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## **A Study on Challenges Faced by Freight Forwarders**

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### **ABSTRACT**

The term Logistics Management or supply chain management is that part of Supply Chain Management that plans, implements, and controls the efficient, effective, forward, and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customer's requirements. A freight forwarder is a person or company that organizes shipments for individuals or corporations to get large orders from the manufacturer or producer to market or final point of distribution. It is important to analyse the Challenges faced by freight forwarders from the carriers as well as companies and individual customers. To know the satisfaction level with custom clearance and terms and conditions of freight forwarding. It is easy to identify the solutions to avoid the problems and make sure the smooth flow of business. This will help Logistics to establish a reasonable share in the market place. The research uses the convenience sampling method. The data were collected from employees of reputed organization. The questionnaire circulated through Google form received 110 responses. Percentage analysis was used to analyse the given data.

**KEYWORDS:** Logistics, Freight Forwarder, Analysis, Challenges, Third party logistics.

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### **I. INTRODUCTION**

To move large quantities of goods across the country and around the world. Nations depend on the freight transportation system. A Freight Forwarder is an individual or company that dispatches shipments via asset-based carriers and books or otherwise arranges space for those shipments.

The movement of international freight among nations relies on a complex array of long-distance transportation services. The process involves many participants including shippers, commercial for-hire carriers, third-party logistic providers, and consignees. Moreover, global trade depends on seaport services to move large volumes of merchandise over long distances via a variety of transportation modes. The interaction of these services and participants is vital to successful global trade.

Freight Forwarders typically arrange cargo movement to an international destination. Also referred to as international freight forwarders, they have the expertise that allows them to prepare and process the documentation and also perform the related activities pertaining to international shipments. Some of the typical information reviewed by a freight forwarder is the commercial invoice, Shipper export declaration, bill of lading, and other documents required by the carrier or country of export, import, or transshipment. Much of this information is now processed in a paperless environment.

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### **II. OBJECTIVES OF THE STUDY**

- To study the challenges faced by freight forwarders.
- To analyse the challenges faced by freight forwarders from the carriers.
- To analyse the challenges faced by freight forwarders from the companies and individual customers.
- To know the satisfaction level with custom clearance and terms and conditions.

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### **III. LITERATURE REVIEW**

**Mohitayalmanchi (2009)**, a study on "Logistics and Customer Value", the objective of the study is about the customer value that companies have created through logistics management, in their quest for new ways to establish a competitive edge. A number of new tools and approaches have emerged as proactive elements of the logistics response to the task of creative value for the customer viz. emphasis on logistical customer service, management of the supply chain, the development of strategic alliances. It gives an explanation of various steps taken by different firms for identifying and implementing quality improvement processes in the logistics areas.

**Sebastian (2008)** A Study on “Problems of Logistics Industry “. The objective of the study about the problem that faced logistics industry. He concluded that India’s logistics industry is low in their planning and current professionals in the industry should sharpen their skills on a broad base of key elements of transportation and logistics. Finally he said that, there should be very balanced between solid knowledge and real world application.

**Davis, Beth R (2006)**, a study on” Logistics service driven loyalty: an exploratory study”. The Journal shows that supply chain relationships can be a stable source of competitive advantage to firms in the supply chain because of their ability to create barriers to existing competition and conclude that improving logistics customer service is an ongoing focus for firms. Suppliers are trying to become more proactive with their customers and anticipate customer expectations.

**S. Ramachandran, Mayur S Nakhava (2018)**, highlighted about the perspective of the issues, challenges faced by the logistics industry. They logistics industry have the interplay of infrastructure technology and services which make customer reduce their transportation cost and time. They analysed the challenges in the area of transport, port sector, infrastructure for storage, technology and also the scope of it.

**S. Swathy (2018)**, said about the exporter’s satisfaction towards the service rendered by the freight forwarder and major problems faced by the exporter’s from their service providers.. This study was descriptive in nature and it includes surveys, facts and findings. Data was collected using a developed and validated questionnaire. The collected data was analysed using simple percentage analysis, weighted average and Garrett ranking method and the results are presented in the tabular form and they are interpreted.

## I. METHODOLOGY

Research methodology is mainly needed to frame the research process and the designs and tools that are to be used for the project purpose. Research methodology helps to analyze the challenges faced by freight forwarders from the carriers. Research methodology is framed to study the challenges faced by freight forwarders.

### RESEARCH DESIGN

Descriptive research is a study designed to depict the participants accurately. More simply put, descriptive research is all about describing people who take part in the study.

### SAMPLING TECHNIQUE

A convenience sample is one of the main types of non-probability sampling methods. A convenience sample is made up of people who are easy to reach.

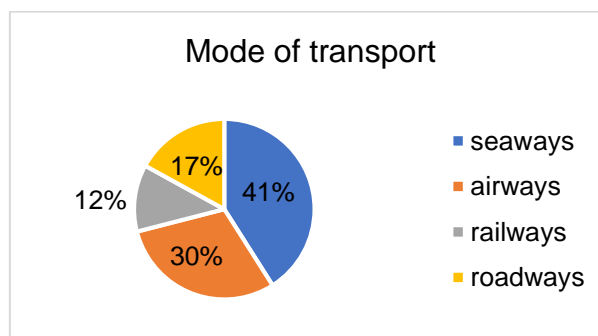
## IV. RESULTS

### PERCENTAGE ANALYSIS:

**TABLE 5.1: Mode of transport**

Particulars	No. of. Respondents	Percentage (%)
Seaways	45	41%
Airways	33	30%
Railways	13	12%
Roadways	19	17%
Total	110	100%

**CHART 5.1: Mode of transport**



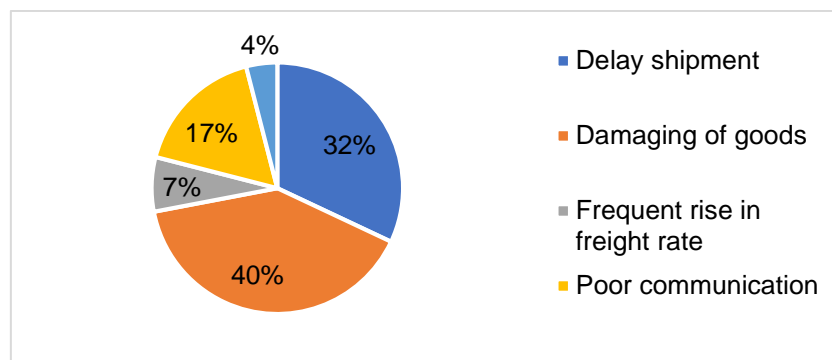
### INTERPRETATION

From the above table, it can be interpreted that 41% of the respondents prefer seaways, and 30% of the respondents prefer airways as their mode of transport.

**TABLE 5.2: Challenge faced from carriers during freight forwarding**

Particulars	No.of. Respondents	Percentage (%)
Delay shipment	35	32%
Damaging of goods	44	40%
Poor communication	19	17%
Frequent rise in freight rate	8	7%
Bulk- Order Priority	4	4%
Total	110	100%

**CHART 5.2: Challenge faced from carriers during freight forwarding**



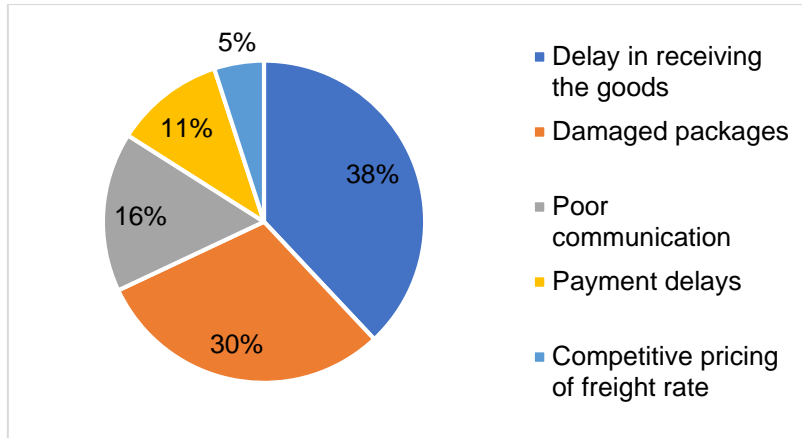
#### INTERPRETATION

From the above table it could be interpreted that 40% of the respondents say damaging of packages is the biggest challenge faced from carriers during freight forwarding.

**TABLE 5.3: Challenge faced from companies or individual customers during freight forwarding**

Particulars	No.of. Respondents	Percentage (%)
Delay in receiving the goods	42	38%
Damaged packages	33	30%
Poor communication	17	16%
Payment delays	12	11%
Competitive pricing of freight rate	6	5%
Total	110	100%

**CHART 5.3: Challenge faced from companies or individual customers during freight forwarding**



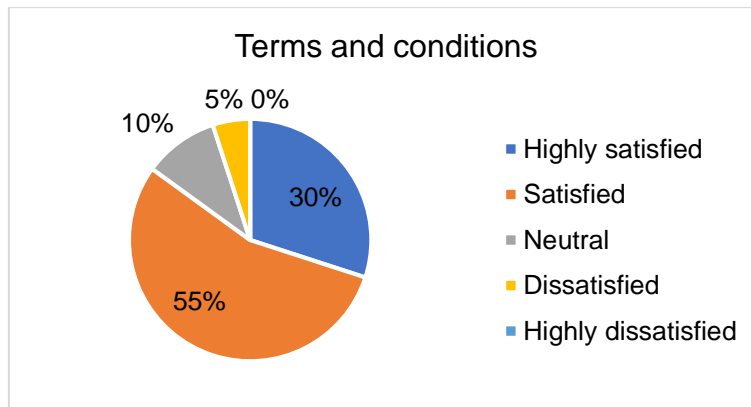
**INTERPRETATION**

From the above table, it could be interpreted that 38% of the respondents say delay in receiving the goods is the biggest challenge faced from companies or individual customers during freight forwarding.

**TABLE 5.4: Terms and conditions**

Particulars	No.of. Respondents	Percentage (%)
Highly satisfied	33	30%
Satisfied	61	55%
Neutral	11	10%
Dissatisfied	5	5%
Highly dissatisfied	0	0%
Total	110	100%

**CHART 5.4: Terms and conditions**



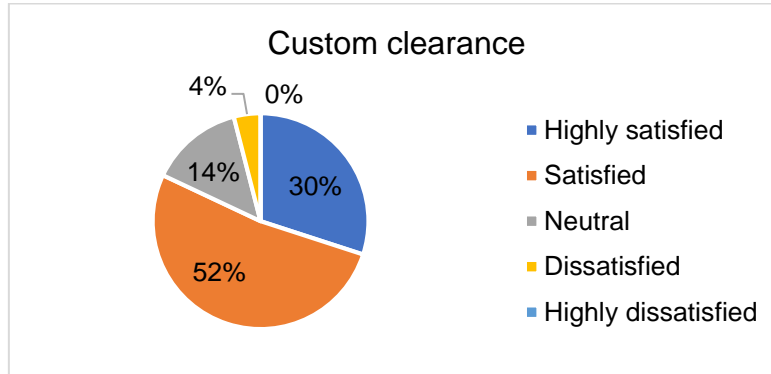
**INTERPRETATION**

From the above table, it can be interpreted that 55% of the respondents say that they are satisfied with the terms and conditions of freight forwarding, and 5% of the respondents are not satisfied with the terms and conditions.

**TABLE 5.5: Custom Clearance**

Particulars	No. of. Respondents	Percentage (%)
Highly satisfied	33	30%
Satisfied	57	52%
Neutral	15	14%

Dissatisfied	5	4%
Highly dissatisfied	0	0%
Total	110	100%

**CHART 5.5: Custom Clearance****INTERPRETATION**

From the above table, it can be interpreted that 30% of the respondents are highly satisfied with the custom clearance, and 52% of the respondents are satisfied with the custom clearance.

**FINDINGS**

- Majority 41% of the respondents say seaways as their mode of transport.
- Majority 40% of the respondents say damaging of packages is the biggest challenge faced from carriers during freight forwarding.
- Majority 38% of the respondents say delay in receiving the goods is the biggest challenge faced from companies or individual customers during freight forwarding.
- Majority 55% of the respondents say that they satisfied with the terms and conditions of freight forwarding.
- Majority 52% of the respondents are satisfied with the custom clearance.
- Majority 43% of the respondents say weekly exporting goods.
  - Majority 41% of the respondents say biweekly importing goods.
  - Majority 38% of the respondents are satisfied with freight rates.
  - Majority 41% of the respondents say that they operates internationally.
  - Majority 41% of the respondents say seaways as their mode of transport.

**V. CONCLUSION**

The study showcased that most of the respondents are satisfied with freight rates, terms and conditions of freight forwarding, and customs clearance. Most of the respondents say damaging of packages is the biggest challenge faced from carriers during freight forwarding and delay in receiving the goods is the biggest challenge faced from companies or individual customers during freight forwarding. So, organization should try to stop packages from getting damaged and make sure cargos arrives on time. And improve their communication with carriers. Organization can give full assurance for the theft and damage of the products. It will increase the image of the company.

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