation, the role of modern technologies and automation in warehouse process management, and examples of cross-docking used to improve logistics efficiency and reduce delivery times.

Differences Between Cross-Docking and Traditional Storage Methods

From consumer electronics to footwear and automobiles, the interconnected supply chains between the USA and China have long been a key element of their bilateral relations. However, the COVID-19 pandemic significantly impacted this connection, leading to changes that may have long-term effects. To this day, changes in the supply chain relationships between the USA and China are still being observed. Additionally, economic and political data analyses show a shift towards domestic policies aimed at enhancing the security of supply chains by reducing dependence on the other side. Nevertheless, despite the heightened tensions between the USA and China, which will continue to drive both countries to decrease reliance on one another, bilateral trade in goods between the USA and China reached a record \$690 billion in 2022 (according to the U.S. Census Bureau, 2023).

International e-commerce continues to grow and occupies an increasingly significant share of global revenues. Research shows that among manufacturers, retailers, and logistics service providers (LSP), nearly two-thirds—64%—are currently engaged in cross-border e-commerce or plan to begin within the next year. Furthermore, 56% of these companies are already actively involved in international e-commerce, including with China, highlighting the importance of this vast market, where many seek to capitalize (Fig. 1).

European Journal of Logistics, Purchasing and Supply Chain Management Vol.12 No.3, pp.33-51, 2024 Print ISSN: 2054-0930 (Print) Online ISSN: 2054-0949 (Online) Website: <u>https://www.eajournals.org/</u> Publication of the European Centre for Research Training and Development-UK



Figure 1 - Engagement in cross-border e-commerce among companies

In the face of a complex economic situation, companies are turning to foreign markets to compensate for revenue shortages at the domestic or regional levels. This serves as a strategy to reduce risks associated with relying on a single market. China, in particular, remains a major market for product distribution in the American e-commerce sector. Despite fluctuations in U.S.-China relations, the issue of ensuring product transportation from manufacturer to customer, with minimal damage, costs, and time, remains critical. In this case, warehousing and cross-docking can help companies effectively manage this task. However, it is essential to understand the difference between these two approaches: traditional storage and shipping methods require distributors to maintain product inventory for delivery to customers, whereas cross-docking involves moving goods directly from the inbound transportation to outbound without prolonged storage in between.

Today, cross-docking plays a key role in supply chain management, particularly in the transportation of goods from China to the USA for subsequent sale on e-commerce platforms. In this system, cross-docking warehouses are used both at the shipping side (China) and the receiving side (USA). Chinese warehouses have relatively less impact on overall costs due to China's large-scale manufacturing capabilities and available labor, traditionally utilizing large warehouse spaces. The country has a developed network of warehouses that support significant

European Journal of Logistics, Purchasing and Supply Chain Management Vol.12 No.3, pp.33-51, 2024 Print ISSN: 2054-0930 (Print) Online ISSN: 2054-0949 (Online) Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK product inventory for further dispatch, helping to offset the long transportation times (1) American Chamber of Commerce in China (2023) 2023 Business Climate Survey.

However, the costs of similar operations in U.S. warehouses can be significantly higher, which substantially impacts the unit economics and the final product price. This is primarily due to the high cost of warehouse rent and labor. This pushes companies to seek more efficient solutions, such as optimizing warehouse operations or introducing new automation technologies. As a result, cross-docking is employed to transfer goods from inbound transportation to outbound transportation without long-term storage. This reduces the time goods spend in the warehouse to a minimum, allowing companies to achieve faster and more flexible solutions in the supply chain, which reduces costs and increases customer satisfaction, especially given the high logistics costs in the USA.

Key Principles of Cross-Docking

Cross-docking allows e-commerce companies to shorten order processing times and reduce storage costs, which is particularly relevant for platforms that serve thousands of customers daily. One of the most prominent examples of cross-docking in e-commerce is the operations of companies like Amazon and other large marketplaces. Thanks to well-established crossdocking processes, they can quickly process orders and redirect them to regional warehouses or directly to the end consumers. This allows for delivery in the shortest possible time, often within one day, which significantly enhances customer satisfaction.

For e-commerce, cross-docking is an ideal solution for handling large volumes of diverse products that need to be moved quickly. For example, platforms operating on a marketplace model can use cross-docking centers to consolidate products from different sellers and quickly redirect them to buyers without the need to store goods in their own warehouses. This helps reduce costs and increase the company's competitiveness.

The cross-docking scheme depends on how the products are delivered and the client's requirements. There are two main methods for organizing the process (18) What is Crossdocking? (2023) Supply Chain Management Explained:

- 1. **Single-stage**: The goods arrive already palletized, packed, and labeled. After receiving them, they are immediately moved to the shipping zone.
- 2. **Two-stage**: The products are first placed in a consolidation zone, where other goods may be added before shipping.

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

<u>Publication of the European Centre for Research Training and Development-UK</u> In both cases, the goods do not remain in the warehouse for long. The processes differ, but certain steps are followed in both schemes.

Single-stage cross-docking consists of the following processes:

- **Transshipment** the goods are moved to another transport without storage.
- **Deconsolidation** the load is distributed and sent to different destinations.

Two-stage cross-docking includes:

- **Reconsolidation** the goods are sorted into ready shipments and dispatched.
- **Consolidation** shipments from different carriers are combined into one load for delivery.

Both schemes may include partial sorting, where the received shipments are supplemented by existing warehouse stock. This method is effective when goods are delivered in small quantities but in a wide assortment. Additionally, small batches can be combined into a larger one for delivery to a single recipient. This approach helps save time when processing large numbers of orders, which is especially important during peak sales periods.

Due to its specifics, cross-docking ensures high efficiency in handling goods such as:

- Perishable products (meat, dairy products, fruits, vegetables);
- Mass consumer goods;
- Orders with expedited delivery;
- Quality products that do not require inspection at the terminal;
- Products with limited shelf life.

For these categories of goods, not only is speed of delivery crucial, but also rapid handling and dispatch. Since goods are not stored in the warehouse, the risks of spoilage, damage, or loss are reduced. This makes outsourcing the process to cross-docking more reliable for businesses. Moreover, modern cross-docking centers in the USA are equipped with advanced automation technologies, allowing real-time tracking of goods movement. The use of RFID technology and transportation management systems greatly simplifies cargo handling processes and increases their accuracy. Automation also helps reduce processing time and labor costs.

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK Main Advantages of Cross-Docking for E-Commerce

With the development of artificial intelligence and big data analytics, cross-docking processes in e-commerce are becoming more efficient. This is because automated systems are capable of forecasting demand, optimizing delivery routes, and minimizing delays, thereby speeding up order fulfillment. For instance, Shopify uses intelligent algorithms to automate logistics processes and integrates cross-docking into its supply chain to maintain high service speed for customers.

It is also important to note that with the increasing number of product returns in e-commerce, cross-docking helps efficiently process such requests without the need to store goods in warehouses. Returned goods can be immediately redirected to the market for resale or processed for further transportation, reducing logistics costs and speeding up product turnover. This enables e-commerce companies to quickly and efficiently deliver goods while maintaining supply chain flexibility, which is a crucial factor in the ever-growing demand for online shopping. Companies can focus more on improving customer service, reducing operational costs, and achieving competitive advantages.

In general, cross-docking is a valuable logistics strategy that allows businesses to accelerate product delivery while improving supply chain efficiency. Through the direct transfer of goods from incoming to outgoing shipments, companies can reduce or even eliminate the need for warehouse storage, helping to lower processing costs. This technology provides businesses with transparency in supply chain management and operational control, which are essential for effectively managing the complex cross-docking process. Some of the key benefits include (15) The benefits of a cross-docking delivery strategy: A supply chain collaboration approach (2008):

- Faster product delivery;
- Optimization of the supply chain;
- Reduced storage and handling costs;
- Improved control and process transparency;
- Increased customer satisfaction;
- Higher profitability and reduced risks.

Challenges of Implementing Cross-Docking in E-Commerce

While implementing cross-docking in e-commerce can significantly improve efficiency, companies face some challenges. Among the systematic issues that many e-commerce companies focus on are potential problems that could arise in the next 24 months and destabilize global trade.

European Journal of Logistics, Purchasing and Supply Chain Management Vol.12 No.3, pp.33-51, 2024 Print ISSN: 2054-0930 (Print) Online ISSN: 2054-0949 (Online) Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK The top concern is the global economy: 54% of companies express worries about a potential recession that could reduce demand for e-commerce. Closely related is inflationary pressure, which worries 52% of companies. This creates uncertainty in market conditions, which clearly troubles supply chain planners. They also consider instability among international suppliers (37%) as the fourth most significant anticipated challenge.

In this context, it is important to highlight the cost of shipping, which is a concern for 40% of companies. Although international sea freight rates continued to fall sharply throughout 2022 and remained low at the start of 2023, the opposite trend is seen in other segments of the supply chain. Parcel shipping rates continue to rise, often outpacing inflation in many countries.

A survey conducted by Reuters Events among European supply chains in early 2023 revealed that 91% of logistics service providers (LSP) intend to pass costs onto their customers within the next 12 months, with 25% planning significant increases. This underscores the general trend of rising logistics costs.

According to estimates from the analytical platform Reveel, the average UPS customer in 2023 will pay 102% more than in 2022, and the average FedEx customer will pay 91% more due to general rate increases (GRI) and changes in surcharges, rules, and fees. Similarly, DHL announced an average price increase of 79% for U.S. customers at the beginning of the year.

Thus, shipping costs are likely to continue rising throughout 2023, creating pressure not only on cross-border e-commerce supply chains but also on consumers' wallets (Fig. 2).

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK



Figure 2 - Anticipated challenges of cross-border e-commerce (13)PwC, 2023. February 2023 Global Consumer Insights Pulse Survey

In addition to rising costs, other challenges in implementing cross-docking include (9) Ladier, A.L., Alpan, G. (2016) Crossdocking operations: current research versus industry practice, The International Journal of Management Science -Omega, Vol. 62, No. 4, pp. 145-162:

- **Complex coordination of the supply chain**: Cross-docking requires precise coordination between suppliers, warehouses, and transport companies. Any delays or misunderstandings can affect the process and lead to stock shortages or delivery delays.
- **Inventory transparency**: For effective cross-docking, it is important to be able to track stock levels at suppliers, warehouses, and points of sale in real-time. Without modern tracking and inventory management systems, it becomes difficult to ensure the availability of goods for immediate movement.
- **Technological infrastructure**: E-commerce companies must invest in reliable technological systems to support cross-docking operations. This includes advanced warehouse management systems (WMS), order processing systems, and data integration platforms linking various elements of the supply chain.
- **High initial costs**: Transitioning to cross-docking requires significant investments in setup: warehouse automation, technology upgrades, and employee training. For small and medium-sized companies, this can be a challenge without sufficient capital.

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

- Limited flexibility: Cross-docking is designed for the rapid transfer of goods with minimal storage time. However, when there are fluctuations in demand or sudden changes in orders, the system may struggle to adapt, leading to disruptions and delivery errors.
- **Employee training and labor costs**: There is a significant need for staff who can handle supply chain information. This can increase training costs and the need to hire qualified workers to manage the fast pace of operations.

To successfully overcome these challenges, it is necessary to take a strategic approach to crossdocking implementation by investing in technology, establishing partnerships within the supply chain, and ensuring operational flexibility. Such an approach will enable cross-docking to achieve its promised efficiency and speed in the e-commerce environment.

Strategy for Organizing Cross-Docking in Supply Chains Between China and the USA

Optimizing supply chains involves selecting cross-docking warehouses in the USA based on the geographic location of the final delivery point. For example, if the final delivery destination for goods from a container arriving from China is on the West Coast of the USA, such as in Arizona, Nevada, or California, it would be logical to send the container to California for processing in that region.

Similarly, if the final delivery point for goods from China to the USA is located on the East Coast, such as in New York, Pennsylvania, or Boston, it is advisable to organize a cross-docking warehouse in New York or New Jersey. This is because optimizing delivery from China to regions like New York implies that placing the cross-docking warehouse in close proximity to the final delivery point will help reduce transportation costs and time.

Thus, strategically locating cross-docking warehouses must take into account the final destination of goods. This is key to one of the most critical stages in the complex supply chain from China to the USA for e-commerce, known as last-mile delivery. Last-mile delivery involves transporting goods from the cross-docking warehouse to e-commerce platform warehouses, such as Amazon and Walmart. The high costs of last-mile delivery will be significantly reduced when cross-docking warehouses are located close to the final delivery point, which, in turn, will improve the unit economics of e-commerce brands and the final product price for consumers.

Additionally, special attention is paid to coordination with partners such as customs brokers, trucking companies, and express delivery operators. Customs brokers play a key role in the timely processing of documents and payment of duties, which helps accelerate the customs clearance process. Trucking companies, in turn, ensure the transportation of goods from

European Journal of Logistics, Purchasing and Supply Chain Management Vol.12 No.3, pp.33-51, 2024 Print ISSN: 2054-0930 (Print) Online ISSN: 2054-0949 (Online) Website: <u>https://www.eajournals.org/</u>

Publication of the European Centre for Research Training and Development-UK warehouses to e-commerce platforms. It is important to select contractors that offer the best combination of price and delivery speed, as well as ensure quick "pickups" of goods to minimize waiting times.

For supply chain optimization, it is also necessary to ensure uninterrupted supplies of consumables such as pallets, stretch wrap, and other equipment. Moreover, organizing the work of cross-docking warehouses in supply chains requires effective coordination with local express delivery operators such as UPS, FedEx, and USPS. Developing a daily pickup system is the foundation for supply chain optimization, which includes controlling the volume of vehicles needed for the timely pickup of parcels for last-mile delivery. Optimizing this stage significantly reduces costs and time for the final delivery of goods to consumers.

It is equally important to ensure the interaction of cross-docking warehouses with e-commerce platforms such as Amazon and Walmart. In this case, it is crucial to secure available time slots for delivering goods to their warehouses in advance. Timely coordination of deliveries helps avoid delays and speed up the delivery of goods to the final consumer. Such actions optimize logistics and minimize potential delays, positively impacting the entire supply chain.

Maintaining a high level of interaction between warehouse operators, logistics partners, and ecommerce platforms creates conditions for improving supply chain efficiency, minimizing costs, and improving unit economics for e-commerce brands. To successfully implement crossdocking, the following conditions must be met (Fig. 3):

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK



Figure 3 – Cross-docking organization strategy

In addition, to successfully organize cross-docking in the supply chain between China and the USA, it is recommended to thoroughly analyze the current supply chain, develop effective

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

<u>Publication of the European Centre for Research Training and Development-UK</u> models, and select appropriate technologies for process automation. Below is a detailed guide on how to organize cross-docking in supply chains:

- 1. **Evaluation of the Current Supply Chain** Before implementing cross-docking, a comprehensive assessment of the existing logistics infrastructure, processes, and supply chain is necessary, including:
 - Identifying customer needs and delivery time requirements.
 - Assessing current warehouse capacities and supply routes.
 - Identifying bottlenecks in the existing supply chain that may hinder the implementation of cross-docking.
- 2. **Development of Cross-Docking Models** Based on the analysis, cross-docking models are developed and tailored to the specific business needs. There are several types of cross-docking:
 - **Manufacturing cross-docking**, where products are shipped directly from suppliers to manufacturers without storage.
 - **Distribution cross-docking**, where goods are sorted and immediately dispatched to retail locations or customers.

When designing the model, it is essential to consider the volume of goods, frequency of shipments, and product types (for example, perishable goods require prompt handling).

- 3. Selection of Automation Technologies Technologies play a crucial role in the successful implementation of cross-docking. When transitioning to this model, several automated solutions can be employed:
 - Warehouse Management Systems (WMS), which enable real-time tracking of goods and optimize warehouse operations (Fig. 4).

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK



- TOP 10 WMS

- **Robotic sorting systems** designed to accelerate the order processing workflow.
- **Scanning and identification technologies** (RFID, barcodes), which enable real-time, accurate tracking of goods.

The final stage in the implementation of cross-docking is staff training, which is timeconsuming as employees must be trained to work with new technologies and automated systems. It is also crucial to focus on developing planning and coordination skills among the various participants in the supply chain. Therefore, the implementation of cross-docking requires careful preparation, including an evaluation of the current logistics infrastructure, the development of customized models, the introduction of automated technologies, and employee training. With a well-executed approach, businesses have the opportunity to significantly improve supply chain efficiency and reduce operational costs.

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK Examples of Companies Utilizing Cross-Docking

Leading international companies are already effectively using cross-docking strategies, including giants like Walmart, Amazon, and DHL. Below is a brief overview of how they have implemented cross-docking and the results achieved:

- 1) **Walmart**. Walmart is a prime example of successful cross-docking implementation.
 - Walmart's implementation of cross-docking has been pivotal in maintaining its "Everyday Low Prices" strategy. Through this system, approximately 85% of Walmart's inventory is processed without long-term storage, directly transferred from inbound trucks to outbound ones. This process helps minimize storage costs, streamline product flow, and accelerate delivery times (11) Marketing scoop (2024) An Inside Look at Walmart's World-Class Supply Chain Strategy.
 - Economic Impact. Walmart's supply chain efficiency, driven by cross-docking, results in distribution costs that are about 15-20% lower than those of its competitors. For example, in 1989, Walmart's distribution costs were only 1.7% of the cost of goods sold, significantly lower than those of competitors like Kmart and Sears (10) Market realist (2015) Managing Walmart's Supply Chain Cross-Docking and Other Tools.
 - Technological Integration. Walmart utilizes advanced technologies like RFID and GPS tracking to manage its logistics.
- 2) **Amazon**: Amazon employs cross-docking within its extensive fulfillment center network for fast and efficient order processing.
 - Amazon employs cross-docking through a network of 36 inbound crossdocking (IXD) facilities, strategically located near major port gateways like New York and Los Angeles. These facilities allow Amazon to streamline the transfer of import containers into truckloads that are then sent directly to efulfillment centers across the United States. This setup helps reduce storage times and speeds up the delivery process by minimizing handling (16)The geography of transport systems. Amazon Inbound Cross Dock Facilities Network.
 - Technological Integration. Amazon integrates advanced technologies, including automated sorting systems and real-time tracking, to enhance the efficiency of cross-docking. The company also uses simulations to optimize its supply chain, ensuring smooth coordination between various components such

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

- Publication of the European Centre for Research Training and Development-UK as vehicles, warehouses, and distribution centers (3)AWS (2024) An agentbased simulation of Amazon's inbound supply chain.
 - Operational Impact. The cross-docking approach has been instrumental in Amazon's ability to fulfill orders quickly. This system supports Amazon Prime's two-day (or even same-day) delivery promises by ensuring that goods spend minimal time in transit between arrival and final delivery, thus improving overall customer satisfaction
- 3) **DHL**: DHL uses cross-docking in its global logistics operations, ensuring quick and efficient parcel delivery.
 - DHL utilizes cross-docking to streamline its logistics operations by enabling fast and efficient transfers of goods. The process involves receiving shipments from suppliers and immediately redirecting them to outbound vehicles for delivery, minimizing the need for storage. This system is particularly beneficial for handling perishable goods, where speed is essential to maintain product freshness. DHL applies this strategy across its global network, including regions like Asia-Pacific, where cross-docking supports high trade volumes (5) DHL. How cross-docking is transforming last-mile delivery dynamics.
 - Implementing cross-docking helps DHL reduce handling times, lower inventory costs, and improve last-mile delivery efficiency. For perishable goods, this method reduces the risk of spoilage by shortening the time products spend in transit. Furthermore, cross-docking allows DHL to optimize space within its distribution centers, ensuring that items move quickly from inbound to outbound lanes, thus improving supply chain responsiveness and flexibility.
 - DHL enhances its cross-docking operations using advanced warehouse management systems (WMS) and real-time tracking. The company has integrated technologies like RFID and smart devices, which allow for precise coordination and visibility across the supply chain, further streamlining processes and minimizing errors during transfers (6)DHL. (2015) Supply chain excellence for the consumer goods industry.

These examples clearly demonstrate the advantages of cross-docking. However, it is important to understand that the success of this strategy depends on many factors, including product specificity, supply chain structure, and the needs and capabilities of a particular business.

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK Prospects for the Development of Cross-Docking in E-Commerce

Considering the overall development of logistics, the increase in online orders, and the growing popularity of marketplaces, it is safe to say that the cross-docking system will only strengthen, especially in supply chains between China and the USA. Time is a valuable resource for everyone, and marketplace customers highly appreciate fast delivery, while stores need fresh products. Fast transportation of goods from China to the USA allows people to purchase items that were previously unavailable and at lower prices. Additionally, cross-docking plays an essential role in the consolidated freight system. Transporting a single unit of goods from one side of the world to the other is expensive, but when included in a larger shipment with a variety of other goods, delivery becomes much more economical, and cross-docking becomes indispensable in this case.

Therefore, the development of cross-docking in supply chains between China and the USA offers several advantages compared to more traditional methods:

- **Faster delivery**: The delivery time from manufacturer to end consumer is significantly reduced. By minimizing storage stages and speeding up the transfer of goods, companies can offer their customers shorter order fulfillment times, which is especially important given the increasing competition in the e-commerce sector.
- **Cost reduction**: Cross-docking reduces storage costs since goods do not linger in warehouses. Thus, companies can optimize their operational costs, which is particularly important for small and medium-sized enterprises aiming to enhance their market competitiveness.
- **Flexibility and adaptability**: Modern supply chains require high flexibility to respond to demand changes and market trends. Cross-docking allows businesses to quickly adapt to changing conditions and promptly respond to fluctuations in demand for specific products. This is especially relevant for e-commerce, where consumer preferences can change rapidly.
- **Technology integration**: The development of technologies such as automation, IoT (Internet of Things), and big data analytics significantly enhances cross-docking processes. These technologies enable efficient tracking and management of goods movement, improve demand forecasting, and optimize resource allocation.

In conclusion, cross-docking is poised to become a central element in supply chain management strategies for e-commerce between China and the USA, promoting more efficient and faster delivery of goods that meet the needs of modern consumers.

European Journal of Logistics, Purchasing and Supply Chain Management Vol.12 No.3, pp.33-51, 2024 Print ISSN: 2054-0930 (Print) Online ISSN: 2054-0949 (Online) Website: <u>https://www.eajournals.org/</u> <u>Publication of the European Centre for Research Training and Development-UK</u>

Publication of the European Centre for Research Training and Development-UK CONCLUSION

Cross-docking, as a logistics strategy, holds great potential for further development, particularly in supply chains between China and the USA. In this strategy, goods from suppliers or manufacturers are delivered directly to the customer or retail network with minimal processing time or none at all. As a result, the process in the supply chain is accelerated, reducing the need for long-term storage and lowering handling costs. However, while cross-docking offers many advantages, it is not a universal method. Its use requires detailed preparation and precise coordination and is not suitable for all companies or product types. Nonetheless, with careful planning, implementation, and the use of modern technologies such as warehouse management systems (WMS) or lean storage approaches, cross-docking can become an effective tool for optimizing supply chains and enhancing their productivity.

REFERENCES

r

t

H

American Chamber of Commerce in China. 2023. 2023 Business Climate Survey. https://www.amchamchina.org/wp-content/uploads/2023/02/BCS2023.pdf

A

- AWS. kath J., ageods based hnsinhizhation, Trouck Annadohing photobermatin aupposs-doblaing system https://aws.amazon.com/blogs/hpc/an-agent-based-simulation-of-amazons-inboundiupply-chain/
- В
- DHL. h How cross-docking is transforming last-mile delivery dynamics. https://lot.dhl.com/how-cross-docking-is-transforming-last-mile-delivery-dynamics/
 D k
- J
- Giuffrida M, Mangiaracina R, Perego A. Cross-border B2C ecommerce to Greater China and the role of logistics: a literature review[J]. International Journal of Physical Distribution and Logistics Management, 2017: 772–795.
- Giuffrida M, Mangiaracina R, Perego A. Cross-border B2C ecommerce to China: An evaluation of different logistics solutions under uncertainty[J]. International Journal of physical Distribution and Logistics Management, 2020, 50: 355–378.
- Ladier, A.L., Alpan, G., Crossdocking operations: current research versus industry practice, The International Journal of Management Science -Omega, Vol. 62, No. 4, pp. 145-162, 2016
- Market Kealist. Managing Walmart's Supply Chain Cross-Docking and Other Tools. 2015. https://marketrealist.com/2015/02/managing-walmarts-supply-chain-cross-dockingbols/
- Marketing scoop. An Inside Look at Walmart's World-Class Supply Chain Strategy. 2024/ https://www.marketingscoop.com/consumer/walmart-supply-chain-strategy/
- Oluwat**p**sin Theophilus, Maxim A. Dulebenets, Junayed Pasha, Olumide F. Abioye, Masoud Kavoosi. Truck Scheduling at Cross-Docking Terminals: A Follow-Up State-Of-The**p**Art Review: https://www.mdpi.com/2071-1050/11/19/5245, 2019.

i 6

a

C

Vol.12 No.3, pp.33-51, 2024

Print ISSN: 2054-0930 (Print)

Online ISSN: 2054-0949 (Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK PwC, Global 2023. Februarv 2023 Consumer Insights Pulse Survey https://www.pwc.com/gx/en/consumer-markets/global-consumer-insights-survey-2023-01/feb-2023-global-consumer-insights-survey-pulse-5-pwc-global.pdf Ramlakhan Kumar Chauhan, Ravi Prakash, Shams Tabrej, Shreya Singh. Supply Chain Management and E-commerce: https://www.researchgate.net/publication/381835560 Supply Chain Management an d E-commerce, 2024. Т h e The geography of transport systems. Amazon Inbound Cross Dock Facilities Network. https://transportgeography.org/contents/geography-city-logistics/procurementfulfillment-facilities/amazon-inbound-cross-dock-facilities-network/ U n W A World fl Organisation, Trade 2023 https://www.wto.org/english/tratop e/region e/region e.htm#facts ŧ S t 8 ħ C p W h ä đ 8 È k þ C 90180 · 15 8 g Þ þ C þ h 51 ¥ T

ş