

**A STUDY ON ISSUES FACED BY FREIGHT FORWARDERS
WITH REFERENCE TO REDOVA LOGISTICS**

Submitted in partial fulfilment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

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Register No.40410215



SCHOOL OF MANAGEMENT STUDIES
SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

APRIL 2022



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SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **KEVIN KENNEDY J 40410215** who carried out the project entitled "**A Study on Issues Faced by Freight Forwarders with Reference to Redova Logistics**" under my supervision from January 2022 to March 2022.

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Submitted for Viva voce Examination held on _____

Internal Examiner

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DECLARATION

I **KEVIN KENNEDY.J (40410215)** hereby declare that the Project Report entitled “**A Study on Issues Faced By Freight Forwarders With Reference To Redova Logistics**” done by me under the guidance of **DR.DHIVYA SATHISH** is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

KEVIN KENNEDY.J

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

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I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the project.

KEVIN KENNEDY.J



24th Dec'2021

TO WHOMSOEVER IT MAY CONCERN

Sub: Confirmation of MBA Project

We wish to confirm that **Mr. KEVIN KENNEDY J (Reg.Num: 40410215)**, who is pursuing second year MBA in Sathyabama Institute Of Science And Technology, Chennai, has been offered to do the project in Logistics Department in our concern for a period of 3 months.

As such, your project will include training and focus primarily on learning and developing new skills and gaining a deeper understanding of concepts through hands-on application of the knowledge you learned in class.

For Redova Logistics Pvt Ltd,


Hariharan.N



Recruitment Lead - HR

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TABLE OF CONTENTS

CHAPTER NO	CHAPTERS	PAGE NO
	CONTENT	I, II
	ABSTRACT	III
	LIST OF TABLES	IV
	LIST OF CHARTS	V
I	INTRODUCTION	1
	1.1 INDUSTRY PROFILE	10
	1.2 COMPANY PROFILE	15
	1.3 STATEMENT OF PROBLEM	22
	1.4 NEED FOR THE STUDY	22
	1.5 OBJECTIVES	22
	1.6 SCOPE OF STUDY	23
	1.7 LIMITATIONS OF THE STUDY	23
II	REVIEW OF LITERATURE	24
III	RESEARCH METHODOLOGY	26
	3.1 TYPE OF RESEARCH	26
	3.2 DATA SOURCES	26
	3.3 SAMPLE DESIGN	26
	3.4 TOOLS FOR ANALYSIS	26
IV	DATA INTERPRETATION AND STATISTICAL ANALYSIS	27-50
	4.1 PERCENTAGE ANALYSIS	27
	4.2 TESTING	45
V	FINDINGS, SUGGESTION AND CONCLUSION	51-53
	5.1 FINDING	51
	5.2 SUGGESTIONS	52
	5.3 CONCLUSION	53

	ANNEXURE 1 - QUESTIONNAIRE	
	ANNEXURE 2 – BIBLIOGRAPHY	
	ANNEXURE 3 – RESEARCH ARTICLE	

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. Forwarders will contract with a carrier to facilitate the movement of goods. A forwarder is not typically a carrier, but is an expert in supply chain management. In other words, a freight forwarder is a "travel agent," for the cargo industry, or a third-party (non-asset-based) logistics provider. A forwarder will contract with asset-based carriers to move cargo ranging from raw agricultural products to manufactured goods.

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

- Population size : > 300
- Sample Size : 121
- Sampling Technique : Convenience Sampling
- Statistical Tools : Chi Square, Correlation, Anova
- Graphical Tools : Bar Charts, Pie Charts

By studying and comparing the various issues 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 Redova Logistics to establish a reasonable share in the market place.

LIST OF TABLES

TABLE NO.	TITLE	PAGE NO
1	AGE	27
2	GENDER	28
3	EDUCATIONAL QUALIFICATION	29
4	INCOME	30
5	OPERATIONAL AREA	31
6	EXPORTING GOODS	32
7	MODE OF TRANSPORT	33
8	OPINION ABOUT FREIGHT RATES	34
9	RANK THE ISSUES FACED FROM CARRIERS DURING FREIGHT FORWARDING	35
10	RANK THE ISSUES FACED FROM COMPANIES OR INDIVIDUALS CUSTOMER DURING FREIGHT	36
11	THEFT AND DAMAGE OF THE GOODS	37
12	SATISFACTION FACTOR	38
13	PROBLEM WITH SHIPPING	39
14	PROMPTNESS OF SERVICE	40
15	SAFETY OF GOODS	41
16	TERMS AND CONDITIONS	42
17	DOCUMENTATION FOR TRANSACTION PROCESS	43
18	CUSTOM CLEARANCE	44

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10	RANK THE ISSUES FACED FROM COMPANIES OR INDIVIDUALS CUSTOMER DURING FREIGHT	36
11	THEFT AND DAMAGE OF THE GOODS	37
12	SATISFACTION FACTOR	38
13	PROBLEM WITH SHIPPING	39
14	PROMPTNESS OF SERVICE	40
15	SAFETY OF GOODS	41
16	TERMS AND CONDITIONS	42
17	DOCUMENTATION FOR TRANSACTION PROCESS	43
18	CUSTOM CLEARANCE	44

CHAPTER 1

1.1 INTRODUCTION

THEORETICAL BACKGROUND OF THE STUDY MEANING

The word of logistics originates from the ancient Greek logos (λόγος), which means “ratio, word, calculation, reason, speech, and oration”. Logistics as a concept is considered to evolve from the military's need to supply them as they moved from their base to a forward position

. In ancient Greek, Roman and Byzantine empires, there were military officers with the title ‘Logistikas’ who were responsible for financial and supply distribution matters.

The Oxford English dictionary defines logistics as: “The branch of military science having to do with procuring, maintaining and transporting material, personnel and facilities. “Another dictionary definition is: "The time related positioning of resources." As such, logistics is commonly seen as a branch of engineering which creates "people systems" rather than "machine systems

The term logistics seems all pervasive. It appears on the sides of trucks, ships and aircraft, forming part of the name of many business enterprises, in classified job advertisements as well as newspaper articles and on television news broadcasts.

DEFINITION

Logistics is a process of planning, implementing and controlling efficient and cost-effective flow of materials and information from point of origin to point of consumption. Hence, Logistics is nothing but the process of strategically managing the movement and storage of materials, parts, and finished inventory from suppliers, between enterprise facilities and customers.

FREIGHT FORWARDER

A freight forwarder, forwarder, or forwarding agent is a person or company that organizes shipments for individuals or other companies and may also act as a carrier. A forwarder is often not active as a carrier and acts only as an agent, in other words as a third-party logistics provider, they have the expertise that allows them to prepare and

process the documentation and perform related activities pertaining to international shipments.

Some of the typical information reviewed by a freight forwarder is the commercial invoice, shipper's 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.

LOGISTICS MANAGEMENT

Logistics Management is that part of the supply chain which 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 customers' requirements.

BUSINESS LOGISTICS

Logistics as a business concept evolved only in the 1950s. This was mainly due to the increasing complexity of supplying one's business with materials and shipping out products in an increasingly globalized supply chain, calling for experts in the field who are called Supply Chain Logisticians. This can be defined as having the right item in the right quantity at the right time for the right price and is the science of process and incorporates all industry sectors. The goal of logistic work is to manage the fruition of project life cycles, supply chains and resultant efficiencies.

In business, logistics may have either internal focus(inbound logistics), or external focus (outbound logistics) covering the flow and storage of materials from point of origin to point of consumption (see supply chain management). The main functions of a logistics manager include Inventory Management, purchasing, transport, warehousing, and the organizing and planning of these activities. Logistics managers combine a general knowledge of each of these functions so that there is a coordination of resources in an organization. There are two fundamentally different forms of logistics. One optimizes a steady flow of material through a network of transport links and storage nodes. The other coordinates a sequence of resources to carry out some project. Logistics as a concept is considered to evolve from the military's need to supply them as they moved from their base to a forward position. In ancient Greek, Roman and Byzantine empires, there were military officers with the title 'Logistikas' who were responsible for financial and supply distribution matters.

PRODUCTION LOGISTICS

The term is used for describing logistic processes within an industry. The purpose of production logistics is to ensure that each machine and workstation is being fed with the right product in the right quantity and quality at the right point in time. The issue is not the transportation itself, but to streamline and control the flow through the value adding processes and eliminates non-value adding ones.

Production logistics can be applied in existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Production logistics provides the means to achieve customer response and capital efficiency.

COMMERCIAL VEHICLE OPERATION

Commercial Vehicle Operations is an application of Intelligent Transportation Systems for trucks. A typical system would be purchased by the managers of a trucking company. It would have a satellite navigation system, a small computer and a digital radio in each truck. Every fifteen minutes the computer transmits where the truck has been. The digital radio service forwards the data to the central office of the trucking company. A computer system in the central office manages the fleet in real time under control of a team of dispatchers.

In this way, the central office knows where its trucks are. The company tracks individual loads by using barcoded containers and pallets to track loads combined into a larger container. To minimize handling-expense, damage and waste of vehicle capacity, optimal-sized pallets are often constructed at distribution points to go to particular destinations.

A good load-tracking system will help deliver more than 95% of its loads via truck, on planned schedules. If a truck gets off its route, or is delayed, the truck can be diverted to a better route, or urgent loads that are likely to be late can be diverted to air freight. This allows a trucking company to deliver a true premium service at only slightly higher cost. The best proprietary systems, such as the one operated by FedEx, achieve better than 99.999% on-time delivery. Load-tracking systems use queuing theory, linear programming and minimum spanning tree logic to predict and improve arrival times. The

exact means of combining these are usually secret recipes deeply hidden in the software.

The basic scheme is that hypothetical routes are constructed by combining road segments, and then poor ones are eliminated using linear programming. The controlled routes allow a truck to avoid heavy traffic caused by rush-hour, accidents or road-work. Increasingly, governments are providing digital notification when roadways are known to have reduced capacity.

A good system lets the computer, dispatcher and driver collaborate on finding a good route, or a method to move the load. One special value is that the computer can automatically eliminate routes over roads that cannot take the weight of the truck, or that have overhead obstructions. Usually, the drivers log into the system. The system helps remind a driver to rest. Rested drivers operate the truck more skillfully and safely. When these systems were first introduced, some drivers resisted them, viewing them as a way for management to spy on the driver. A well-managed intelligent transportation system provides drivers with huge amounts of help. It gives them a view of their own load and the network of roadways.

COMPONENTS OF CVO INCLUDE

- Freight Administration
- Electronic Clearance
- Commercial Vehicle Administrative Processes
- Crossing Clearance
- Roadside CVO Safety
- On-Board Safety Monitoring

ROLE OF LOGISTICS MANAGEMENT

The primary objective of logistics management is to effectively and efficiently move the supply chain so as to extend the desired level of customer service at the least cost. Thus, logistics management starts with ascertaining customers' needs till their fulfilment through product supplies. However, there are some definite objectives to be achieved through a proper logistics system. These can be described as follows:

IMPROVING CUSTOMER SERVICE

An important objective of all marketing efforts, including the physical distribution activities, is to improve the customer service. An efficient management of physical distribution can help in improving the level of customer service by developing an effective system of warehousing, quick and economic transportation, and maintaining optimum level of inventory.

RAPID RESPONSE

Rapid response is concerned with a firm's ability to satisfy customer service requirements in a timely manner. Information technology has increased the capability to postpone logistical operations to the latest possible time and then accomplish rapid delivery of required inventory.

REDUCE TOTAL DISTRIBUTION COSTS

The cost of physical distribution consists of various elements such as transportation, warehousing and inventory maintenance, and any reduction in the cost of one element may result in an increase in the cost of the other elements. Thus, the objective of the firm should be to reduce the total cost of distribution and not just the cost incurred on any one element.

GENERATING ADDITIONAL SALES

A firm can attract additional customers by offering better services at lowest prices. For example, by decentralizing its warehousing operations or by using economic and efficient modes of transportation, a firm can achieve larger market share. Also by avoiding the out-of-stock situation, the loss of loyal customers can be arrested.

CREATING TIME AND PLACE UTILITIES

The products are physically moved from the place of their origin to the place where they are required for consumption; they do not serve any purpose to the users. Similarly, the products have to be made available at the time they are needed for consumption.

PRICE STABILIZATION

It can be achieved by regulating the flow of the products to the market through a judicious use of available transport facilities and compatible warehouse operations. By stocking the raw material during the period of excess supply and made available during the periods of short supply, the prices can be stabilized.

QUALITY IMPROVEMENT

The long-term objective of the logistical system is to seek continuous quality improvement. Total quality management (TQM) has become a major commitment throughout all facets of industry. If a product becomes defective or if service promises are not kept, little, if any, value is added by the logistics. Logistical costs, once expended, cannot be reversed.

MOVEMENT CONSOLIDATION

Consolidation one of the most significant logistical costs is transportation. Transportation cost is directly related to the type of product, size of shipment, and distance. Many Logistical systems that feature premium service depend on highspeed, small shipment transportation. Premium transportation is typically high-cost. To reduce transportation cost. It is desirable to achieve movement consolidation.

3 PL & SUPPLY CHAIN MANAGEMENT

At Committed Group, the company define functional experience, expertise, speed, flexibility, and ingenuity to manage certain freight efficiently every time. As an experienced provider of 3PL (Third Party Logistics) 24 x 7, they provide a total supply chain solution for your logistics and freight management needs. Our ongoing goal is to simplify the shipping process for our clients by finding the best rates and then smoothly coordinating all aspects of the shipment from pick-up to ship to on time delivery

- It Provides solution and Supply Chain Management enables cost savings and better route planning
- Ability to connect customers and their supply chain partners through a real-time information hub

- 10-15% reduction in transportation costs
- Real-time monitoring of inventory, orders and events
- Intelligent order sourcing across multiple stocking locations

FUNCTION OF FREIGHT FORWARDERS INTERNATIONAL FREIGHT FORWARDERS

International freight forwarders handle both direct and consolidated shipments. A direct shipment is sent on its own without being co-loaded with other goods. This could be an entire container, truckload or airfreight shipment. Consolidated shipments are those where goods from two or more parties are shipped together, adding weight and security to the shipment, and usually lowering the cost of freight.

SERVICES OF AN INTERNATIONAL FREIGHT FORWARDER

Freight forwarders facilitate shipments by air, vessel or other common carrier. Their services may include, but are not limited to:

- Ordering cargo to the port of export
- Preparing export declarations
- Booking, arranging for and confirming cargo space
- Preparing delivery orders or dock receipts
- Preparing ocean bills of lading
- Preparing consular documents or arranging for their certification
- Preparing and processing letters of credit
- Arranging for warehouse storage
- Clearing shipments in accordance with U.S. government export regulations
- Preparing and sending advance notifications of shipments or other documents to banks, shippers, consignees or agents as needed
- Handling freight or other monies advanced by shippers

ORGANIZATIONAL STRUCTURE OF FORWARDERS

Twenty years ago, companies specialized in direct air shipments, ocean shipments, air consolidations, ocean consolidations or other distinct services based on product, market and industry. Today, many international freight forwarders provide a complete logistical solution for exporters, from door to door. There are still exceptions, which require a brief review of how forwarding services are organized.

THE INTERNATIONAL AIR FREIGHT IATA AGENT

International Air Transport Association, or IATA, is a governing body that allows forwarders to collect a modest commission from the airline based on the freight rate applied to the cargo. IATA certification is based on the forwarder meeting specific financial and credit requirements, having a presence of physical facilities and possessing professional qualifications and ethical business practices. In turn, they are permitted to issue airline air waybills and represent the shipper to the airline and vice versa.

IATA agents may provide additional services to their customers. They often focus on crating, packing, labelling and logistics and turn the cargo over to the airline or an air cargo consolidator. In the food business, an exporter might find an IATA agent that specializes in certain perishable items, such as produce or seafood. IATA agents do not publish their own rates or issue their own waybills, so they do not provide consolidation services directly, although they could assist in making those arrangements on behalf of an exporter.

THE INTERNATIONAL AIR FREIGHT FORWARDER

These companies are IATA agents as well, meaning they can handle direct shipments and prepare the airline air waybill. In addition, they issue their own air waybills, known as “House” air waybills and publish their own rates. With the issuance of house air waybills, they are transporting merchandise under their own name, with what is known as a “Master” airway bill. In a consolidated shipment there can be multiple house air waybills associated to a master air waybill.

International Air Freight Forwarders provide consolidations of air cargo shipments to destinations around the world, and in providing the airline with volume shipments, are able to collect the IATA commission in addition to commission based on performance. They usually have a network of their own offices or agents in major cities around the

world and now in developing countries as well. The overseas offices can provide valuable information about regulations, duties, taxes and prices for services provided at the destination. Taking advantage of air consolidation freight rates makes your landed cost more attractive to the buyer and should be considered if the mode of transport is airfreight.

INTERNATIONAL OCEAN FREIGHT FORWARDER

These companies need to be licensed by the Federal Maritime Commission (FMC). Like IATA agents, they do not publish their own rates or issue their own bills of lading, as they don't provide consolidation services. Their services to the exporter include: coordination of cargo, booking with the steamship line, crating, packing and document preparation.

THE INTERNATIONAL OCEAN FREIGHT CONSOLIDATOR

This type of company is referred to as an NVOCC, Non-Vessel Operating Common Carrier, or an NVO. NVOs provide services that are very similar to the International Air Freight Forwarder. They are licensed by the FMC and can also provide the services of an Ocean Freight Forwarder. They are licensed to publish their own rates and issue their own ocean bills of lading, transporting goods under their own name. This is a very similar process as the master and house air waybills used with air freight consolidations.

If an exporter has a shipment that needs to move by sea freight and does not have enough volume to warrant the purchase of an entire container, the NVOCC is a logical choice, as they can load the shipment into a container with other cargo and provide a competitive rate for their services. Many international freight forwarders provide both export services for ocean and air freight, directly and consolidated.

1.1 INDUSTRY PROFILE

The scope and influence of logistics has evolved in the late 1940s. In the 1950s, and 60s, military was the only organization which used logistics. The scope of logistics has been extended beyond the army, as it has been recognized as one of the important tools for developing competitiveness. Competitive advantage means the company has the ability to differentiate itself, in the customer's eyes, and also is operating at a lower cost and greater profit.

Logistics facilitates in getting products and services as and when they are needed and desired to the customer. It also helps in economic transactions, serving as a major enabler of growth of trade and commerce in an economy.

Logistics has come to be recognized as a distinct function with the rise of mass production systems. Production and distribution were earlier viewed as a sequential chain of extremely specialized activities. The role of logistics is to ensure availability of all the required materials before every step in this chain. Obviously inventory of raw materials, semi-finished and finished goods is a must across this chain to ensure its smooth functioning.

The concept of logistics has its base upon the systems approach. There is a single chain, with flow of materials starting from the supplier, then to the plant and finally to the end customer, and also these activities are done sequentially in order to achieve customer satisfaction at low cost. For this to be successful there has to be coordination in the activities of the department.

With reference to an organization, an organization gets a concrete shape due to its structure. In the earlier times, the suppliers in distribution activities were spread across the entire structure, thus resulting in an overlapping of activities and finally in unaccountable authority and responsibility. In today's process driven organization, where the focus has shifted from functions to process, logistics has become an essential part of the process.

Definitions of logistics:

The American Council of Logistics Management defines logistics as “the process of planning, implementing and controlling the efficient, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of conforming to customers’ requirements”.

Philip Kotler defines logistics as “planning, implementing, and controlling the physical flows of materials and finished goods from point of origin to point of use to meet the customer’s need at a profit”. **Objectives of logistics:**

Logistics has the following objectives:

Reduction of inventory: Inventory is one of the key factors, which can affect the profit of an enterprise to a great extent. In the traditional system, firms had to carry lot of inventory for satisfying the customer and to ensure excellent customer service. But, when funds are blocked in inventory, they cannot be used for other productive purposes. These costs will drain the enterprise’s profit. Logistics helps in maintaining inventory at the lowest level, and thus achieving the customer goal. This is done through small, but frequent supplies.

Economy of freight: Freight is a major source of cost in logistics. This can be reduced by following measures like selecting the proper mode of transport, consolidation of freight, route planning, long distance shipments etc.

Reliability and consistency in delivery performance: Material required by the customer must be delivered on time, not ahead of the schedule or behind the schedule. Proper planning of the transportation modes, with availability of inventory will ensure this.

Minimum damage to products: Sometimes products may be damaged due to improper packing, frequent handling of consignment, and other reasons. This damage adds to the logistics cost. The use of proper logistical packaging, mechanized material handling equipment, etc will reduce this damage.

Quicker and faster response: A firm must have the capability to extend service to the customer in the shortest time frame. By utilizing the latest technologies in processing information and communication will improve the decision making, and

thus enable the enterprise to be flexible enough so that the firm can fulfill customer requirements, in the shortest possible time frame. **The various functions of logistics are as follows:**

1. **Order Processing:** Processing the orders received from the customers is an activity, which is very important by itself and also consumes a lot of time and paperwork. It involves steps like checking the order for any deviations in the agreed or negotiated terms, price, payment and delivery terms, checking if the materials is available in stock, producing and scheduling the material for shortages, and also giving acknowledgement to the owner, by indicating any deviations.
2. **Inventory Planning and management:** Planning the inventory can help an organization in maintaining an optimal level of inventory which will also help in satisfying the customer. Activities like inventory forecasting, engineering the order quantity, optimization the level of service, proper deployment of inventory etc. are involved in this.
3. **Warehousing:** This serves as the place where the finished goods are stored before they are sold to the customers finally. This is a major cost center and improper warehouse management will create a host of problems.
4. **Transportation:** Helps in physical movement of the goods to the customers place. This is done through various modes like rail, road, air, sea etc.
5. **Packaging:** A critical element in the physical distribution of the product, which also influences the efficiency of the logistical system.

Logistics delivers value to the customer through three main phases:

- a. **Inbound logistics:** These are the operations, which precede manufacturing. These include the movement of raw materials, and components for processing from suppliers.

- b. Process logistics: These are the operations, which are directly related to processing. These include activities like storage and movement of raw materials, components within the manufacturing premises.
- c. Outbound logistics: These are the operations, which follow the production process. These include activities like warehousing, transportation, and inventory management of finished goods.

Logistics Solution:

Generally, the in-house logistics departments in manufacturing organizations take care of all aspects of logistics. But this is not an area of core competency of manufacturing or trading organizations. Today, a lot of successful business corporations across the world are outsourcing logistics to the third party logistics providers, who are having the necessary infrastructure and expertise to do the job in a better manner. Complete logistics solutions to manufacturers and traders is provided by the third party logistics providers, and they help in integrating various logistics operations, thus ensuring speedy and uniform movement of materials across the supply chain.

Logistics is nowadays widely used in virtually every area. The success of a logistics service providing company depends on how they conceptualize and implement the logistics solution, and also tune to the requirements of the customer.

Future of Logistics

Nowadays corporations look only for sustainable competitive advantage, not only for growth, but also to survive. There is so much killing competition that corporations are compelled to review their business process while they deliver the products and services to customers, who are looking for more and more value for the money that they are spending. The focus of competition has shifted from the product to the supply chain.

Today, logistics management is based on the system concept and cost approach. Transportation, warehousing, handling of material, inventory management and order processing are the major logistics activities, which impact the customer cost and operation. Integrated logistics helps in taking the cost out of the supply chain and also enhance the customer service level.

When looking at the macro level, a growth of a country's economy depends on the availability of excellent logistics infrastructure. The speed of the movement of goods

depends to a great extent on the various modes of transportation like rail, road, air, and sea.

Logistics has a bright future, especially in India, but certain pressing issues like abolition of octroi levy, rationalization of customs formalities, improvement in road and rail infrastructure, creation of modern warehouse facilities etc, have to be taken care of. The geographical position of India also is well positioned to emerge as an excellent hub for a variety of products.

1.2 COMPANY PROFILE

Redova Logistics Pvt Ltd was founded by logistics professionals in 2001 with a vision to be recognized as the most dependable and responsive logistics service provider.

Survival of the fittest is more than apt in today's competitive world. One has to provide qualitative services at the most competitive prices at the right place & at the right time. For this you need to have a reliable service provider so that you can concentrate on your core competencies.

With Redova Logistics Pvt Ltd– the leading service provider with a full menu of logistics services–your business will boom. Our logistics services are at the forefront, offering state-of-the-art 3rd party and 4th party logistics solutions to all customers. Redova Logistics Pvt Ltd is structured to provide logistics and supply chain solutions to the growing global industry.

OUR STRENGTHS:

We have Logistics Engineering team to overview productivity and process review within the warehouses , Cycle Count Team to monitor inventory integrity and MIS team to provide and design customized MIS. These are some of our key differentiator functions over the competition – enabling us to execute our promise to deliver continuous value.

Our performance in productivity, inventory integrity, resource quality and quantity are among the best in the industry. We rely heavily on customized MIS to demonstrate performance improvements on a continuous basis.

Crashing transaction times

Meeting agreed transaction times allow you to meet your delivery schedules. Improving these times by increasing productivity sharpens warehouse throughput and makes your invoices payable early. Crashing times actually adds to your working capital.

We work on improving transaction cycle times by using modern Industrial Engineering techniques, as well as implementing learning achieved from experience and industry benchmarks.

On a larger plane - TTM (Time to Market), TTC (Time to Cash) etc. are our customer expectations that we have assisted them in bringing around remarkable results.

Innovative Solution

"Value addition" is the basis of any successful and sustained business relationship between two entities.

Redova Logistics Pvt Ltd offers innovative solution as one such value addition to our customers, where we contribute to our customer's value chain not only as a one-time value addition but of a continual nature due to Redova Logistics Pvt Ltd tradition of improving it, with time.

Apart from the best in class performance which is a trademark Redova Logistics Pvt Ltd service, a good example is the Redova Logistics Pvt Ltd "Business Industrial Engineering" (BIE) function which adds value to our customer businesses via innovative solutions upon and around their key W&D requirements of: Innovative Warehouse design to enable Higher throughput at lesser costs. MHE and MSE selection to suit the Volume, flow (direction & magnitude) and cycle time metrics for Optimal Cost-Benefit ratio.

Distribution network design based on data analysis of our customer's transaction numbers.

Continuous Improvement - Redova Logistics Pvt Ltd BIE function does this as a 'birth principle' than a customer need / expectation / requirement.

Managing Reliability in Processes

Redova Logistics Pvt Ltd recognizes the importance of stable processes in Warehousing and Transportation, which form most significant costs out of total Logistics costs.

Errors often creep even in routine transactions, the impact of which adversely affect customer satisfaction and may result in consequential problems of payment delays / defaults, loss of "repeat business" maybe profits as well.

Redova Logistics Pvt Ltd has been providing reliability levels of over 99+% to our customers with. We have achieved this based on our process flow mapping, mechanism to measure them and take proactive steps to improve them. SOPs, DPMs, Daily Exception reporting and management are some of the tools we will use to achieve the said reliability for you.

Redova Logistics Pvt Ltd cherishes dependability as one of the core values.

2. Third Party Logistics

Redova Logistics Pvt Ltd is one source for comprehensive logistics services. Our established operations offer supply chain, transportation and inventory management, warehousing operations, reverse logistics and more -- all custom-tailored to the individual needs of our customers. Our in-house consultants and operations experts provide valuable experience and expertise in a wide variety of areas including IT, automotive and e-commerce. The warehouses are equipped with the best material handling and storage equipment, controlled by an in-house developed Warehouse Management System.

Inbound Logistics

- Planning
- Purchase Order Management
- Milk Route Collections
- Hub & Spoke model for Consolidation
- Container Movement
- Stores Management and Line Feeding
- Just In Time Inventories
- Vendor Managed Inventories
- Performance Analysis and Process Optimization
- Space Management
- Planning & Forecasting
- Excise & Octroi

- Consolidation Centers
- Line Feeding
- Transportation

Outbound Logistics

- Setting up a Distribution network
- Providing certainty and committed service levels.
- Shared Public Warehouses
- Optimization to bring down Total Transaction Cost
- Pre Delivery Inspection
- Packaging
- Accessory fitting
- Audit
- Storage
- Inventory
- Invoicing
- Dispatch

Reverse Logistics

- After Sales
- Customer Feedback
- Claims Settlement
- Receiving
- Quality
- Payment
- From warehousing to transportation, our process strength and operational excellence extends to all core functions of contract logistics.
- We combine warehousing, transportation and value-added services to ensure a custom fit. Our facilities share common processes and systems, so you receive consistent

reporting in addition to dependable customer service. IT enablers like Warehouse Management System simplifies all data exchange.

- We invest time and expertise to fully understand your business before designing plans to improve your supply chain. We take responsibility for the performance of all our suppliers and for ensuring availability of resources and equipment needed to control the flow of goods under our charge.

We seek to deliver advanced customer service quality by:

- Customizing dedicated facility or flexible shared facilities
- Optimizing performance of your existing assets. We are happy to work from your facilities if it increases efficiency.

Our services deliver:

- Inventory integrity
- Shorter lead times
- Increased productivity
- Greater responsiveness
- Fast and reliable start-ups
- Flexibility to meet growing volumes and resultant peaks and valleys
- Recruitment, training and motivation of workforces
- Transfer of industry best practices from other sectors and regions
- Rock-solid record keeping
- Transaction integrity
- Transaction history record keeping
- Comprehensive menu of standard reports

3. Warehousing and Distribution Services

Our range of warehouse offerings is amongst the most diverse in India. We provide the following types of warehousing services:

- Dedicated Warehouses
- Shared-user Warehouses
- Limited term project centric warehouses.

Dedicated Warehouses

Best in class solutions

Customized to meet your specific requirements of design, layout, storage and handling, we can set up dedicated warehouses wherever you wish.

We are mobile, flexible and ready to go. From concept to operations, we use modeling to find an optimal location, identify the real estate using our database, and define the necessary systems and operating structure. We work closely with you right through the design and layout stages.

Our project management team integrates facility and systems operations and resource planning before hand over. Your distribution centre functions smoothly and you get visibility of the project from the very beginning.

Shared Warehouses

Flexibility all the way

Our Shared logistics facilities provide you flexibility on space and services without a sizable investment and long-term commitment.

These facilities can receive products and provide downstream distribution. Through shared resources - space, overheads, labour and equipment - our customers benefit from synergies that significantly reduce supply chain costs and improve efficiencies dramatically.

Smaller businesses requiring distribution operations without long-term lease or capital commitments can benefit from this. As can larger enterprises for a new acquisition, product launch or seasonal overflow. Leading manufacturers and retailers of the Automotive, Telecom and Retail, among other sectors, use our services.

In-Plant

Taking charge, giving control

We offer a range of programs within our customers' facilities. We can support your team – or be your team – by handling such tasks as labour or yard management, packing, designing, container stuffing, line feeds, water spider maintenance, and just-in-time deliveries.

We help you cut costs, increase productivity, and get the best out of your most valuable resource - your people. Quality and safety are part of our culture and we invest a

substantial amount of time building consistent processes, aligned with your best practices and training, to achieve our goals of zero recordable incidents.

4. Installation Support Logistics

Our support to Installation Engineers combines several critical functions involving warehouse, transportation, up-lifting expertise and on site marshalling of manpower and lifting equipment.

The installation material is typically delicate, large, unwieldy and heavy and needs care for material and building protection. We also take care of local permissions.

We have special teams providing Telecom Installation Support logistics. Our flexible response to severe Transaction skew is greatly appreciated by our clients. We have a large vendor base which allows us to scale up on demand. Our transportation management skills and computer software allow us to meet these requirements. We run complex programs that ensure high levels of accuracy.

We also manage local and specialized deliveries - from coordinating and training staff on product installation to retail merchandising and more. These include customized inside-the-home deliveries and installation services.

Our proven transportation solutions coupled with local market intelligence helps us in delivering these capabilities:

- Dependable Vendor Management
- Route understanding, planning & optimization
- Octroi Management
- Milk-Run Management
- Multi-Point Distribution Management
- Pan-India & regional Services Management

1.3 STATEMENT OF THE PROBLEM:

Logistics play a vital role in international business. A freight forwarder can help to improve the delivery of products and increase customer service. Redova Logistics faces problems in documentation, transport, Custom clearance, freight forwarder and this affect the exports and integral part of global supply chain so to overcome all these problem study is conducted.

1.4 NEED FOR THE STUDY:

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 helps to analyse the problems faced by freight forwarders from the carriers as well as companies and individual customers. It helps to understand the satisfaction level of the custom clearance.

1.5 OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVE:

To study the issues faced by freight forwarders with special reference to Redova Logistics in Chennai

SECONDARY OBJECTIVE:

To analyse the issues faced by freight forwarders from the carriers.

To analyse the issues faced by freight forwarders from the companies and individual customers.

To know the satisfaction level with the customs clearance and terms and conditions imposed on the freight forwarders by the carriers.

To suggest solutions to reduce the issues faced by the freight forwarders.

1.6 SCOPE OF THE STUDY

. A forwarder is often not active as a carrier and acts only as an agent, in other words as a third-party logistics provider, they have the expertise that allows them to prepare and process the documentation and perform related activities pertaining to international shipments.

It helps the company to identify the bottleneck/s within the freight-forwarders

It helps the company to identify the better way for the Freight Forwarders to accomplish their tasks

This study focus on understanding the problems of the freight forwarders

1.7 LIMITATIONS

- Opinion of employees may be biased at time.
- Respondents would have hidden some facts due to the fear of management.
- The study is based on the data collected from respondents and a journal hence the reliability of the data is not probed into. Utmost care has to be taken while extending the results to the other areas.

CHAPTER 2

2.1 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.

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.

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.

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.

Mohitayalamanchi (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.

Berrada A. Chakir&Ciro Aida (2009), a study on “Bottlenecks in the Freight Forwarding sector in West-coast Africa”. The objective of the study about a to identify the bottleneck/s within the freight-forwarding industry in west coast Africa. The Study revealed that the series of interesting findings First, the activity of a Freight Forwarder depends on a series of factors that do not depend on the Freight Forwarder per se. And second, Freight Forwarders in order to accomplish their tasks have access to services that are shared by all providers, and that are beyond their control. To conclude the study identifies infrastructure as a major bottleneck in the Freight Forwarding sector.

Bock (2012) Proposed a real time oriented control approach for freight forwarders to expand load consolidation , reduce empty vehicle trips , and handle dynamic disturbances.

Feo et al. (2015) explored the preference analysis of Spanish freight forwarders model choice between short sea shipping and door-to-door road transport in terms of value of time, value of reliability and value of frequency in freight transport.

CHAPTER III

3.1 RESEARCH METHODOLOGY

3.1 TYPE OF RESEARCH:

The type of research design undertaken is **Descriptive Research**. Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of state of affairs, as it exists at present.

3.2 DATA SOURCES

DATA COLLECTION METHOD:

The main sources through which data is collected are:

Primary data:

The Primary data was collected through a structured questionnaire from the employees of Freight forwarder - Redova Logistics in Chennai

Secondary data:

Secondary data was collected from magazines, journals, books and websites.

3.3 SAMPLE DESIGN:

Sample Design is method of selecting the samples. The convenient method of sampling was applied to select the sample respondents. A sample of 121 employees of Redova Logistics in Chennai is taken for this study.

3.4 TOOLS FOR ANALYSIS

The Data collected was analysed using Frequency analysis, Chi Square, Correlation and Anova.

CHAPTER IV
DATA INTERPRETATION AND STATISTICAL ANALYSIS
4.1 PERCENTAGE ANALYSIS

TABLE 4.1.1: AGE

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	20-30	8	7
2	30-40	18	15
2	40-50	40	33
4	Above 50	55	45
	TOTAL	121	100

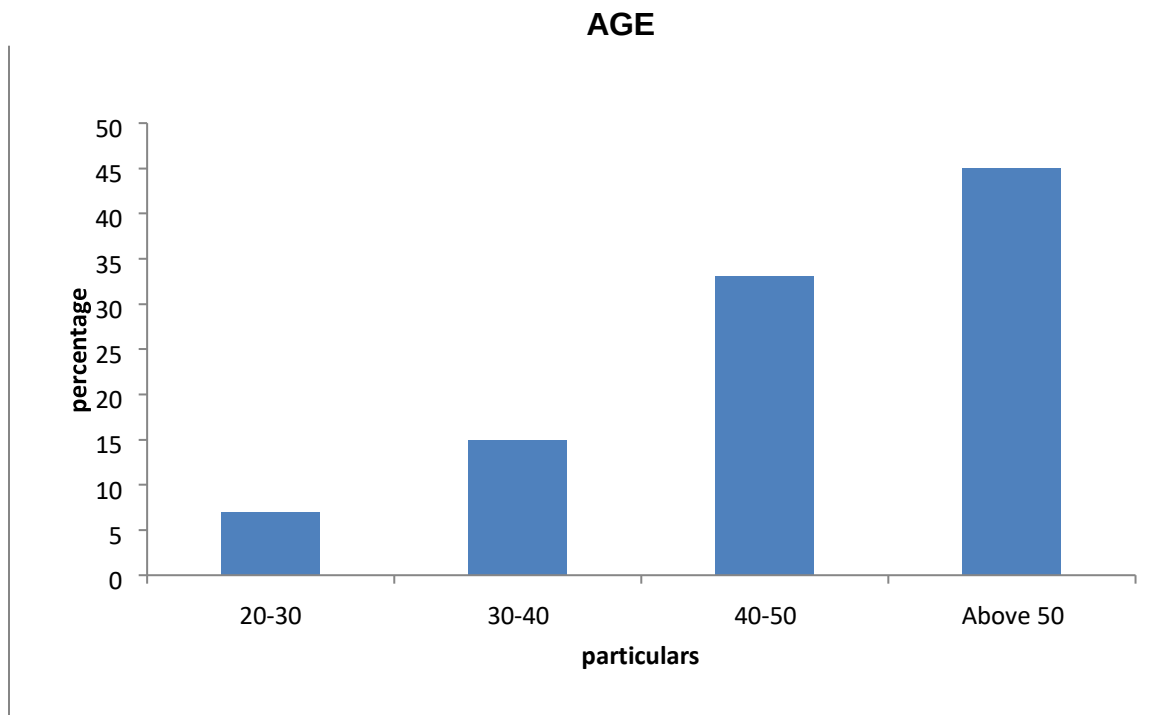


CHART 4.1.1: AGE

INTERPRETATION:

From the above table it can be interpreted that 45% of the respondents are in above 50 years of age.

INFERENCE :

Majority 45% of respondents age is above 50

TABLE 4.1.2: GENDER OF THE RESPONDENTS

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	MALE	93	77
2	FEMALE	28	23
	TOTAL	121	100

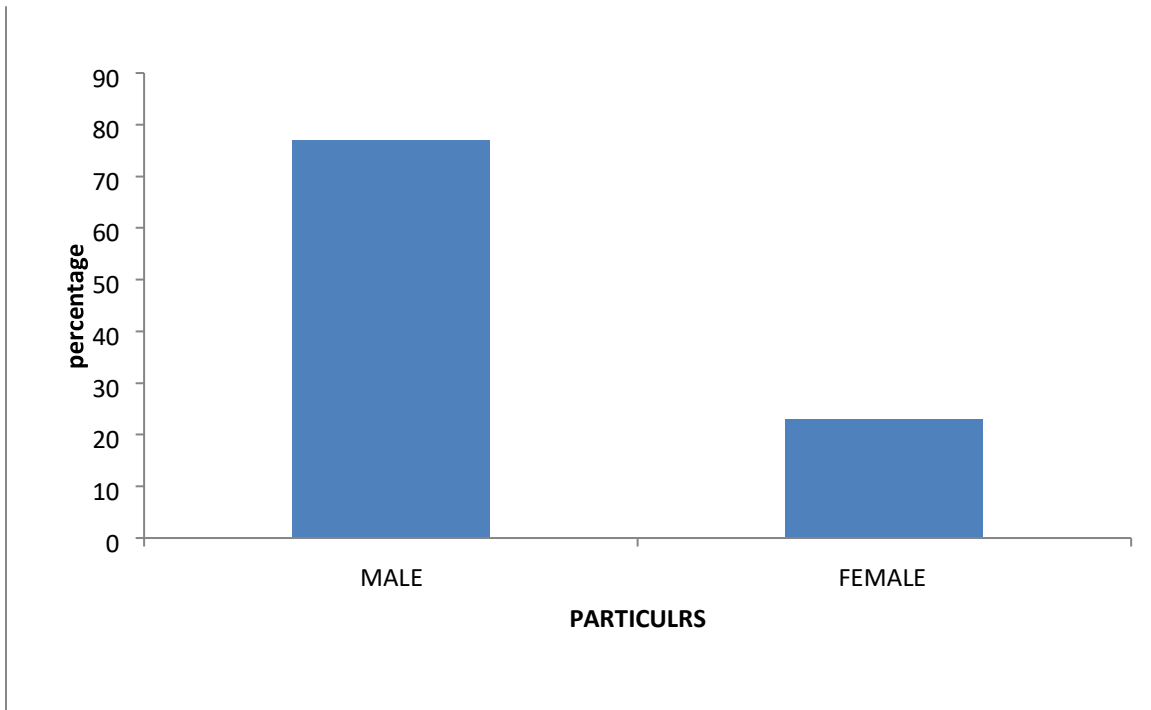


CHART 4.1.2: GENDER OF THE RESPONDENTS

INTERPRETATION:

From the above table it can be interpreted that 77% of the respondents are male.

INFERENCE:

Majority 77% of respondents are male

TABLE 4.1.3: Educational Qualification.

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Graduate	34	28
2	Post graduate	23	19
3	Iti	45	37
4	Diploma	19	16
	TOTAL	121	100

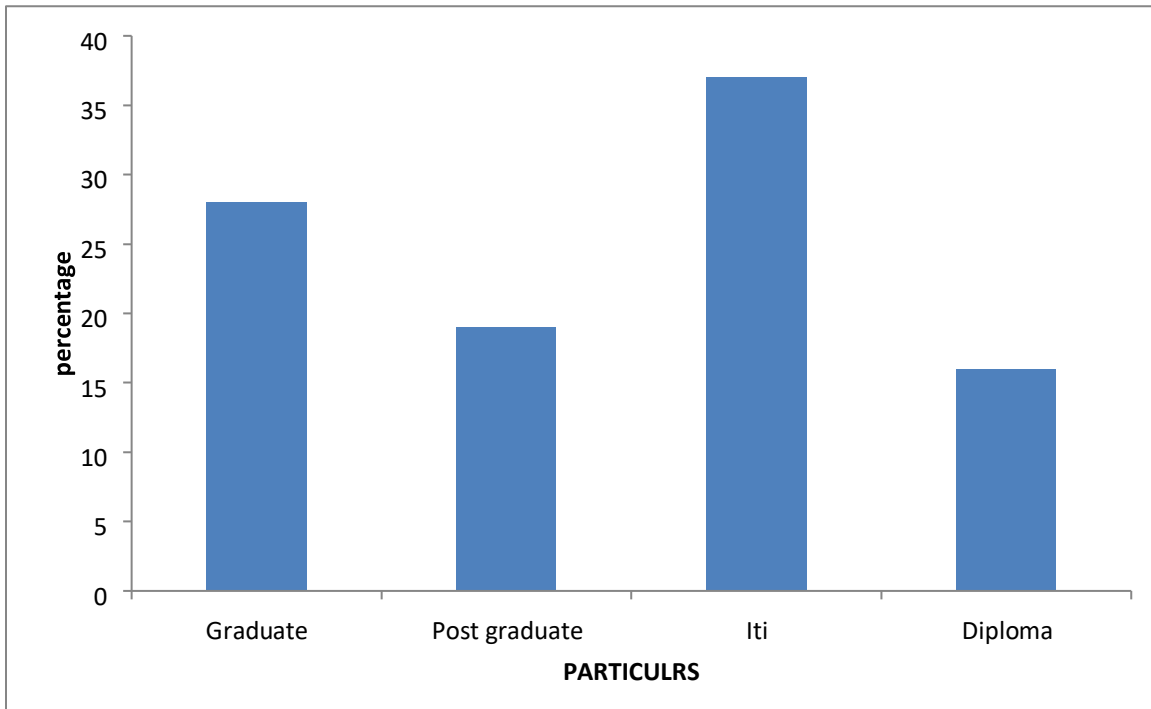


CHART 4.1.3: EDUCATIONAL QUALIFICATION

INTERPRETATION:

From the above table it can be interpreted that 37% of the respondents are completed ITI.

INFERENCE:

Majority 37% of respondents are completed ITI

TABLE 4.1.4: Income

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	10,000-20000	21	17
2	20000-30000	20	16
3	30000-40000	47	39
4	40000-50000	15	12
5	Above 50000	18	16
	TOTAL	121	100

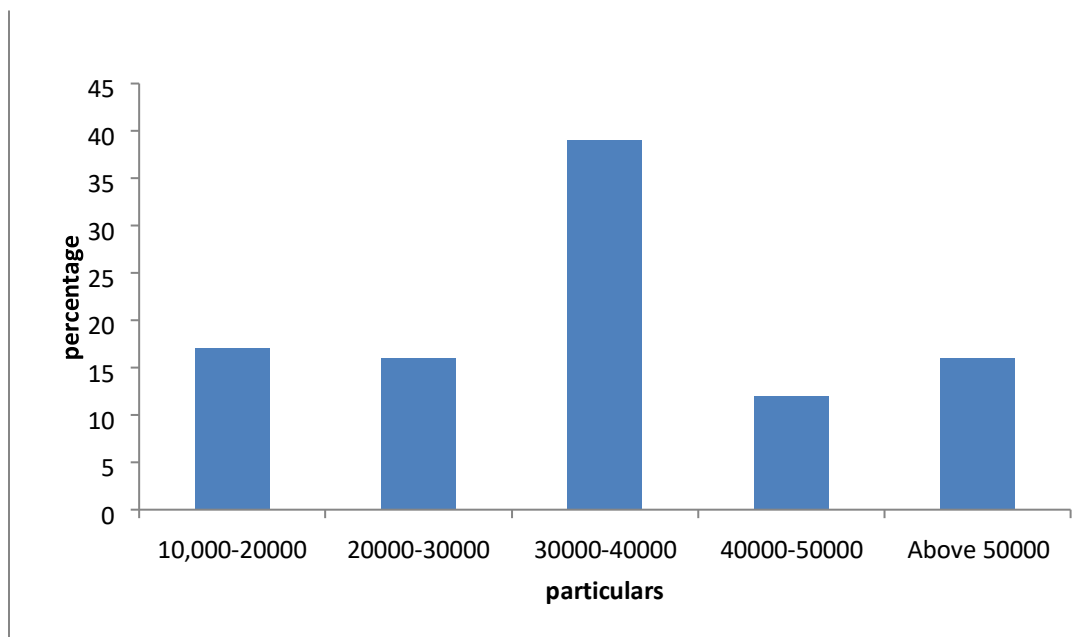


CHART 4.1.4: INCOME

INTERPRETATION:

From the above table it can be interpreted that 39% of the respondents got the income level of 30000 – 40000.

INFERENCE:

Majority 39% of respondent's income level is 30000-40000

TABLE 4.1.5: Operational Area

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Chennai	69	58
2	Coimbatore	30	25
3	Tuticorin	17	14
4	Madurai	5	3
5	Cochin	0	0
	TOTAL	121	100

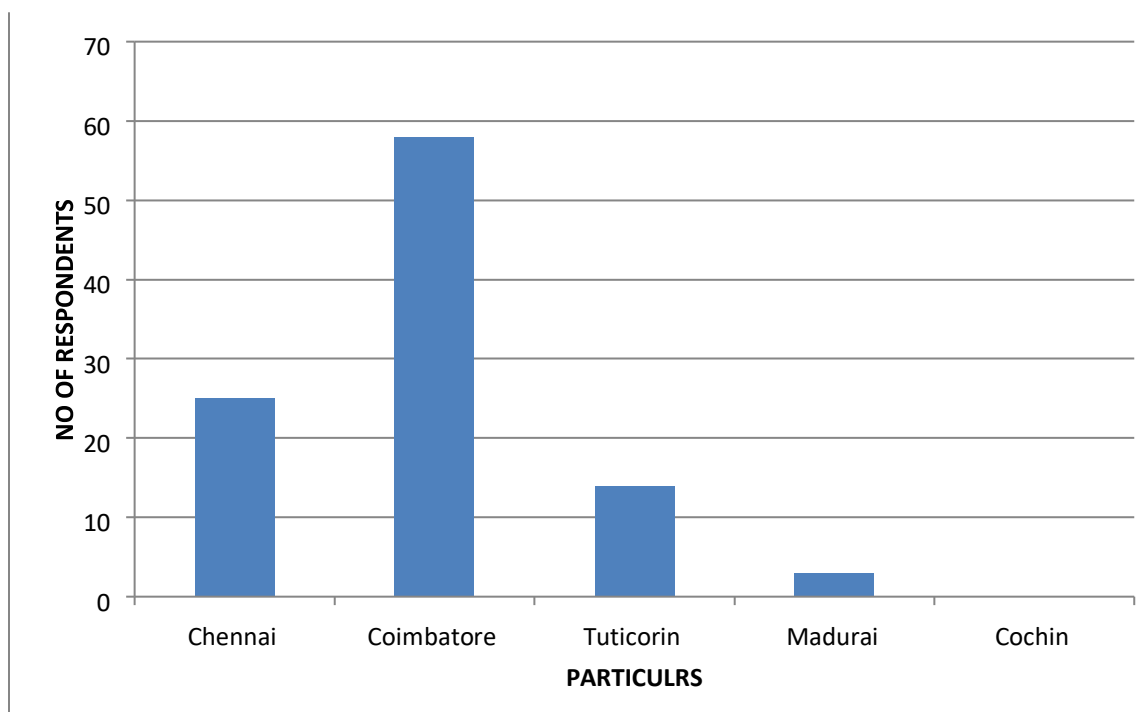


CHART 4.1.5: Operational area

INTERPRETATION:

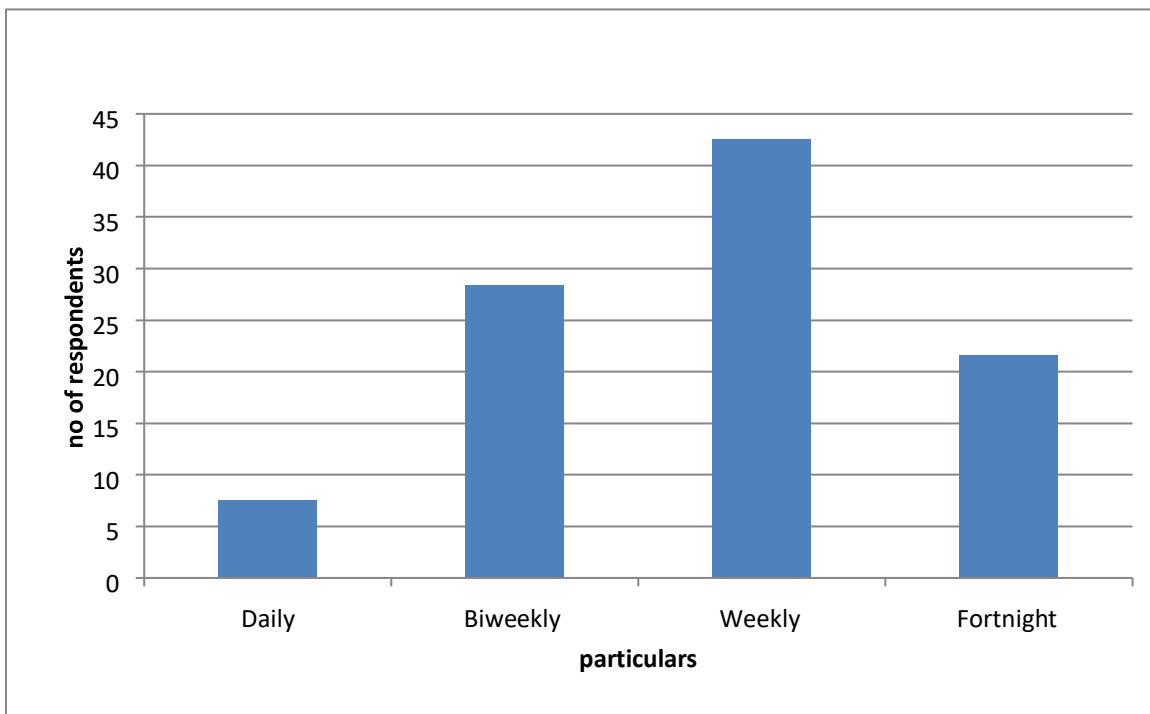
From the above table it is interpreted that 58% of the respondents have functional area in Chennai, 24% of the respondents have Coimbatore.

INFERENCE:

Majority 24% of respondents have functional area in Chennai

TABLE 4.1.6: Exporting goods

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Daily	9	7.5
2	Biweekly	34	28.3
3	Weekly	51	42.5
4	Fortnight	27	21.6
	TOTAL	121	100

**CHART 4.1.6: EXPORTING GOODS****INTERPRETATION:**

From the above table it can be interpreted that 7% of the respondents are daily exporting goods, 28% of the respondents are biweekly, 43% of the respondents weekly exporting the goods.

INFERENCE:

Majority 43% of respondents weekly exporting goods

TABLE 4.1.7: Mode of transport

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Shipways	22	18
2	Airways	47	40
3	Railways	17	14
4	Roadways	35	28
	TOTAL	121	100

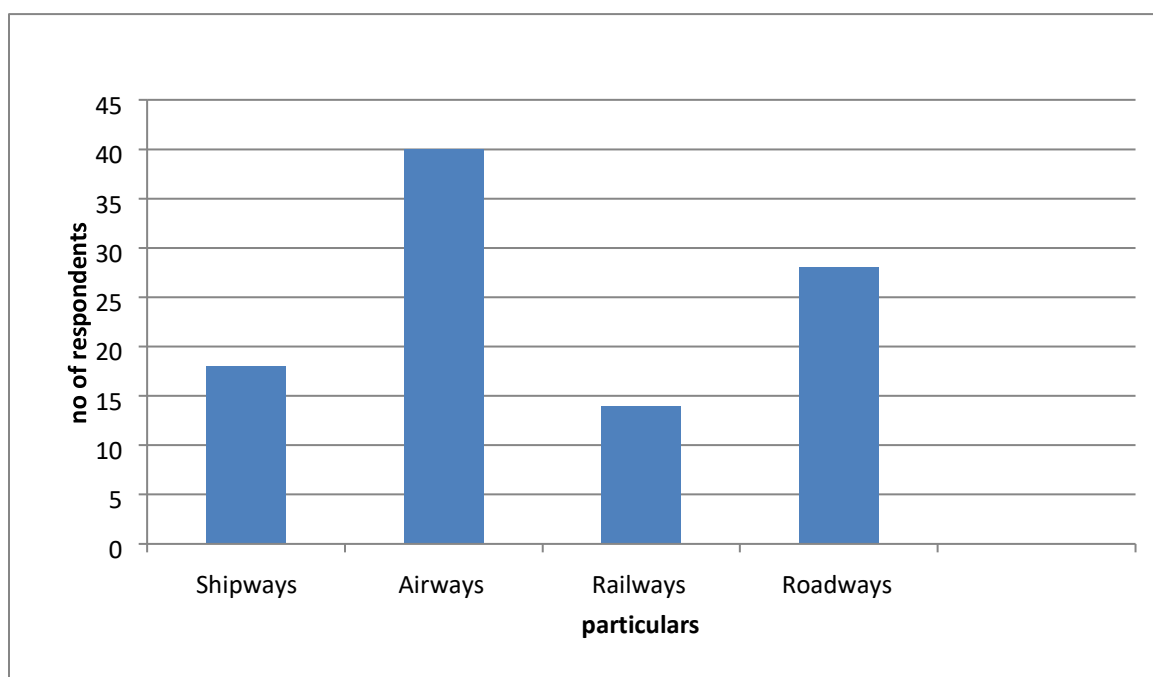


CHART 4.1.7: MODE OF TRANSPORT

INTERPRETATION:

From the above table it can be interpreted that 18% of the respondents prefers shipways, 40% of the respondents are prefer airways as their mode of transport.

INFERENCE:

Majority 40% of the respondents are prefer airways as their mode of transport.

TABLE 4.1.8: 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

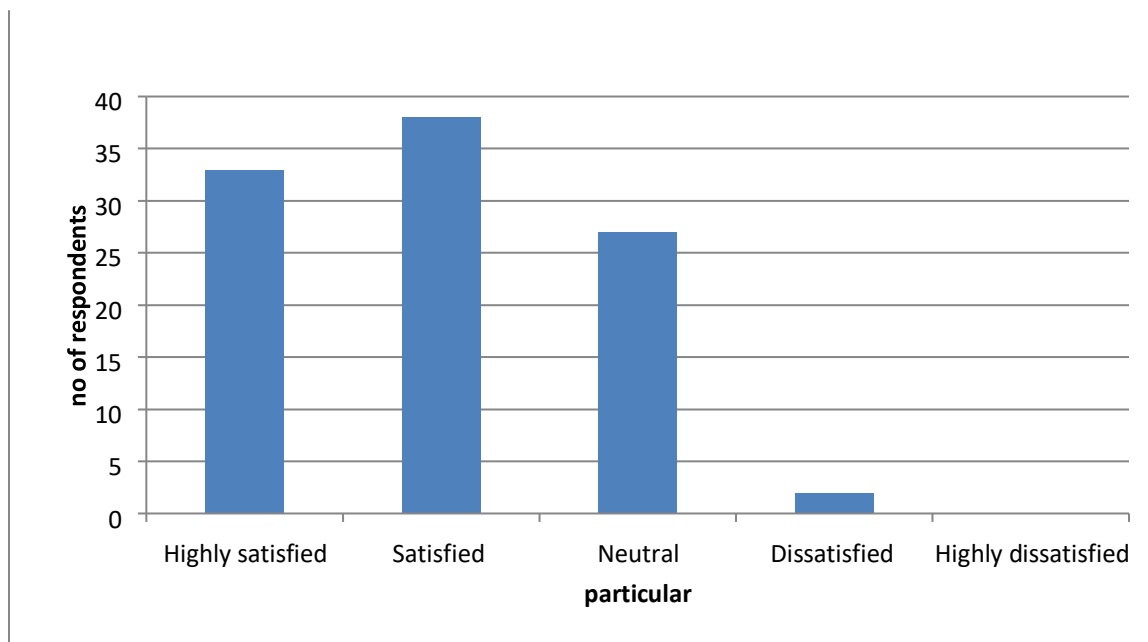


CHART 4.1.8: Opinion about freight rates

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.

INFERENCE:

Majority 38% of the respondents are satisfied

TABLE 4.1.9: Rank the issues faced from carriers during freight forwarding

Variables	1	%	2	%	3	%	4	%	5	%	Total
Delivery delay	37	31	52	43	21	17	8	7	3	2	121
Damaging of packages	47	39	32	26	24	21	11	9	7	5	121
Frequent rise in forwarding cost	21	17	30	24	49	41	13	11	8	7	121
Lack of proper communication	0	0	9	8	28	23	33	27	51	42	121
Bulk- Order Priority	8	7	13	11	22	18	46	38	32	26	121

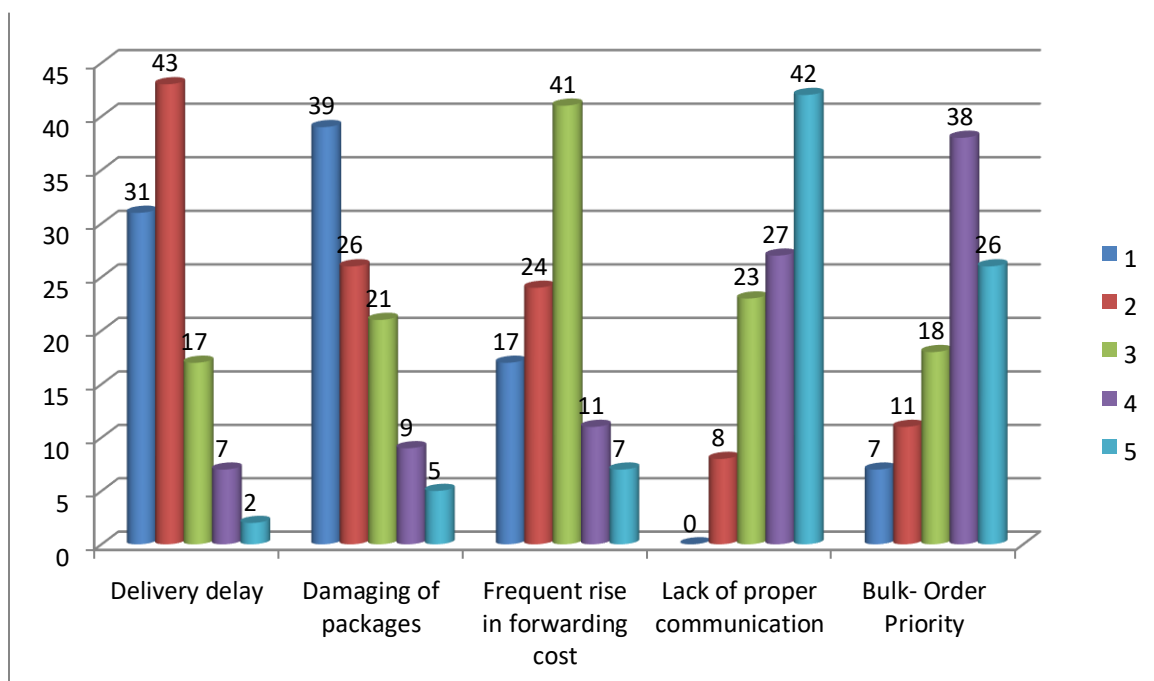


CHART 4.1.9: Rank the issues faced from carriers during freight forwarding

INTERPRETATION:

From the above table it could be interpreted that the parameters defining that Damaging of packages is the main problems faced from carriers during freight forwarding

INFERENCE:

Majority respondents says Damaging of packages is the main problems faced from carriers during freight forwarding

TABLE 4.1.10: Rank the issues faced from companies or individual customers during freight forwarding

Variables	1	%	2	%	3	%	4	%	5	%	Total
Delay in receiving the goods	52	43	33	27	28	23	8	7	0	0	121
Damaged packages	48	39	53	44	14	13	6	4	0	0	121
Competitive pricing of forwarding cost	21	18	23	19	32	26	41	34	4	3	121
Lack of proper communication	4	3	11	9	16	13	39	32	51	43	121
Payment delays	19	15	31	26	44	36	16	14	11	9	121

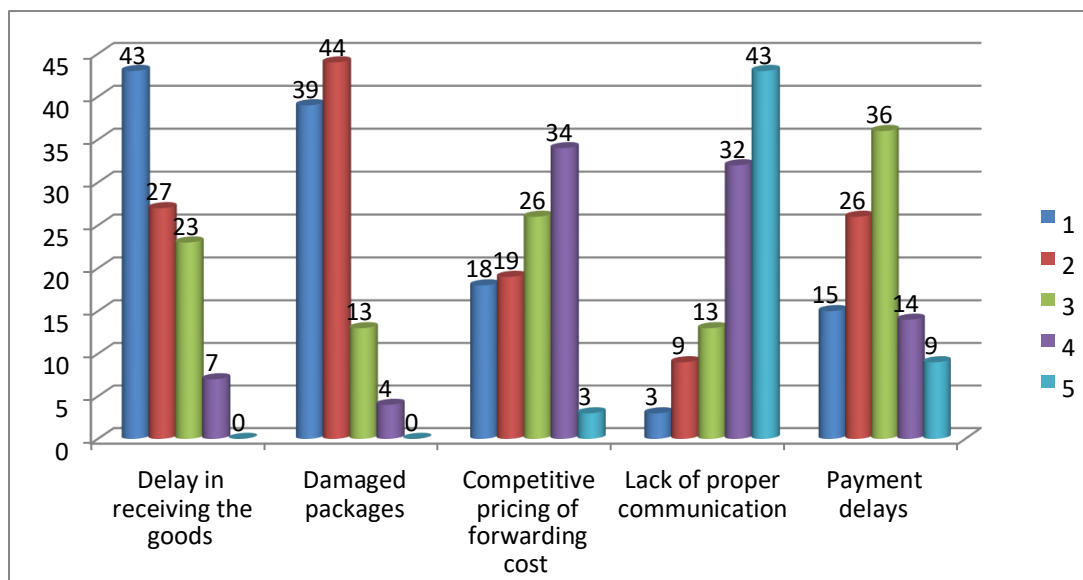


CHART 4.1.10: Rank the issues faced from companies or individual customers during freight forwarding

INTERPRETATION:

From the above table it could be interpreted that the parameters defining that Delay in receiving the goods is the main issues faced from companies or individual customers during freight forwarding

INFERENCE:

Majority of respondents says delay is the main issues faced by freight forwarding

TABLE 4.1.11: 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

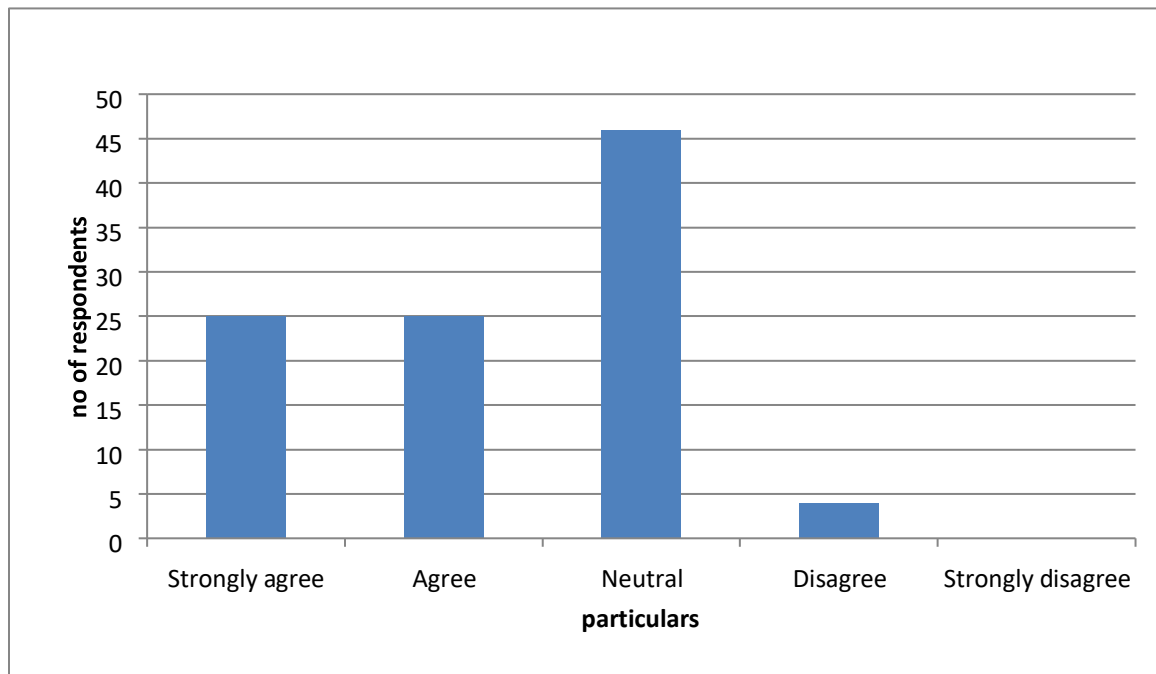


CHART 4.1.11: Theft and damage of the goods

INTERPRETATION:

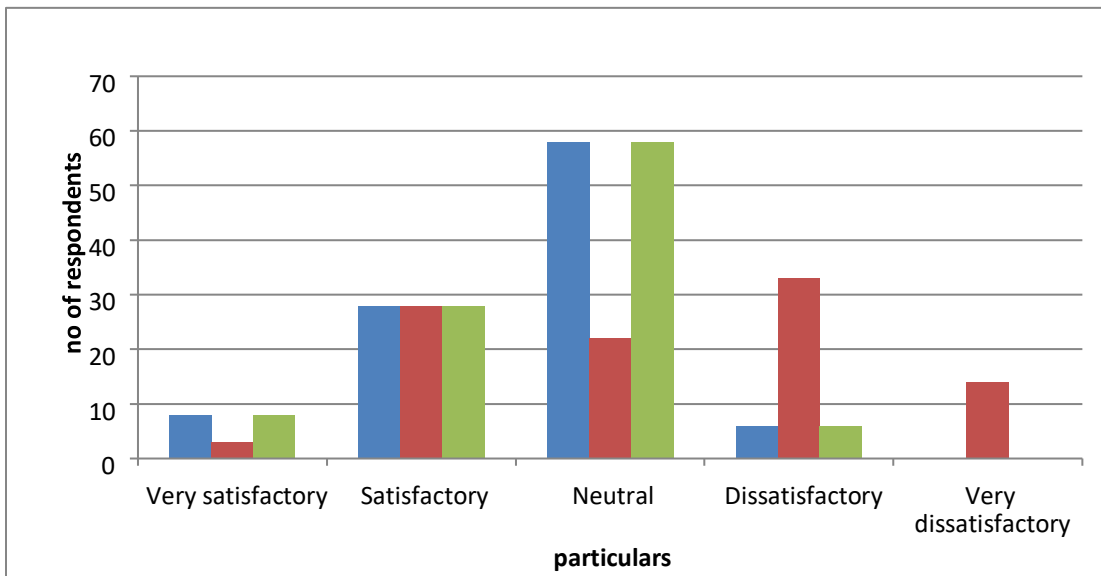
From the above table it can be interpreted that 25% of the respondents strongly agreed that their organization takes responsibilities for the theft and damage, 25% of the respondents agree, 46% of the respondents disagree, 4% of the respondents have strongly disagreed that their organization takes responsibilities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

INFERENCE:

Majority 46% of respondents disagree

TABLE 4.1.12: Satisfaction factor

	Chennai port		Tuticorin		Cochin	
Very satisfactory	9	8	4	3	9	8
Satisfactory	34	28	34	28	35	28
Neutral	69	58	27	22	69	58
Dissatisfactory	9	6	39	33	8	6
Very dissatisfactory	0	0	17	14	0	0

**CHART 4.1.12: Satisfaction factor****INTERPRETATION:**

From the above table it can be interpreted that 28% of the respondents satisfied with the all ports, 58% of the respondents stays neutral about Chennai and Cochin port.

INFERENCE:

Majority 58% of respondents stays neutral about Chennai and cochin port

TABLE 4.1.13: Problem with shipping

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	YES	94	78
2	NO	27	22
	TOTAL	121	100

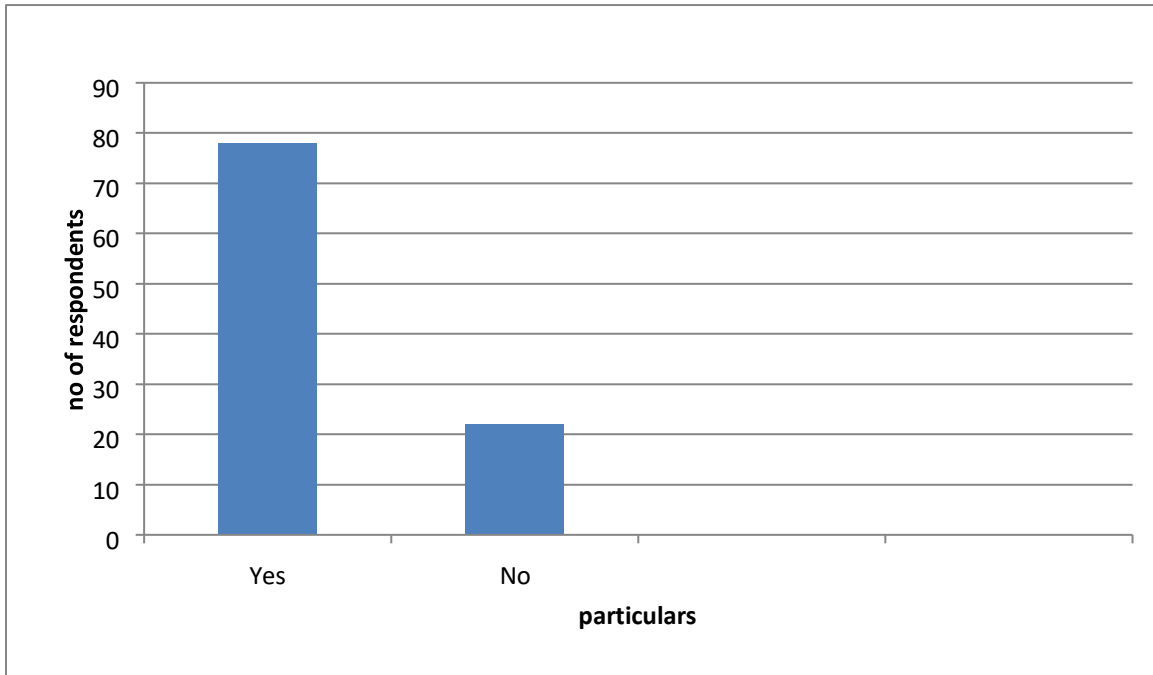


CHART 4.1.13: Problem with shipping

INTERPRETATION:

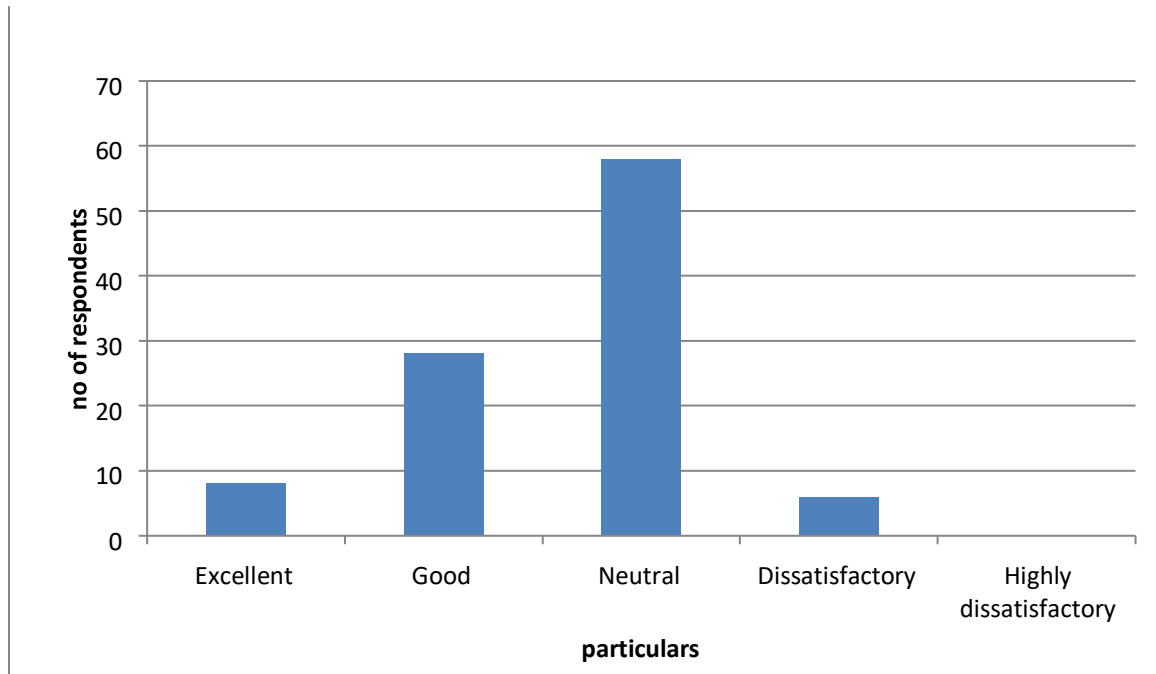
From the above table it can be interpreted that 78% of the respondents agrees that they have problem with shipping, 22% of the respondents do not have any problem with shipping.

INFERENCE:

Majority 78% of the respondents agrees that they have problem in shipping

TABLE 4.1.14: Promptness of service

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Excellent	9	8
2	Good	34	28
3	Neutral	69	58
4	Dissatisfactory	9	6
5	Highly dissatisfactory	0	0
	TOTAL	121	100

**CHART 4.1.14: Promptness of service****INTERPRETATION:**

From the above table it can be interpreted that 8% of the respondents says that the promptness of service is excellent, 28% of the respondents says good, 58% of the respondents says neutral about their promptness of service.

INFERENCE:

Majority 58% of the respondents says good

TABLE 4.1.15: Safety of goods

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Excellent	4	3
2	Good	34	28
3	Neutral	26	22
4	Dissatisfactory	39	33
5	Highly dissatisfactory	18	14
	TOTAL	121	100

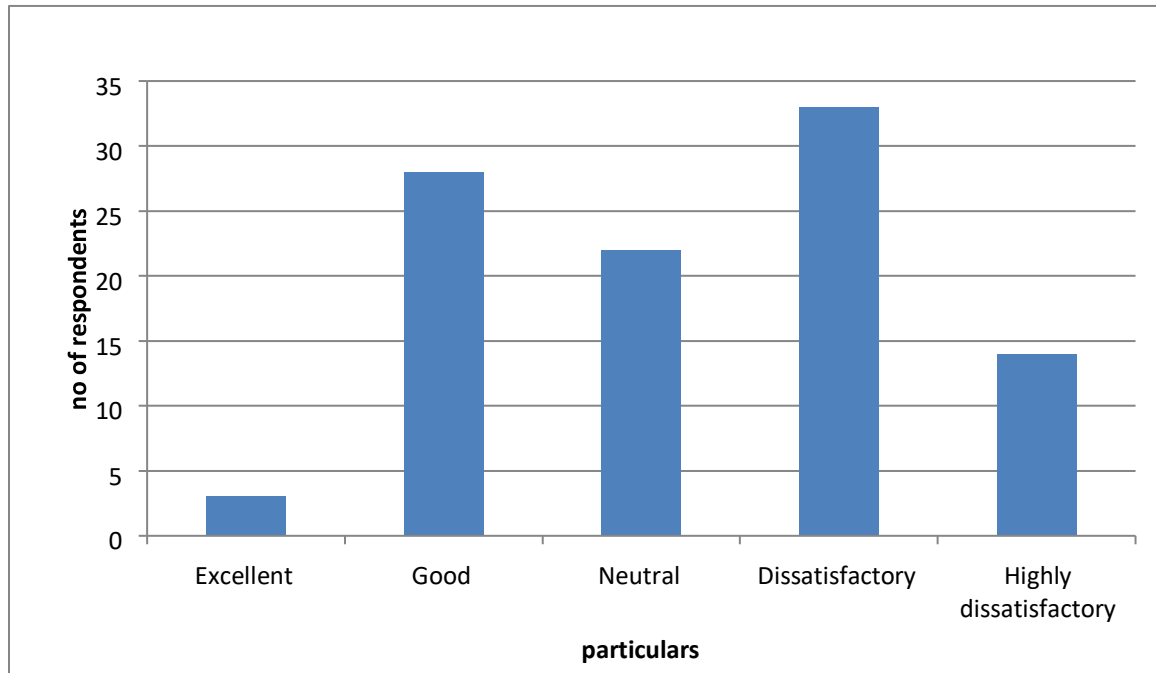


CHART 4.1.15: Safety of goods

INTERPRETATION:

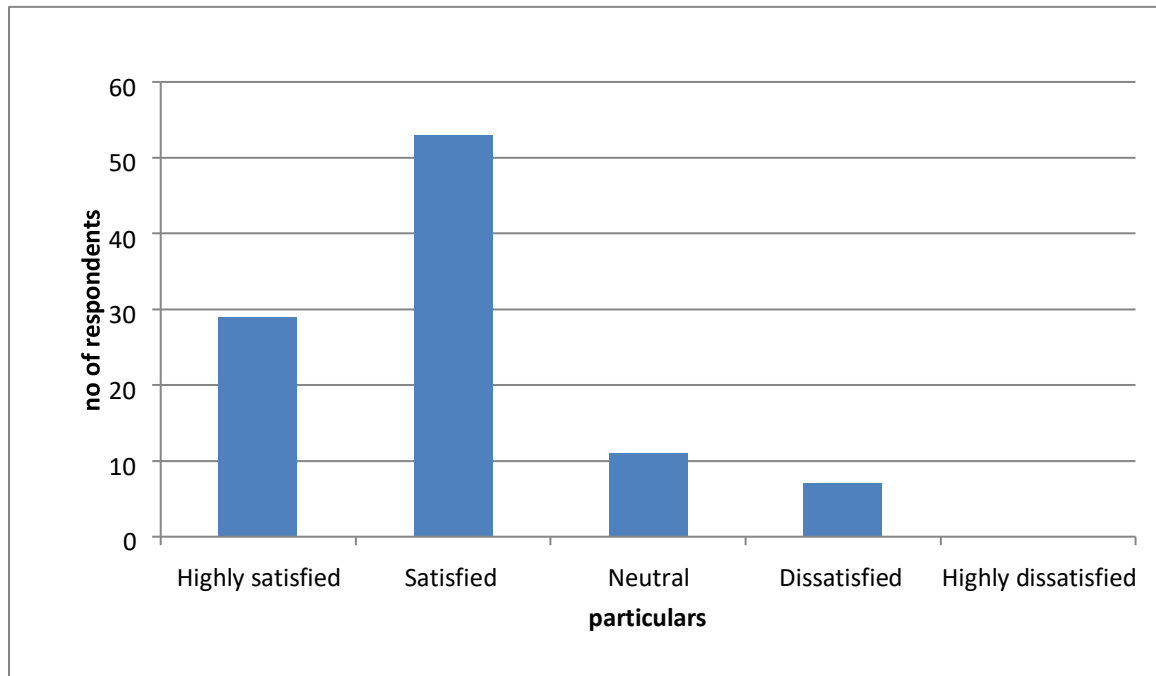
From the above table it can be interpreted that 3% of the respondents says that safety of goods in freight forwarding is excellent, 28% of the respondents says good, 22% of the respondents says neutral on safety of goods in freight forwarding.

INFERENCE:

Majority 28% respondents says good

TABLE 4.1.16: Terms and conditions

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Highly satisfied	35	29
2	Satisfied	64	53
3	Neutral	13	11
4	Dissatisfied	9	7
5	Highly dissatisfied	0	0
	TOTAL	121	100

**CHART 4.1.16: Terms and conditions****INTERPRETATION:**

From the above table it can be interpreted that 53% of the respondents says that they have satisfied with the terms and conditions of freight forwarding, 7% of the respondents have not satisfies with the terms and conditions.

INFERENCE:

Majority 53% of respondents says that they satisfied

TABLE 4.1.17: Documentation for transaction process

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	YES	96	80
2	NO	25	20
	TOTAL	121	100

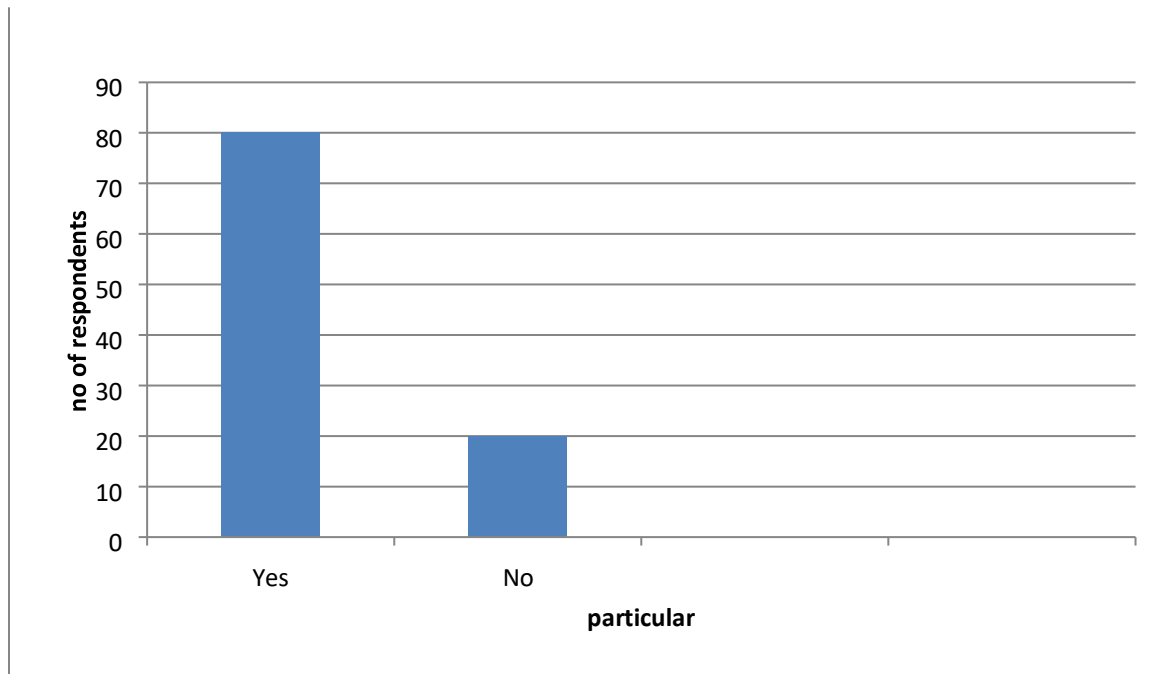


CHART 4.1.17: Documentation for transaction process

INTERPRETATION:

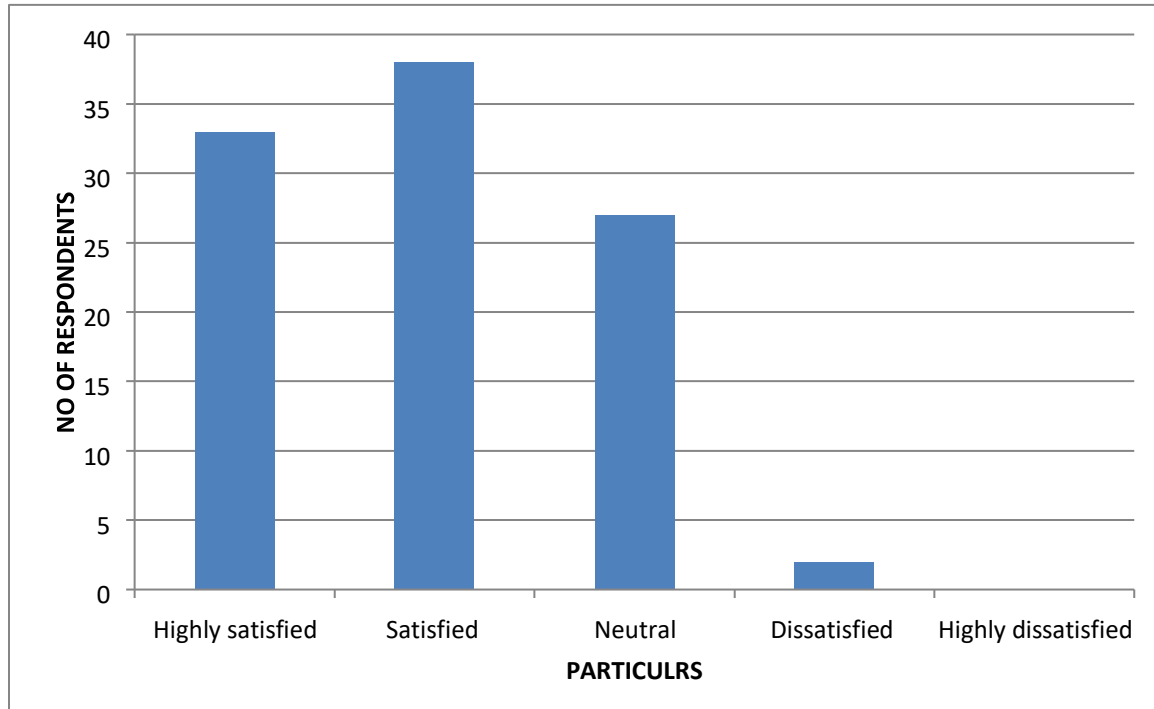
From the above table it can be interpreted that 80% of the respondents said that they have done documentation for transaction process, 20% of the respondents have said that they have not done documentation for transaction process.

INFERENCE:

Majority 80% of respondents said that have done documentation for transaction process

TABLE 4.1.18: Custom clearance

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	120	100

**CHART 4.1.18: Custom clearance****INTERPRETATION:**

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

INFERENCE:

Majority 38% respondents are satisfied

4.2 STATISTICAL ANALYSIS

ANALYSIS USING KARL PEARSON'S CORRELATION

Correlation analysis is the statistical tool used to measure the degree to which two variables are linearly related to each other. Correlation measures the degree of association between two variables.

Null hypothesis (Ho):

There is positive relationship between mode of transport and satisfaction on freight rates.

Alternate hypothesis (H1):

There is negative relationship between mode of transport and satisfaction on freight rates.

Correlations

		mode of transport	freight rates
mode of transport	Pearson Correlation	1	.146
	Sig. (2-tailed)		.111
	N	121	121
freight rates	Pearson Correlation	.146	1
	Sig. (2-tailed)	.111	
	N	121	121

$$r = \frac{N\sum XY - \sum X \sum Y}{\sqrt{N\sum X^2 - (\sum X)^2} \sqrt{N\sum Y^2 - (\sum Y)^2}}$$

$$r = 0.146$$

INFERENCE:

Since r is positive, there is positive relationship between mode of transport and satisfaction on freight rates.

ONE-WAY ANOVA CLASSIFICATION

Null hypothesis (Ho):

There is a significance difference between the Exporting goods and Mode of transport.

Alternate hypothesis (H1):

There is no significance difference between the Exporting goods and Mode of transport.

Descriptives

Exporting goods

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Shipways	22	1.59	.503	.107	1.37	1.81	1	2
Airways	47	2.55	.503	.073	2.41	2.70	2	3
Railways	17	3.00	.000	.000	3.00	3.00	3	3
Roadways	35	3.77	.426	.072	3.63	3.92	3	4
Total	121	2.79	.875	.080	2.64	2.95	1	4

Test of Homogeneity of Variances

Exporting goods

Levene Statistic	df1	df2	Sig.
61.097	3	117	.000

ANOVA

Exporting goods

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	68.728	3	22.909	116.001	.000
Within Groups	23.107	117	.197		
Total	91.835	120			

Calculated value = 116.001 Tabulated value = 2.70

$F = F_{cal} > F_{tab}$ $F = 116.001 > 2.70$

Hence, the Alternate hypothesis [H₁] is accepted.

INFERENCE:

The calculated value of F is greater than the tabulated value. Hence, we reject the null hypothesis and conclude that there is no significance difference between the Exporting goods and Mode of transport.

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.

Null hypothesis (H_0):

There is no significant difference between Operational Area and Satisfaction factor of Chennai port.

Alternate hypothesis (H_1):

There is significant difference between Operational Area and Satisfaction factor of Chennai port.

Expected frequency = Row Total * Column Total Divided by Grand Total

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Operational Area * Satisfaction factor of Chennai port	121	100.0%	0	0.0%	121	100.0%

Operational Area * Satisfaction factor of Chennai port Crosstabulation

		Satisfaction factor of Chennai port				Total
		Very satisfactory	Satisfactory	Neutral	Dissatisfactory	
Operational Area	Count	9	34	26	0	69
	% within Operational Area	13.0%	49.3%	37.7%	0.0%	100.0%
	% within Satisfaction factor of Chennai port	100.0%	100.0%	37.7%	0.0%	57.0%

Total	Coimbatore	% of Total	7.4%	28.1%	21.5%	0.0%	57.0%
		Count	0	0	30	0	30
		% within Operational Area	0.0%	0.0%	100.0%	0.0%	100.0%
		% within Satisfaction factor of Chennai port	0.0%	0.0%	43.5%	0.0%	24.8%
		% of Total	0.0%	0.0%	24.8%	0.0%	24.8%
		Count	0	0	13	4	17
	Tuticorin	% within Operational Area	0.0%	0.0%	76.5%	23.5%	100.0%
		% within Satisfaction factor of Chennai port	0.0%	0.0%	18.8%	44.4%	14.0%
		% of Total	0.0%	0.0%	10.7%	3.3%	14.0%
		Count	0	0	0	5	5
		% within Operational Area	0.0%	0.0%	0.0%	100.0%	100.0%
		% within Satisfaction factor of Chennai port	0.0%	0.0%	0.0%	55.6%	4.1%
	Madurai	% of Total	0.0%	0.0%	0.0%	4.1%	4.1%
		Count	9	34	69	9	121
		% within Operational Area	7.4%	28.1%	57.0%	7.4%	100.0%
		% within Satisfaction factor of Chennai port	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.4%	28.1%	57.0%	7.4%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	121.504 _a	9	.000
Likelihood Ratio	103.289	9	.000

Linear-by-Linear Association	53.737	1	.000
N of Valid Cases	121		

a. 9 cells (56.2%) have expected count less than 5. The minimum expected count is .37.

$$\text{Degree of Freedom} = (r-1) * (c-1) \\ = 3*3 = 9$$

Calculated value = 121.504

Tabulated value = 16.919

$Z = Z_{cal} < Z_{tab}$

$Z = 121.504 < 16.919$

Hence, the null hypothesis $[H_0]$ is accepted

INFERENCE:

Since the calculated value is less than the tabulated value, we accept the null hypothesis and hence there is no significant difference between Operational Area and Satisfaction factor of Chennai port.

CHAPTER: 5

5.1: FINDINGS

1. 45% of the respondents are in above 50 years of age.
2. 77% of the respondents are male.
3. 37% of the respondents are completed ITI.
4. 31% of the respondents got the income level of 30000 – 40000.
5. 58% of the respondents have functional area in Chennai, 24% of the respondents have Coimbatore.
6. 43% of the respondents weekly exporting the goods.
7. 18% of the respondents prefers shipways, 40% of the respondents are prefer airways as their mode of transport.
8. 33% of the respondents are highly satisfied with the freight rates.
9. it could be interpreted that the parameters defining that Damaging of packages is the main problems faced from carriers during freight forwarding.
10. it could be interpreted that the parameters defining that Delay in receiving the goods is the main problems faced from companies or individual customers during freight forwarding.
11. 25% of the respondents strongly agreed that their organization takes responsibilities for the theft and damage.
12. 58% of the respondents stay neutral about Chennai and Cochin port.
13. 78% of the respondents agree that they have problem with shipping.
14. 58% of the respondents say neutral about their promptness of service.
15. 22% of the respondents say neutral on safety of goods in freight forwarding.
16. 53% of the respondents say that they have satisfied with the terms and conditions of freight forwarding.
17. 80% of the respondents said that they have done documentation for transaction process.
18. 33% of the respondents highly satisfied with the custom clearance.

5.2: 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. So the organization should take necessary steps.
2. The Redova 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.

5.3: CONCLUSION

By studying and comparing the various Issues 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.

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

The activity of a Freight Forwarder depends on a series of factors that do not depend on the Freight Forwarder per se. And second, Freight Forwarders in order to accomplish their tasks have access to services that are shared by all providers, and that are beyond their control. To conclude the study identifies infrastructure as a major bottleneck in the Freight Forwarding sector

ANNEXURE - 1

QUESTIONNAIRE

DEMOGRAPHIC:

1. Age: a) 20-30 b) 30-40 c) 40-50 d) above 50
2. Gender a) Male b) Female
3. Educational Qualification: a) Graduate b) Post Graduate c) ITI d) Diploma 4. Designation:
5. Income: a) 10,000-20,000 b) 20,000-30,000 c) 30,000-40,000 d) 40,000-50,000 e) above 50,000

QUESTIONS:

6. Mention the operation area of your asset-based carriers?
 1. Chennai
 2. Coimbatore
 3. Tuticorin
 4. Madurai
 5. Cochin
7. How frequently you are exporting the goods?
 1. Daily
 2. Biweekly
 3. Weekly
 4. Fortnight
8. What is the most preferred mode of transport by your customers?
 - a) Shipways
 - b) Airways
 - c) Railways
 - d) Roadways
9. What is your opinion about freight rates?
 - a) Highly Satisfied
 - b) Satisfied
 - c) Neutral
 - d) Dissatisfied
 - e) Highly Dissatisfied
10. Rank the issues faced from carriers during freight forwarding?

S.No	Variables	Rank
------	-----------	------

1	Delivery delay	
2	Damaging of packages	
3	Frequent rise in forwarding cost	
4	Lack of proper communication	
5	Bulk- Order Priority	

11. Rank the issues faced from companies or individual customers during freight forwarding?

S.No	Variables	Rank
1	Delay in receiving the goods	
2	Damaged packages	
3	Competitive pricing of forwarding cost	
4	Lack of proper communication	
5	Payment delays	

12. Carriers should take responsibility for the theft & damage of the goods?

1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree
5-Strongly Agree

13. Rate the satisfaction factors in the following port,

	Chennai port	Tuticorin	Cochin
Very satisfactory			
Satisfactory			
Neutral			
Dissatisfactory			
Very dissatisfactory			

14. Have you face any problem with shipping?

a. Yes

b. No

If yes please mention it _____

15. What is your opinion about the promptness of service given by Redova Logistics to its customers?
1. Excellent
 2. Good
 3. Neutral
 4. Dissatisfactory
 5. Highly dissatisfactory
16. How far you can assure safety of goods in freight forwarding?
1. Excellent
 2. Good
 3. Neutral
 4. Dissatisfactory
 5. Highly dissatisfactory
17. Are you satisfied with the terms and conditions for freight forwarding?
1. Highly Satisfied
 2. Satisfied
 3. Neutral
 4. Dissatisfied
 5. Highly dissatisfied
18. Is Documentation done for your transaction process?
- a) Yes
 - b) No
19. Are you satisfied with the customs clearance for your goods?
- a) Highly satisfied
 - b) Satisfied
 - c) Neutral
 - d) Dissatisfied
 - e) Highly dissatisfied
20. Any suggestions to reduce the problems faced by freight forwarders?
-

ANNEXURE 2

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A STUDY ON ISSUES 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 Issues faced by freight forwarders from the carriers as well as companies and individual customers. By studying and comparing the various issues faced by the freight forwarders. 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 121 responses. Descriptive analysis and ANOVA were used to analyse the given data.

Keywords: *logistics, freight forwarders, issues, employee, third party logistic*

I. INTRODUCTION:

- 1.1 Logistics: logistics refers to the overall process of managing how resources are acquired, stored, and transported to their final destination. Logistic management involves identifying prospective distributors and suppliers and determining their effectiveness and accessibility
- 1.2 Freight forwarders: freight forwarders is a person or company that organizes shipment for individuals or corporations to get goods from the manufacturer or producer to a market, customer, or final point of distributor
- 1.3 Third party logistics: a 3pl provider out sourced logistic services which encompass anything that involves management of one or more facets of procurement and fulfillment activities

II. OBJECTIVES OF THE STUDY:

- ☐ To study the issues faced by freight forwarders with special reference to reputed organization in Chennai

III. RESEARCH METHODOLOGY

1.1 Population size and sample size:

The population size of the employee in reputed organization in Chennai City is indefinite. The sample size is confined 21 respondents. The research uses convenient sampling method.

1.2 Primary and secondary data:

The study is completely based on primary data. Primary data for the study is collected through the self-administered questionnaire which was circulated through Google forms. The study uses Secondary data for theoretical framework of the study and Review of literature collected from journals, books, thesis and magazines.

1.3 Questionnaire Development:

The structured form consisted of two sets; the primary set consisted of the demographic profile of the employee of redova, the Second set consisted of the issues. The factors of issues weremeasured with the assistance of a ranking question

1.4 Theoretical framework:

The variable in this research able to divide into 2 parts, first Independent Variables and second Dependent Variables as follows:

- Independent Variables: able to divide into 4 variables as follows:
 - a) Demographic
- Dependent Variables
 - a) issues faced from company or individual customers during freight forwarding and issues faced from freight rates and mode of transports

IV. 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.

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.

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.

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.

Mohitayalamanchi (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.

Berrada A. Chakir&Ciro Aida (2009), a study on “Bottlenecks in the Freight Forwarding sector in West-coast Africa”. The objective of the study about a to identify the bottleneck/s within the freight-forwarding industry in west coast Africa. The Study revealed that the series of interesting findings First, the activity of a Freight Forwarder depends on a series of factors that do not depend on the Freight Forwarder per se. And second, Freight Forwarders in order to accomplish their tasks have access to services that are shared by all providers, and that are beyond their control. To conclude the study identifies infrastructure as a major bottleneck in the Freight Forwarding sector.

Bock (2012) Proposed a real time oriented control approach for freight forwarders to expand load consolidation , reduce empty vehicle trips , and handle dynamic disturbances.

V. RESULTS

5.1 Demographic factors:

Table 5.1 Table indicating the Percentage analysis of Demographic Factors

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	20-30	8	7
2	30-40	18	15
2	40-50	40	33
4	Above 50	55	45
	TOTAL	121	100

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	MALE	93	77
2	FEMALE	28	23
	TOTAL	121	100

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Graduate	34	28
2	Post graduate	23	19
3	Iti	45	37
4	Diploma	19	16
	TOTAL	121	100

5.2 percentage analysis

Table no 5.2.1: Mode of transport

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Shipways	22	18
2	Airways	47	40
3	Railways	17	14
4	Roadways	35	28
	TOTAL	121	100

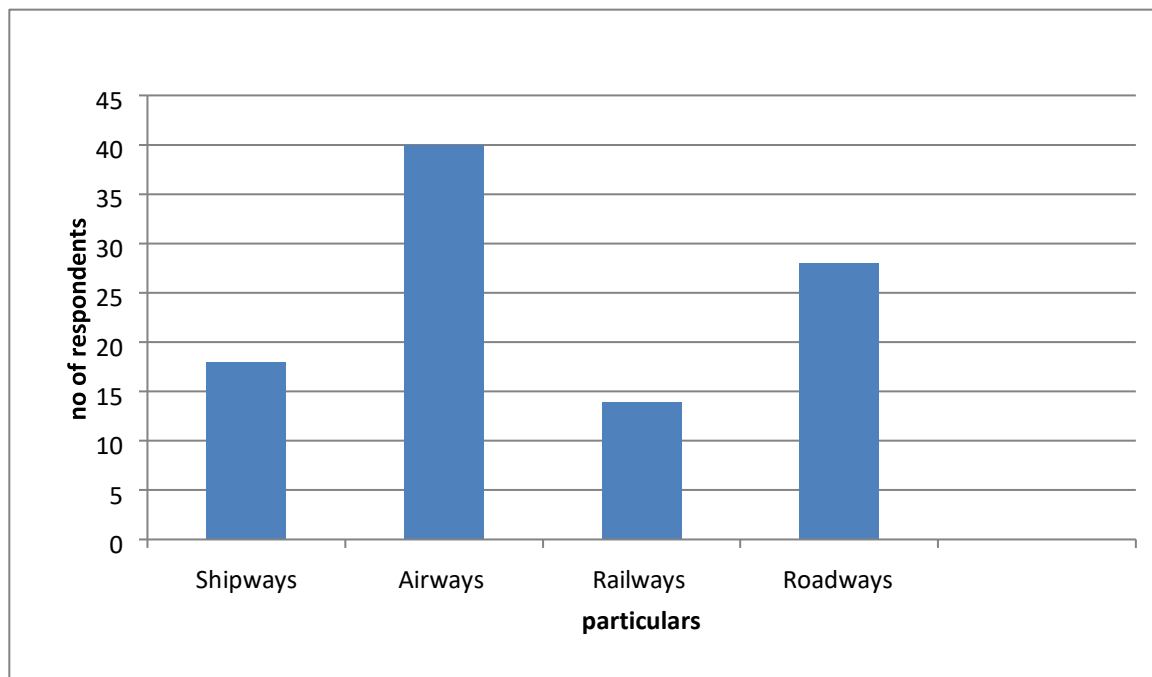


CHART 5.2.1: MODE OF TRANSPORT

INTERPRETATION:

From the above table it can be interpreted that 18% of the respondents prefers shipways, 40% of the respondents are prefer airways as their mode of transport.

INFERENCE:

Majority 40% of the respondents are preferred airways as their mode of transport.

TABLE 5.2.2: 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

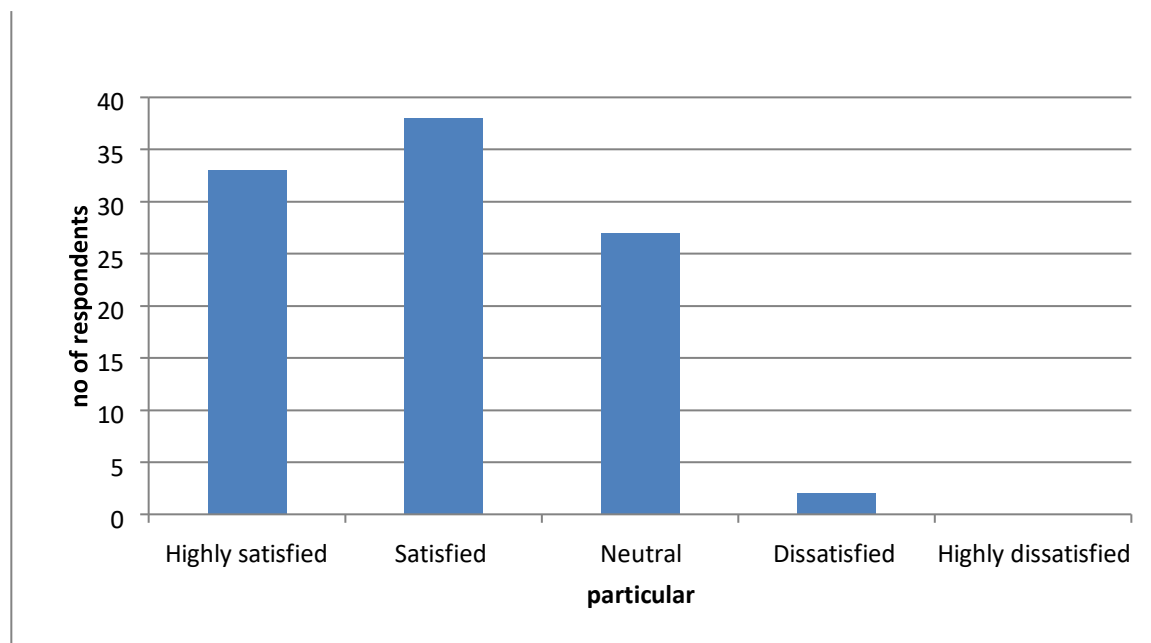


CHART NO 5.2.2: Opinion about freight rates

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.

INFERENCE:

Majority 38% of the respondents are satisfied

5.3 Relationship between mode of transport and satisfaction on freight rates.

ANALYSIS USING KARL PEARSON'S CORRELATION

Correlation analysis is the statistical tool used to measure the degree to which two variables are linearly related to each other. Correlation measures the degree of association between two variables.

Null hypothesis (Ho):

There is positive relationship between mode of transport and satisfaction on freight rates.

Alternate hypothesis (H1):

There is negative relationship between mode of transport and satisfaction on freight rates.

Correlations		
	mode of transport	freight rates
mode of transport Pearson	1	.146
Correlation		
Sig. (2-tailed)		.111
N	121	121
freight rates Pearson	.146	1
Correlation		
Sig. (2-tailed)	.111	
N	121	121

$$r = \frac{N\sum XY - \sum X \sum Y}{\sqrt{N\sum X^2 - (\sum X)^2} \sqrt{N\sum Y^2 - (\sum Y)^2}}$$

$$r = 0.146$$

INFERENCE:

Since r is positive, there is positive relationship between mode of transport and satisfaction on freight rates.

ONE-WAY ANOVA CLASSIFICATION

Null hypothesis (Ho):

There is a significance difference between the Exporting goods and Mode of transport.

Alternate hypothesis (H1):

There is no significance difference between the Exporting goods and Mode of transport.

Descriptive

Exporting goods

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Shipways	22	1.59	.503	.107	1.37	1.81	1	2
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	Sum Squares	ofdf	Mean Square	F	Sig.
Between Groups	68.728	3	22.909	116.001	.000
Within Groups	23.107	117	.197		
Total	91.835	120			

Exporting goods

Calculated value = 116.001 Tabulated value = 2.70

$F = F_{cal} > F_{tab}$ $F = 116.001 > 2.70$

Hence, the Alternate hypothesis [H1] is accepted.

INFERENCE:

The calculated value of F is greater than the tabulated value. Hence, we reject the null hypothesis and conclude that there is no significance difference between the Exporting goods and Mode of transport.

VI. FINDINGS

1. 45% of the respondents are in above 50 years of age.
2. 77% of the respondents are male.
3. 37% of the respondents are completed ITI.
4. 31% of the respondents got the income level of 30000 – 40000.
5. 58% of the respondents have functional area in Chennai, 24% of the respondents have Coimbatore.
6. 43% of the respondents weekly exporting the goods.
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15. 22% of the respondents say neutral on safety of goods in freight forwarding.
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17. 80% of the respondents said that they have done documentation for transaction process.
18. 33% of the respondents highly satisfied with the custom clearance.

VII. CONCLUSION

By studying and comparing the various Issues 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. 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 The activity of a Freight Forwarder depends on a series of factors that do not depend on the Freight Forwarder per se. And second, Freight Forwarders in order to accomplish their tasks have access to services that are shared by all providers, and that are beyond their control. To conclude the study identifies infrastructure as a major bottleneck in the Freight Forwarding sector

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