

Perception Level Of Client Companies On Less Than Container Load (Lcl) Shipping

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ABSTRACT

The concept LCL referred to as Less than Container Load, deals with methods of consolidating multiple goods which may comprise a variety of products from distinct shippers or clients in a container. The space or plane within a container is calculated in terms of cubic meters (cbm). The cubic meter is employed to estimate and calculate weight as well as volume of products commonly known as goods. Commonly, the containers were classified into 20 feet or 40 feet. Each container will have a capacity of 30 cbm for containers of 20 feet and 65 cbm for containers of 40 feet. This study highly emphasis on the level of perception of LCL shipping among client companies. The concept of LCL is also indicated as small freight shipment. LCL approach is generally employed in small scale businesses where they export in minor quantities in order to establish their enterprise along with their business.

INTRODUCTION

In simple terms, exporting is the process in which transportation of goods from one particular place refereed as native place to another place referred as destination for future usage and sales of customers. The export is classified into Less than Container Load (LCL) and Full Container Load (FCL). Predominantly, exports were done using freight forwarding agents who are involved in transportation of diverse goods to various sectors. The major challenge arising during exporting of goods is custom clearance. Custom clearance leads to

increased investigation time than usual. Also another challenge that occurs is damaging of goods during transportation while loading and unloading goods. This may possibly result in creation of bad image to transportation company. Frequently, over loaded cargos will make trucks and lorries to transport through road. This again generates problems such as deviation of rules and regulations. In other hand, environmental changes affect goods that travel. The costs incurred will be diminished when the container is fully loaded with goods. The costs fetched will be inexpensive when compared to air freight services. FCL are usually easy to handle. Loading and unloading of FCL is generally less risky than loading and unloading of LCL. Delays will not occur while loading and unloading of FCL due to the reason that at one places only both loading and unloading takes place. But when LCL is concerned it takes more time because at different places loading has to be done until it gets filled and vice versa. Furthermore, prices quoted for FCL will attract and captivate more customers leading to increased exports.

REVIEW OF LITERATURE

Gao et al. (2019) explained regarding the logistic system that is designed underground. This kind of underground logistics was developed to alleviate traffic pressure happening in the ground. This study suggests that a parking lot also can be framed to enhance the connection efficiency and optimization.

Hoha et al. (2019) indicated the significance of port performance for excellent logistics of container transport. This study reviewed the South Korean container ports and recommended that perspectives of both policy makers and port managers should be taken into consideration for efficient utilization of performance indicators.

Lee and Moon (2019) proposed a sophisticated model for sorting out the repositioning problem with respect to empty containers. The research considered foldable containers and evaluated demand uncertainty. It is observed from this study that costs can be saved while utilizing foldable containers.

Hyland et al. (2019) defined an alternative technique for freight transport followed intercontinentally. This amalgamates island logistics, aircrafts and ocean transportation. This study proposed a framework that outsmarts the disruptive delays with respect to urban ports and improves reliability.

Bandara et al. (2015) presented a theory that foldable containers will consistently support in cost efficiency of logistics business and also back up in minimizing space allocation problems encountered at seaports. This study employed a detailed comparison between foldable and standard containers.

Jamrus and Chein (2016) designed a hybrid algorithm which would perhaps settle down the problems related to container logistics. The researcher suggests that fill method based on deepest bottom left must be entitled in order to pack cargo inside container. This approach will result in augmented efficiency.

Cho (2014) explored the determinants responsible for increased logistics costs and impact of heightened costs on container ports. The major factors comprises of huge investments employed, high volume equipments, inadequate traffic volumes and deficient space allocation.

Giusti et al. (2019) surveyed the logistic that are following synchromodal technique. The involvement of synchromodality leads to better coordination in logistics industry because of advanced embedded technologies. This research designed a new robust platform for better coordination in logistics industry.

Kuo et al. (2019) demonstrated the benefits of implementing LCD panel shipping for packaging logistics. This study focusses mainly on circular economy where LCD panel shipping can be installed and reusable shipping boxes can be designed in order to dodge the logistics costs. This concept is a part of green logistics which would increase the recycling rate.

Tang and Veelenturf (2019) suggested that leveraging of robust and advanced technologies in the field of manufacturing and transportation would probably assist in building a strategic role. The study recommends that technologies based on robotics, automatic vehicles, artificial intelligence, drone, block chain, internet of things, adoption of cyber security system, etc can be employed.

Edirisinghe et al. (2018) explained the conviction in exchange of containers between the shipping lines. The study stresses that major problem confronted here would be imbalance of container inventory. This can be settled with the assistance of efficient organizational factors and strong interpretation using statistical analysis.

Mokhtar et al. (2019) designed a network model to overcome the problems at intermodal hub location during container distribution done at Indonesia. The overcoming

strategies include proper and excellent connectivity followed by efficient and uniform transferring modes. Although prices are high for this, it resolves all problems involved and results in favorable outcomes.

PERCEPTION ON LCL SHIPPING

The aim of this study contracts about client companies perception on LCL Shipping. Data of perception have been obtained from 50 employees from different client companies by using questionnaire method. The profile details are listed in Table 1. The details include gender, age, level of experience in the same company and the income level. Frequency analysis is employed on data related to the details of employees.

Table 1: Profile of the Employees

Gender	Frequency	Percent	Age	Frequency	Percent
Male	36	72.0	<25 Years	4	8.0
Female	14	28.0	25-35 Years	22	44.0
Total	50	100.0	>35 Years	24	48.0
Year of Experience	Frequency	Percent	Total	50	100.0
<2 yrs	2	4.0	Income level	Frequency	Percent
2-5 yrs	10	20.0	Rs.10000-30000	29	58.0
>5 yrs	38	76.0	>Rs.30000	21	42.0
Total	50	100.0	Total	50	100.0

Table shows that male employees (72%) are predominantly occupy their position at the organisation. Most of employees belong to age of greater than 25 years and got more than five years of experience. The table exhibits that experience is not proportionate to income level. Moreover, employees get income between Rs. 10,000-30,000 per month.

The perception level of private ltd. companies on LCL shipping has been collected with the help of 10 variables such as about service, schedule, portal, charges, payment, intimation, delivery, small units, time and delay. Mean analysis is performed to measure the perception about LCL shipping.

Table 2: Level of Perception on LCL Shipping

S. No.	Level of Perception on LCL Shipping	Mean	Rank
1.	Freight forwarders offer LCL service for shipment less than the container load (About Service)	4.54	2
2.	This service will be offered at fixed time schedule (Schedule)	4.24	7

3.	In majority of the cases, bookings are to be done in online portal (Portal)	3.16	9
4.	I am familiar with Currency Adjustment Factor (CAF) and Bill of Lading fee (Charges)	4.33	6
5.	I have to pay only for the space I take in container (Payment)	4.54	2
6.	Freight forwarders will intimate the every step of process related to shipping (Intimation)	4.54	2
7.	LCL services enable convenient delivery (Delivery)	4.44	5
8.	This kind of services are very much helpful to start-up business (Small Units)	4.58	1
9.	It takes more time for loading and unloading (Time)	3.10	10
10.	LCL shipment may delay due to other companies delay in shipment (Delay)	3.56	8

Table 2 shows the mean values and rank scores of 10 variables. It is clear that variable “small units” as the highest mean value of 4.58 followed by about service, payment, intimation, delivery, charges, schedule, delay, portal and time. It is obvious that there may be limited level of relationship among these 10 variables in the given constructs. Factor analysis used to measure this relationship and data adequacy for conducting factor analysis measured using Kaiser-Meyer-Olkin (KMO) and Baelett’s test.

Table 2: Preliminary Stage in Factor Analysis

KMO AND Bartlett’s Test			Total Variance Explained		
KMO	Approx. Chi-Square	Sig.	Total	% of Variance	Cumulative %
0.698	196.12	0.000	3.717	37.165	37.165
			1.644	16.440	53.605
			1.203	12.032	65.637

The values of KMO, significance and total variance explained shown in Table 2. The value of KMO is more than 0.6 and significance is at one percent. It argues that size of sample is ample for performing the factor analysis. Moreover, details of total variance explained reveal that ten variables grouped into three factors and these factors explain 65.6 percent of variance.

Table 3: Final Stage in Factor Analysis

Level of Perception on LCL Shipping	Component		
	1	2	3
This kind of services are very much helpful to start-up business (Small Units)	0.920		
LCL services enable convenient delivery (Delivery)	0.872		

Freight forwarders will intimate the every step of process related to shipping (Intimation)	0.860		
I am familiar with Currency Adjustment Factor (CAF) and Bill of Lading fee (Charges)		0.852	
Freight forwarders offer LCL service for shipment less than the container load (About Service)		0.833	
I have to pay only for the space I take in container (Payment)		0.624	
LCL shipment may delay due to other companies delay in shipment (Delay)			0.700
In majority of the cases, bookings are to be done in online portal (Portal)			0.652
This service will be offered at fixed time schedule (Schedule)			0.620
It takes more time for loading and unloading (Time)			0.497

It is observed that first factor includes variables such as small units, delivery and intimation and this factor is named as “Advantages”. The second factor includes variables of charges, about service and payment and this factor is named as “Awareness”. The third factor includes variables of delay, portal, schedule and time and this factor is named as “Drawbacks”.

CONCLUSION

Majority of freight forwarding companies aims to expand their business by elevating the volume of goods on LCL during exports. LCL facilitates services not only to general customers but also to custom house agents. Freight forwarding companies generates an unique approach through which LCL works through segregation of all sectors into smaller departments for which individual salesperson will be responsible. This will help companies to focus on every sector therefore they could enhance their businesses easily. The consignee's boxes are examined by custom agencies for finding deviations in government policies. The transportation charges are influenced by cargo type.

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