THINK INDIA (Quarterly Journal)

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

A Study on the Challenges and Opportunities Faced by the Freight Forwarding Industry

Beuton Lawrence A
MBA, Department of Management Studies
Bharath Institute of Science and Technology,
Selaiyur, Chennai, Tamil Nadu 600 073

ABSTRACT

The primary objective of this project is to conduct 'A study on problems faced by freight forwarders in Yashimarine Logistics'. It is important to analyse the problems faced by freight forwarders from the carriers as well as companies and individual customers.

1. INTRODUCTION

THEORETICAL BACKGROUND OF THE STUDY
MEANING

The word of logistics comes from the very old Greek logos (λόγος), which means "ratio, word, calculation, reason, speech, and oration". Logistics as a notion is considered to develop from the military's need to provide them as they relocated from their base to a forward place

2. REVIEW OF LITERATURE

Benjamin Ertel and Mike Jones (2007) A study on "Performance Based Logistics Perspective". The objective of the study is about the critical concepts for successful PBL incorporation and common PBL misconceptions in logistics. It also describes keys to successful PBL implementation Viz. Alignment of supplier incentives with requirements, competitive advantage and empowerment of support provider. It gives the PBL value proposition as improved integration and gives the necessary steps for implementation of performance based logistics.

M. Dhanabakyam and K. Parimala (2006) A study on "Role of Freight Forwarders and Customs House Agents In Logistics-A Perceptual Study. The study concerned with the freight forwarding is a vital part of logistics in international trade activity. The objective of the study was to identify the study appraise the role played by Freight Forwarders in logistics was conducted. Thus the study showcased that, as the world has become a global village, the service providers like Freight. Forwarders should be prepared to face the challenges of tomorrow, by extending their network in every corner of the world and providing more accuracy in their commitments.

Benjamin Ertel and Mike Jones (2007) A study on "Performance Based Logistics Perspective". The objective of the study is about the critical concepts for successful PBL incorporation and common PBL misconceptions in logistics. It also describes keys to successful PBL implementation Viz. Alignment of supplier incentives with requirements, competitive advantage and empowerment of support provider. It gives the PBL value proposition as improved integration and gives the necessary steps for implementation of performance based logistics.

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

M. **Dhanabakyam and K. Parimala (2006)** A study on "Role of Freight Forwarders and Customs House Agents In Logistics-A Perceptual Study. The study concerned with the freight forwarding is a vital part of logistics in international trade activity. The objective of the study was to identify the study appraise the role played by Freight Forwarders in logistics was conducted. Thus the study showcased that, as the world has become a global village, the service providers like Freight. Forwarders should be prepared to face the challenges of tomorrow, by extending their network in every corner of the world and providing more accuracy in their commitments.

3. RESEARCHMETHODOLOGY
TYPE OF RESEARCH

The type of research design undertaken is **Descriptive Research**

4. DATA INTERPRETATION AND STATISTICAL ANALYSIS

OPINION ABOUT FREIGHT RATES

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Highly satisfied	40	33
2	Satisfied	45	38
3	Neutral	32	27
4	Dissatisfied	4	2
5	Highly dissatisfied	0	0
	TOTAL	121	100

TABLE No 1

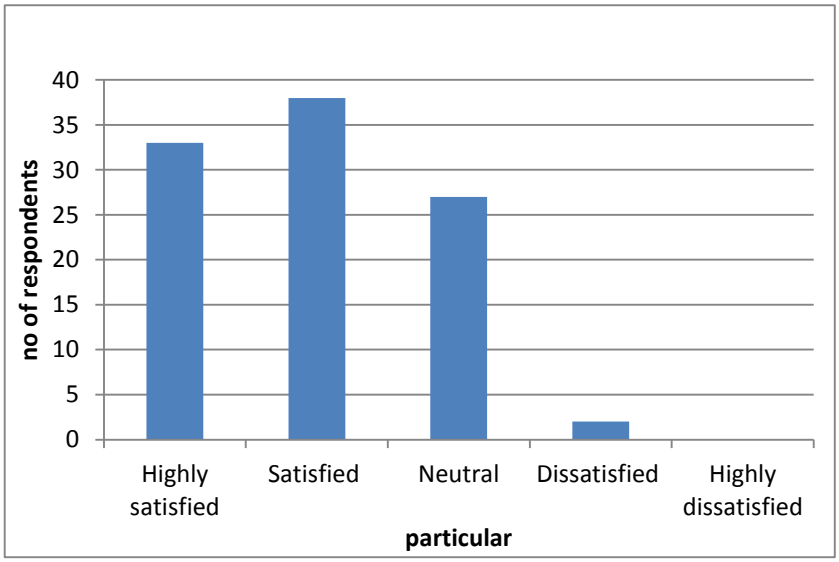


FIG 1

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

INTERPRETATION

From the above table it can be interpreted that 33% of the respondents are highly satisfied with the freight rates, 38% of the respondents are satisfied, 27% of the respondents stays neutral on freight rates.

THEFT AND DAMAGE OF THE GOODS

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Strongly Agree	29	25
2	Agree	29	25
3	Neither Agree Nor Disagree	57	46
4	Disagree	6	4
5	Strongly Disagree	0	0
	TOTAL	121	100

TABLE No 2

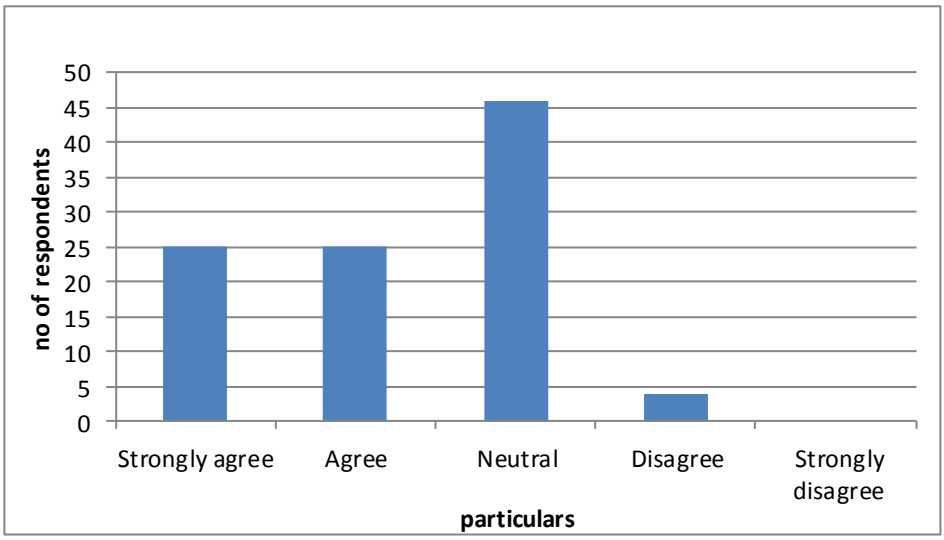


FIG 2

INTERPRETATION

From the above table it can be interpreted that 25% of the respondents strongly agreed that their organization takes responsibilities for the theft and damage, 25% of the respondents agree, 46% of the respondents disagree, 4% of the respondents have strongly disagreed that their organization takes responsibilities for the theft and damage.

CHI- SQUARE TEST I – (ψ^2)

Chi-square is the sum of the squared difference between observed (*o*) and the expected (*e*) data (or the deviation, *d*), divided by the expected data in all possible categories.

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

NULL HYPOTHESIS (HO)

There is no significant difference between gender and problem faced with shipping.

ALTERNATE HYPOTHESIS (H1)

There is significant difference between gender and problem faced with shipping.

Expected frequency = Row Total * Column Total
Grand Total

CASE PROCESSING SUMMARY

	CASES					
	VALID		MISSING		TOTAL	
	N	Percent	N	Percent	N	Percent
gender * problem faced with shipping	121	100.0%	0	.0%	121	100.0%

TABLE No 3

GENDER * PROBLEM FACED WITH SHIPPING CROSS TABULATION

			PROBLEM FACED WITH SHIPPING		
			YES	NO	TOTAL
gender	male	Count	71	22	93
		% within gender	76.3%	23.7%	100.0%
		% within problem faced with shipping	74.7%	84.6%	76.9%
		% of Total	58.7%	18.2%	76.9%
	female	Count	24	4	28
		% within gender	85.7%	14.3%	100.0%
		% within problem faced with shipping	25.3%	15.4%	23.1%
		% of Total	19.8%	3.3%	23.1%
Total		Count	95	26	121
		% within gender	78.5%	21.5%	100.0%
		% within problem faced with shipping	100.0%	100.0%	100.0%
		% of Total	78.5%	21.5%	100.0%

TABLE No 4

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

Chi-Square Tests

	VALUE	DF	ASYMP. SIG. (2-SIDED)	EXACT SIG. (2-SIDED)	EXACT SIG. (1-SIDED)
Pearson Chi-Square	1.120[a]	1	.290		
Continuity Correction[b]	.633	1	.426		
Likelihood Ratio	1.200	1	.273		
Fisher's Exact Test				.432	.216
Linear-by-Linear Association	1.111	1	.292		
N of Valid Cases	121				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.02.
b. Computed only for a 2x2 table

TABLE No 5

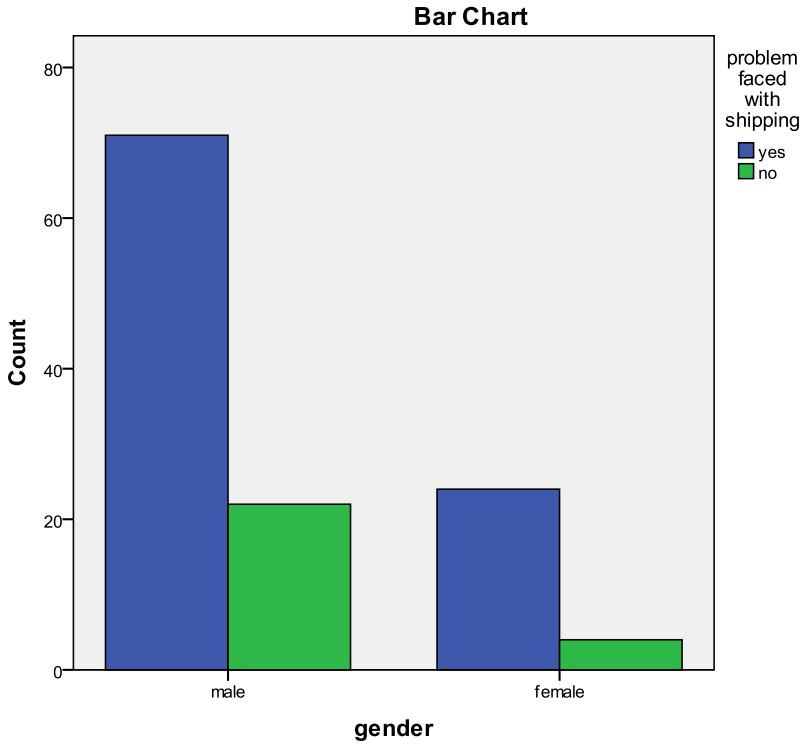


FIG 3

Calculated value = 1.120
Tabulated value = 3.841
Z = Z cal <Z tab

Z= 1.120<3.841
Hence, the null hypothesis [H0] is accepted

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

INFERENCE

Since the calculated value is less than the tabulated value, we accept the null hypothesis and hence there is no significant difference between gender and problem faced with shipping.

5. FINDINGS

1. 58% of the respondents have functional area in Chennai, 24% of the respondents have Coimbatore.
2. 43% of the respondents weekly exporting the goods.
3. 18% of the respondents prefers shipways, 40% of the respondents are prefer airways as their mode of transport.
4. 58% of the respondents stay neutral about Chennai and Cochin port.

6. SUGGESTIONS

1. Freight rates should be effectively modified in order to get more business. From the study it is clearly verified most of the customers are not satisfied with the freight rates.
2. The Yashimarine Logistics can update their documentation process with fully computerised.
3. Shipway is one of the effective ways of transport, but from the study it is clear that there is a problem in shipping. The company should take right steps to make the transport very effective.
4. Organization can give full assure for the theft and damage of the products. It will increase the image of the company.
5. Can give 24/7 customer care service to their customers.

7. CONCLUSION

By studying and comparing the various problems faced by the freight forwarders. It is easy identify the solutions to avoid the problems and make sure the smooth flow of business. This will help the company to establish a reasonable share in the market place.
Thus the study showcased that, as the world has become a global village, the service providers like Freight. Forwarders should be prepared to face the challenges of tomorrow, by extending their network in every corner of the world and providing more accuracy in their commitments.

8. REFERENCE

[1] Jain Khushpat .S - Export Import Procedure And Documentations, Mumbai, Himalaya Publishing House, Third Editions 2006.
[2] PramodRao – Logistics Management Concept And Cases, Hyderabad, The Icfai University, First Edition 2007.
[3] RaghuramAnd N. Rangaraj – Logistics And Supply Chain Management, Mac Millan India Limited, 2001 Delhi.
[4] Martin christo-pher – Logistics And Supply Chain Management, , New Delhi.
[5] Cr.Kothari – Research Methodology, International (P) Ltd New Edition 1998, Second Edition 2004, New Delhi.
[6] KrishnaveniMuthaih – Logistics Management Mumbai, Himalaya Publishing House, 1999.

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

JOURNALS

- Sebastian," Problems of Logistics Industry", Journal of business logistics, Apr15, 2002
- Davis, Beth R," Logistics service driven loyalty: an exploratory study", Journal of business logistics, 2006

WEBSITE

1. www.shipingindia.com
2. www.cargoportalservices.com