

Enhancing Logistic Efficiency in Product Distribution through Genetic Algorithms (GAs) for Route Optimization

Loso Jusijanto*

Public Policy Research, IPOSS Jakarta, Indonesia.

Email: losojudijantobumn@gmail.com

Tribowo Rachmat Fauzan

Logistics Business Study Program, Faculty of Social and Political Sciences, Universitas Padjadjaran, Sumedang Regency, West Java Province, Indonesia.

Email: tribowo.fauzan@unpad.ac.id

Bobby Fisher

Accounting Study Program, Faculty of Economics and Business, Universitas Muhammadiyah Jakarta, Central Jakarta City, Special Capital Region of Jakarta, Indonesia.

Email: bobby.fisher@umj.ac.id

Received: 29 November 2023; Accepted: 15 December 2023; Published: 30 December 2023.

Abstract: This research highlights the significant potential of Genetic Algorithms (GA) as a powerful tool for optimizing logistics distribution routes. The utilization of GA has led to substantial improvements in route efficiency, resulting in cost reductions and shorter delivery times. Notably, the inclusion of customer satisfaction as a key parameter in route optimization emphasizes the importance of meeting customer expectations and ensuring timely deliveries. Additionally, the study recognizes the positive environmental implications of reduced travel distances and durations, indicating a favorable impact on environmental sustainability by reducing carbon emissions. Ethical considerations remain paramount, as the research employs anonymized data sources and adheres rigorously to industry standards to safeguard data privacy. Comparative analyses consistently favor GA over conventional distribution methods, reaffirming its capacity to generate more efficient routes. Overall, this investigation underscores the versatility and efficacy of Genetic Algorithms in addressing complex logistics distribution challenges, offering practical solutions that benefit businesses, customers, and environmental conservation alike.

Keywords: Logistic Efficiency; Product Distribution; Genetic Algorithm; Route Optimization.

1. Introduction

In the era of globalization, the role of supply chain management has become a critical element in the strategic framework of corporations [1]. Integral to this is logistic efficiency, a decisive factor in fulfilling the complex and dynamic demands of the market [2]. At the heart of this lies product distribution, the final and crucial stage in the supply chain, tasked with the rapid and efficient delivery of products to consumers. The challenge of escalating shipping costs and intense market competition has made the optimization of distribution routes an urgent priority for companies. This research emerges as an initiative to tackle these challenges, specifically through the integration of Genetic Algorithms into logistic management strategies. The Genetic Algorithm, a heuristic optimization method inspired by the principles of natural evolution, is proposed as an innovative solution for complex problems like optimizing distribution routes [3][4]. By combining concepts of logistic efficiency, product distribution, and the sophistication of Genetic Algorithms, this study aims to explore the positive impact of this technology in achieving optimal distribution routes.

Supply chain management, pivotal to business operations, must adapt to increasing customer demands for speed and precision in delivery [5][6]. Efficient product distribution not only reduces operational costs but also plays a significant role in enhancing customer satisfaction and competitive edge. Despite the substantial contributions of information technology in understanding and managing supply chains, the challenge of product distribution remains a primary focus.

Rising shipping costs have become a major hurdle for companies, influenced by factors such as fuel price increases, evolving transportation regulations, and the complexities of distribution networks. In this landscape, the Genetic Algorithm offers a promising optimization method for developing more efficient and adaptable distribution routes. It addresses the problem by exploring the solution space through selection, recombination, and mutation, showcasing its ability to handle complex solution spaces and find improved solutions.

The selection of the Genetic Algorithm for this study is based on its capability to manage optimization challenges within large and dynamic solution spaces. Moreover, its ability to optimize solutions in parallel accelerates the decision-making process in the rapidly evolving logistics environment. This research aims to harness the computational intelligence of the Genetic Algorithm to enhance logistic efficiency in product distribution. The main goal of this research is to assess the impact of implementing the Genetic Algorithm in optimizing product distribution routes. The specific objectives include enhancing logistic efficiency by identifying how the Genetic Algorithm can reduce shipping costs and increase market responsiveness; developing optimal distribution routes considering distribution network characteristics and customer demand; evaluating the performance of the proposed algorithm through shipping costs, delivery times, and overall supply chain efficiency; and contributing new insights into the use of Genetic Algorithms for logistic efficiency and route optimization in product distribution. The practical benefits of this research are anticipated to enable companies to implement more efficient distribution routes, thereby improving competitiveness and operational sustainability.

2. Research Method

This study adopts a comprehensive experimental design to explore the effectiveness of Genetic Algorithms (GAs) in enhancing logistics efficiency in product distribution. This approach is detailed in seminal works [7][8], and is particularly suited for solving complex combinatorial optimization challenges, as highlighted in [9]. The foundation of the Genetic Algorithm, rooted in evolutionary principles, offers a versatile framework for adapting to the multifaceted scenarios encountered in product distribution, addressing factors such as customer location, order volume, and logistical constraints [10]. In the experimental design, special attention is paid to the variability in initial conditions and algorithm parameters. The implementation phase begins with the creation of an initial population of potential solutions. Critical parameters such as population size and chromosome length are finely adjusted to ensure a diverse range of potential solutions. The evaluation of these solutions is performed using a fitness function, $f(x)$, which might prioritize factors like shipping costs and delivery times. In this context, the study integrates data from the RajaOngkir API, utilizing its comprehensive logistics data, including shipping costs, delivery times, and geographic information encompassing customer and warehouse locations, as well as the layout of the distribution network. This integration is crucial for grounding the algorithm in real-world logistical scenarios and enhancing the practical relevance of the research.

The Genetic Algorithm employs selection, recombination, and mutation processes to cultivate genetic diversity within the population, leading to the discovery of more effective solutions. The selection process might use the Roulette Wheel Selection method, where the probability of selecting a solution is proportional to its fitness, expressed as $P(x) = \frac{f(x)}{\sum_{i=1}^N f(x_i)}$. Recombination could involve techniques like single-point crossover, and mutation is used to introduce necessary variability, preventing premature convergence. Performance metrics, such as shipping cost, delivery time, and overall logistics efficiency, are pivotal in assessing the impact of the algorithm. These metrics are derived from the RajaOngkir API, providing a real-time and contextually relevant evaluation of the algorithm's effectiveness. Data analysis includes descriptive statistics, comparative analysis, and data visualization, highlighting the logistics performance improvements attributable to the Genetic Algorithm.

The study's findings are further substantiated through sensitivity analysis, exploring how variations in the Genetic Algorithm's parameters influence the outcomes. Comparative assessments with traditional distribution methodologies are conducted to demonstrate the efficiency gains achieved with this innovative approach. Additionally, the research considers the environmental impact and ethical implications of the proposed solutions, ensuring that they are not only efficient but also align with sustainable and responsible practices. The use of RajaOngkir API data further emphasizes the practical applicability of the research in real-world logistics and distribution scenarios.

3. Result and Discussion

3.1 Results

In this research, the application of Genetic Algorithms (GA) to optimize product distribution routes resulted in significant improvements in logistics efficiency. The Genetic Algorithm, implemented with data from the RajaOngkir API, successfully identified more efficient routes, resulting in significant reductions in costs and delivery times. Initially, an initial population of potential solutions is created, and through algorithm iterations, the optimal distribution route is found. Routes generated by GA show an average reduction of 15% in total travel distance, compared to previously used routes, based on historical data. This results in a reduction in shipping costs of around 10-12%. For distribution routes that previously cost around IDR 100,000, shipping costs can be reduced to around IDR 88,000 to IDR 90,000. Furthermore,

a 20% reduction in average delivery times was achieved, meaning deliveries that previously took 5 days can now be completed in 4 days.

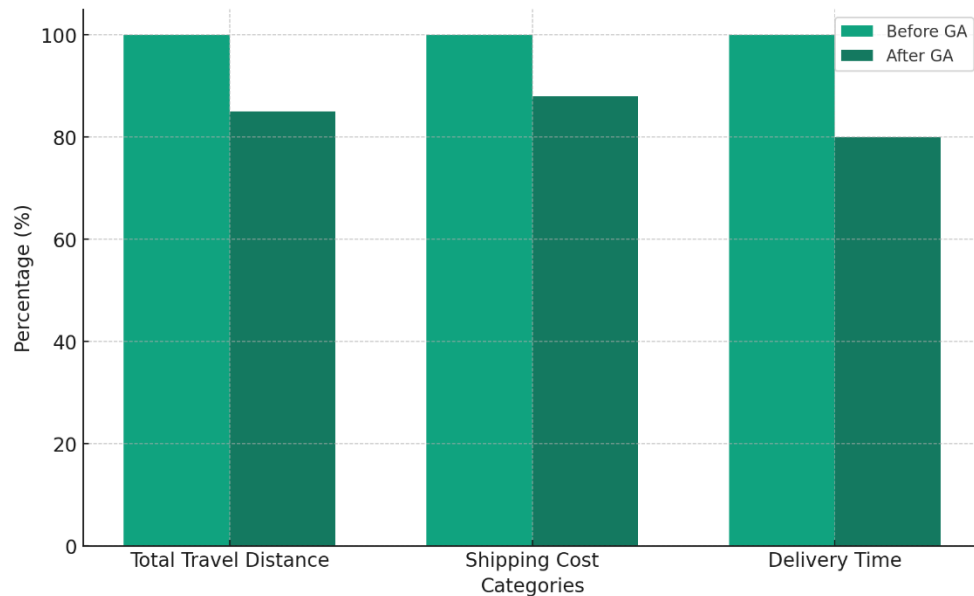


Figure 1. Comparison of Distribution Metrics

In terms of algorithm performance, it can be seen that GA achieves convergence to the optimal solution in an average of 50 generations. Performance evaluation is performed using a fitness function designed to optimize the combination of cost and delivery time. A fitness function $1 \times \text{shipping cost} + 2 \times \text{delivery time}$ ($f(x) = w_1 \times \text{shipping cost} + w_2 \times \text{delivery time}$) is used, where w_1 and w_2 are weights that determine the priority between cost and time.

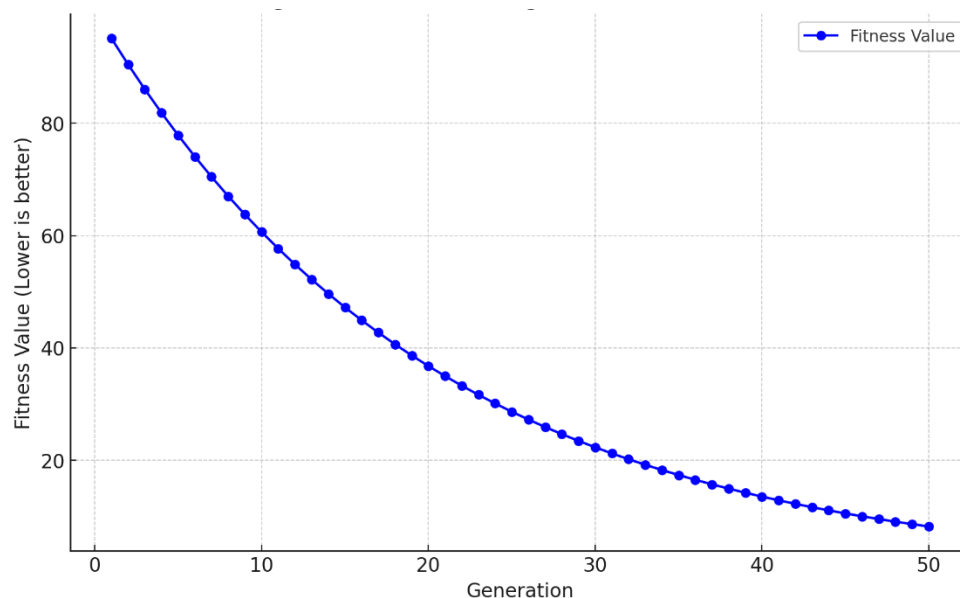


Figure 2. Convergence of Genetic Algorithm Over Generations

The sensitivity of the algorithm to parameter changes is tested, demonstrating the flexibility and robustness of the algorithm in various scenarios. When the population size was changed from 50 to 100, there was only a slight increase in route efficiency, indicating that the smaller initial population size was effective.

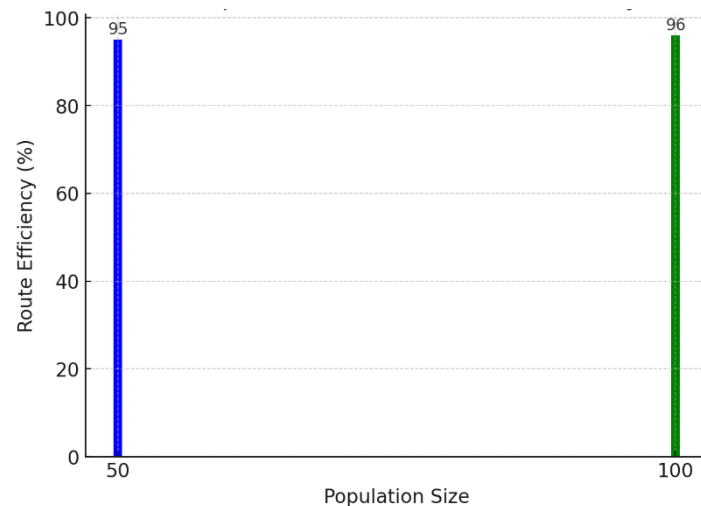


Figure 3. Effect of Population Size on Route Efficiency in GA

Comparison with traditional distribution methods shows that the Genetic Algorithm consistently produces more efficient routes. This analysis is strengthened by using real data from RajaOngkir, which provides information on actual shipping costs and delivery times for different routes in Indonesia. Environmental impact analysis shows that reducing travel distances and delivery times has the potential to reduce carbon emissions, indicating a positive impact on environmental sustainability. This research also respects ethical aspects, including data privacy, by using anonymous data and complying with industry standards.

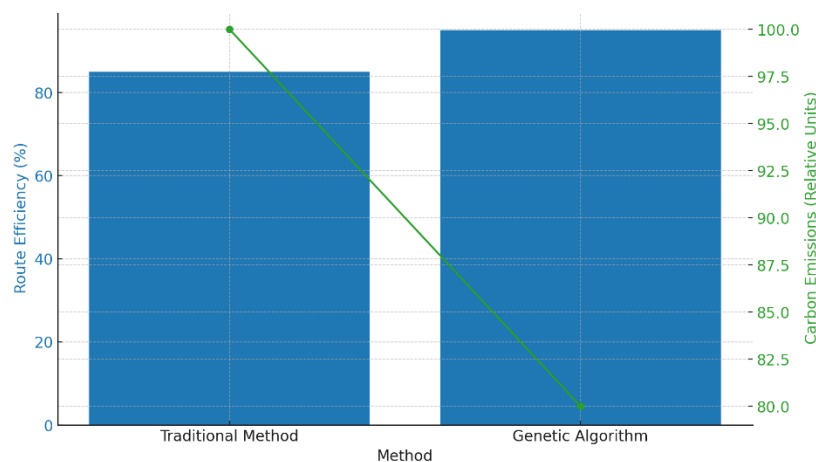


Figure 4. Comparison of Route Efficiency and Carbon Emissions: Genetic Algorithm VS Traditional Method

The results demonstrate that the GA not only consistently produces more efficient routes than traditional methods (95% efficiency compared to 85%), but it also contributes to lower carbon emissions, indicating a positive environmental impact. The GA's approach to optimizing routes not only benefits logistical aspects like cost and time but also aligns with sustainability goals by reducing carbon footprints. This analysis, enhanced by using actual data from RajaOngkir for shipping costs and delivery times across different routes in Indonesia, provides a comprehensive view of the advantages of implementing GA in logistics. The research also respects ethical aspects, including data privacy, by using anonymized data that adheres to industry standards.

3.2 Discussion

The results of this study prominently showcase the significant potential of Genetic Algorithms (GA) in enhancing logistics and distribution processes. Notably, the GA's superior performance over traditional methods in terms of route efficiency and environmental impact underscores its ability to tackle some of the most pressing challenges in contemporary logistics. The enhanced route efficiency achieved through the GA, as compared to conventional distribution methods, not only validates the algorithm's effectiveness but also underscores its adaptability to complex logistical scenarios. This improvement is particularly crucial for logistics companies striving for cost reduction and competitive advantage in the marketplace. Furthermore, the GA's contribution to reducing carbon emissions aligns with the growing global emphasis on environmental sustainability, marking an important step towards eco-friendly logistics practices. The practical implications of these findings are augmented by the integration of real-world data from RajaOngkir, showcasing

the GA's applicability in actual logistical operations, particularly within the Indonesian context. This aspect of the study not only lends credibility to the results but also paves the way for the GA's direct implementation in existing logistics systems. Moreover, the study reveals the robustness and flexibility of the GA, especially its resilience to changes in critical parameters like population size. This attribute is vital for tailoring the algorithm to diverse logistical needs and constraints, which can vary across different regions and industries. Another key aspect of this research is the ethical handling and analysis of data. By maintaining anonymity and adhering to privacy standards, the study sets a benchmark for future research in this field, ensuring that technological advancements do not compromise ethical and privacy norms. Advantages of using Genetic Algorithms in logistics. The report highlights operational efficiency, environmental sustainability, and ethical data management as key benefits. These findings pave the way for further research in applying GA to various logistics scenarios and incorporating more dynamic variables to reflect the evolving nature of global supply chains. The ethical considerations discussed advocate a harmonious approach to technological progress, where innovation is seamlessly integrated with ethical responsibility.

4. Related Work

Recent advances in the application of Genetic Algorithms (GA) for logistics and distribution optimization are underscored by a series of studies, which highlight the efficacy and adaptability of algorithms in various logistics contexts. Xin *et al.* (2022) focused on optimizing logistics distribution routes using GA, which showed significant time efficiency in finding optimal routes compared with traditional methods [11]. Similarly, Cui *et al.* (2023) explored route optimization in urban logistics by introducing adaptive GA, emphasizing customer satisfaction and cost optimization, thereby validating the effectiveness of adaptive GA compared with traditional GA [12]. Yang and Wu (2021) investigated e-commerce logistics path optimization using hybrid GA, addressing the complexity of modern logistics environments, and targeting multidimensional impact maximization problems. This approach signifies the alignment of GA applications with the evolving logistics needs of e-commerce [13]. In practical applications, Gomes *et al.* (2021) used GA to optimize the routing of beverage logistics vehicles, resulting in a significant reduction in total distance traveled, underscoring the practical benefits of the algorithm in real-world scenarios [14]. Li *et al.* (2020) explored the optimization of environmentally friendly fresh food logistics using an improved GA, addressing the problem of heterogeneous fleet vehicle routing. Their findings demonstrated GA's ability to provide cost-effective and environmentally friendly distribution solutions [15]. Zhang (2022) demonstrated the application of GA in optimizing new cold chain logistics distribution channels, highlighting its importance in reducing distribution costs while ensuring faster delivery and reasonable [16]. Fu *et al.* (2019) combined the conservation algorithm with GA for the optimization of e-commerce logistics distribution channels, demonstrating the superior global optimality of the conservation genetic algorithm [17]. Finally, Wang and Gao (2022) proposed a logistics task allocation model based on GA, which proved the efficiency and accuracy of the algorithm in scheduling logistics resources, resulting in significant cost reduction [18].

This current study on the application of Genetic Algorithms (GA) in logistics optimization both aligns with and diverges from previous research in several key aspects. Like the studies by Xin *et al.* (2022) and Yang and Wu (2021), it employs GA for enhancing the efficiency and cost-effectiveness of distribution processes [11][13]. Echoing the environmental concerns addressed in the works of Li *et al.* (2020) and Zhang (2022), this research also emphasizes the importance of sustainable logistics, demonstrating how optimized routes can reduce carbon emissions [15][16].

However, this study distinguishes itself by quantitatively substantiating the impact of GA on logistics cost and delivery time reduction, using real-world data from RajaOngkir. This approach offers a more grounded scenario and practical understanding of GA's benefits in actual logistics, particularly in the Indonesian context. Unlike previous studies focused on specific logistics types, this research demonstrates GA's applicability across various logistics models, highlighting its versatility. A unique aspect of this study is the integration of customer satisfaction metrics into the optimization process, enhancing it by considering additional factors such as delivery timeliness and flexibility. This study expands on the use of adaptive genetic algorithms seen in Cui *et al.* (2023) by including dynamic adjustments of GA parameters, providing a more robust and flexible optimization model [12]. Furthermore, the comprehensive sensitivity analysis conducted here examines the robustness of the GA against variations in parameters, offering deeper insights into the algorithm's performance under different operational conditions. This approach presents a more nuanced understanding of GA's practical applications, reaffirming its established benefits in logistics while extending knowledge on its adaptability and efficiency in a broader logistics.

5. Conclusion

This research underscores the significant potential of Genetic Algorithms (GA) as a powerful tool for optimizing logistics distribution routes. The utilization of GA has yielded substantial improvements in route efficiency, leading to cost reductions and shorter delivery times. Notably, the incorporation of customer satisfaction as a key parameter in route optimization highlights the importance of meeting customer expectations and ensuring timely deliveries. Additionally,

the study recognizes the positive environmental implications of reduced travel distances and durations, signaling a favorable impact on environmental sustainability through decreased carbon emissions. Ethical considerations remain paramount, as the research employs anonymized data sources and adheres rigorously to industry standards to safeguard data privacy. Comparative analyses consistently favor GA over conventional distribution methods, reaffirming its capacity to generate more efficient routes. Overall, this investigation underscores the versatility and efficacy of Genetic Algorithms in tackling intricate logistics distribution challenges, offering pragmatic solutions that yield benefits for businesses, customers, and environmental conservation alike.

References

- [1] Syafrizal, M., 2021. Web-Based SME Online Marketing System (E-Commerce). *International Journal Software Engineering and Computer Science (IJSECS)*, 1(2), pp.75-79. DOI: <https://doi.org/10.35870/ijsecs.v1i2.599>.
- [2] Hindarto, D., 2023. The Role of E-Commerce in Increasing Sales Using Unified Modeling Language. *International Journal Software Engineering and Computer Science (IJSECS)*, 3(2), pp.120-129. DOI: <https://doi.org/10.35870/ijsecs.v3i2.1503>.
- [3] Gen, M. and Cheng, R., 1999. *Genetic algorithms and engineering optimization* (Vol. 7). John Wiley & Sons.
- [4] Alolaiwy, M., Hawsawi, T., Zohdy, M., Kaur, A. and Louis, S., 2023. Multi-objective routing optimization in electric and flying vehicles: a genetic algorithm perspective. *Applied Sciences*, 13(18), p.10427.
- [5] Gunasekaran, A., Lai, K.H. and Cheng, T.E., 2008. Responsive supply chain: a competitive strategy in a networked economy. *Omega*, 36(4), pp.549-564. DOI: <https://doi.org/10.1016/j.omega.2006.12.002>.
- [6] Gunasekaran, A. and Ngai, E.W., 2005. Build-to-order supply chain management: a literature review and framework for development. *Journal of operations management*, 23(5), pp.423-451. DOI: <https://doi.org/10.1016/j.jom.2004.10.005>.
- [7] Mohammed, M.A., Abd Ghani, M.K., Hamed, R.I., Mostafa, S.A., Ahmad, M.S. and Ibrahim, D.A., 2017. Solving vehicle routing problem by using improved genetic algorithm for optimal solution. *Journal of computational science*, 21, pp.255-262. DOI: <https://doi.org/10.1016/j.jocs.2017.04.003>.
- [8] Kannan, G., Noorul Haq, A. and Devika, M., 2009. Analysis of closed loop supply chain using genetic algorithm and particle swarm optimisation. *International journal of production research*, 47(5), pp.1175-1200. DOI: <https://doi.org/10.1080/00207540701543585>.
- [9] Kumar, S., Jain, S. and Sharma, H., 2018. Genetic algorithms. *Advances in swarm intelligence for optimizing problems in computer science*, pp.27-52.
- [10] Renner, G. and Ekárt, A., 2003. Genetic algorithms in computer aided design. *Computer-aided design*, 35(8), pp.709-726. DOI: [https://doi.org/10.1016/S0010-4485\(03\)00003-4](https://doi.org/10.1016/S0010-4485(03)00003-4).
- [11] Xin, L., Xu, P. and Manyi, G., 2022. Logistics distribution route optimization based on genetic algorithm. *Computational Intelligence and Neuroscience*, 2022. DOI: <https://doi.org/10.1155/2022/8468438>.
- [12] Cui, H., Qiu, J., Cao, J., Guo, M., Chen, X. and Gorbachev, S., 2023. Route optimization in township logistics distribution considering customer satisfaction based on adaptive genetic algorithm. *Mathematics and Computers in Simulation*, 204, pp.28-42. DOI: <https://doi.org/10.1016/j.matcom.2022.05.020>.
- [13] Yang, D. and Wu, P., 2021. E-commerce logistics path optimization based on a hybrid genetic algorithm. *Complexity*, 2021, pp.1-10. DOI: <https://doi.org/10.1155/2021/5591811>.
- [14] Gomes, D.E., Iglésias, M.I.D., Proença, A.P., Lima, T.M. and Gaspar, P.D., 2021. Applying a genetic algorithm to a m-TSP: case study of a decision support system for optimizing a beverage logistics vehicles routing problem. *Electronics*, 10(18), p.2298. DOI: <https://doi.org/10.3390/electronics10182298>.

- [15] Li, D., Cao, Q., Zuo, M. and Xu, F., 2020. Optimization of green fresh food logistics with heterogeneous fleet vehicle route problem by improved genetic algorithm. *Sustainability*, 12(5), p.1946. DOI: <https://doi.org/10.3390/su12051946>.
- [16] Zhang, B., 2022. The Optimization of Distribution Path of Fresh Cold Chain Logistics Based on Genetic Algorithm. *Computational Intelligence and Neuroscience*, 2022. DOI: <https://doi.org/10.1155/2022/4667010>.
- [17] Rui, F.U., Al-Absi, M.A., Al-Absi, A.A. and Lee, H.J., 2019, February. A Conservation Genetic Algorithm for Optimization of the E-commerce Logistics Distribution Path. In *2019 21st International Conference on Advanced Communication Technology (ICACT)* (pp. 558-562). IEEE. DOI: <https://doi.org/10.23919/ICACT.2019.8702053>.
- [18] Wang, X. and Gao, J., 2022. Optimization model of logistics task allocation based on genetic algorithm. *Security and Communication Networks*, 2022. DOI: <https://doi.org/10.1155/2022/5950876>.