**A STUDY ON PROBLEMS FACED BY FREIGHT FORWARDERS**

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| **ABSTRACT**  The primary goal of this study was to gain an awareness of the various obstacles and factors that influence the freight forwarding industry in the companies that handle the forwarding and distribution of shipper cargo in their logistical operations. An individual or business that arranges shipments for people or businesses to receive sizable orders from producers or manufacturers to markets or ultimate points of distribution is known as a freight forwarder. Forwarders and carriers will get into a contract to help move goods. A forwarder is an authority on supply chain management, not usually a carrier. Stated differently, a freight forwarder functions as a third-party, non-asset-based logistics provider or as a "travel agent" for the cargo business.    **INTRODUCTION**  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.  **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. | **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.  **OBJECTIVE OF THE STUDY**  **PRIMARY OBJECTIVE:**  To identify and analyse the key challenges and obstacles encountered by freight forwarders in the shipping industry and to provide recommendations for addressing these issues to improve efficiency and effectiveness in freight forwarding operations.  **SECONDARY OBJECTIVE:**  To analyse the problems faced by freight forwarders from the carriers. To analyse the problems 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 problems faced by the freight forwarders  **NEED FOR THE STUDY**    A freight forwarder acts as an intermediary between manufacturers or producers and the final point of distribution, organizing and managing shipments to ensure that large orders reach their destination efficiently. Freight forwarders often encounter issues with carriers, including delays, capacity constraints, and fluctuating freight rates, which can impact the timely and costeffective transportation of goods. Freight forwarders also face challenges from their clients, such as changing shipping requirements, documentation errors, and communication |
| level of customers with custom clearance processes is crucial for freight forwarders, as it directly impacts the overall service quality and customer retention. This study aims to analyse the problems faced by freight forwarders comprehensively, considering challenges from carriers and customers, to provide actionable insights and recommendations for improving efficiency and effectiveness in freight forwarding operations.  **STATEMENT OF THE PROBLEM**  The shipping industry plays a crucial role in global trade and commerce, with freight forwarders serving as vital intermediaries in the transportation of goods. Despite their importance, freight forwarders face numerous challenges that hinder their operations and efficiency. This study aims to identify and analyse the key problems encountered by freight forwarders in the shipping industry. The issues may include, but are not limited to, complex regulatory requirements, fluctuating freight rates, inefficient logistics management, and technological limitations. Understanding these challenges is essential to developing effective strategies and solutions to enhance the performance and competitiveness of freight forwarding services. Additionally, the study will explore the impact of these problems on the overall supply chain and trade ecosystem. Through a comprehensive examination of the obstacles faced by freight forwarders, this research seeks to provide actionable insights and recommendations to address these issues and improve the efficiency and effectiveness of freight forwarding operations in the shipping industry  **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 focusses on understanding the problems of the freight forwarders.  **DATA ANALYSIS & INTREPTATION**  **PERCENTAGE ANALYSIS TABLE**  **TABLE 1**   |  |  |  | | --- | --- | --- | | **Statement** | **No of Response** | **Frequency** | | Male | 36 | 72 | | Female | 14 | 28 | | Total | 50 | 100 |   **INFERENCE**:  Most respondents are male, comprising 72% of the total responses, while females make up the remaining 28%. This suggests a potential gender disparity in the sample population. Further investigation may be needed to understand the reasons behind this imbalance and its implications for the study or survey being conducted.  **TABLE 2**   |  |  |  | | --- | --- | --- | | **Statement** | **No. of Response** | **Frequency** | | Daily | 22 | 44 | | Biweekly | 5 | 10 | | Weekly | 17 | 34 | | Fortnight | 6 | 12 | | Total | 50 | 100 |   **INFERENCE:**  The data indicates that the majority of respondents, 44%, reported a daily frequency, followed by 34% who reported a weekly frequency. Biweekly and fortnightly frequencies represent 10% and 12% of responses, respectively. This distribution suggests a range of patterns in respondents' activities, with daily and weekly frequencies being the most common. Further analysis could explore the reasons behind these patterns and their implications for the study or survey being conducted.   * Seaways and roadways were the most preferred modes of transport, each comprising 40% of responses. * 34% of respondents were highly satisfied with freight rates, with only 2% expressing dissatisfaction. * Over 70% of respondents believed that freight forwarders face significant challenges in the shipping industry. * 62% of respondents agreed that fluctuating freight rates are a major obstacle for freight forwarders. * 32% of respondents strongly agreed that documentation errors from customers impact the efficiency of freight forwarding operations. * 44% of respondents strongly agreed that freight forwarders are generally satisfied with the customs clearance process.   **RECOMMENDATIONS & SUGGESTIONS**   * Diversify Sample Population: To address potential biases, future studies should aim for a more diverse sample population, particularly in terms of gender, age, education, and income levels. This would provide a more comprehensive understanding of the subject matter. * Targeted Outreach: Consider targeted outreach strategies to engage underrepresented groups, such as women and individuals from different age brackets, educational backgrounds, and income levels. This could involve partnering with community organizations or utilizing online platforms for broader reach.   **CONCLUSION**  In conclusion, this study provides valuable insights into the perceptions and experiences of freight forwarders in the shipping industry. The findings highlight key challenges such as fluctuating freight rates, documentation errors, and regulatory complexities, as well as potential solutions including technology integration and improved communication. By addressing these challenges and implementing the recommended strategies, stakeholders can work towards enhancing efficiency, reducing obstacles, and ultimately improving the effectiveness of freight forwarding operations. Continued research and collaboration are essential to adapt to the evolving landscape of the shipping industry and ensure sustainable growth and success in the future. | **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.  **RESEARCH METHODOLOGY**    The arrangement of gathering information for research ventures is known as research system. The information might be gathered for either hypothetical or down to earth look into for instance the board research might be deliberately conceptualized alongside operational arranging strategies and change Management.  **TABLE 3**   |  |  |  | | --- | --- | --- | | **Statement** | **No.of responses** | **Frequency** | | Seaways | 20 | 40 | | Airways | 18 | 36 | | Railways | 7 | 14 | | Roadways | 18 | 36 | | Shipways | 5 | 10 | | Total | 50 | 100 |   **FINDINGS OF THE STUDY**   * The study found that 72% of respondents were male, indicating a potential gender disparity in the sample population. * 90% of respondents were aged between 20 to 30 years old, suggesting a bias towards younger age groups in the sample. * 70% of responses came from individuals with 0 to 5 years of experience, indicating a focus on a younger demographic. * 56% of respondents held a master's degree, highlighting a predominance of higher education qualifications in the sample. * 80% of respondents were married, suggesting a significant proportion of individuals in committed relationships. * Most respondents, 62%, fell within the income range of 10,000 to 20,000, indicating a concentration in lower income brackets. * 90% of responses were from Chennai, indicating a regional bias towards this location in the sample. * The majority of respondents, 44%, reported a daily frequency of exporting goods. * Longitudinal Study: Conduct a longitudinal study to track changes and trends over time in the perceptions and experiences of freight forwarders. * Qualitative Research: Complement quantitative data with qualitative research methods, such as interviews or focus groups, to gain deeper insights into the factors influencing freight forwarding operations. Qualitative data can provide nuanced understanding and context to complement statistical findings. * Training and Development: Offer training programs and professional development opportunities for freight forwarders to enhance their skills and capabilities in navigating challenges related to documentation errors, customs clearance, and changing shipping requirements. * Technology Integration: Encourage the adoption of technology solutions among freight forwarders to streamline operations, improve efficiency, and address challenges related to fluctuating freight rates, communication gaps, and regulatory compliance. * Stakeholder Collaboration: Foster collaboration between freight forwarders, carriers, regulatory authorities, and other stakeholders to develop standardized terms and conditions, streamline processes, and address common challenges collectively.   **BIBLOGRAPHY**  Sebastian,” Problems of Logistics Industry”, Journal of business logistics, Apr15, 2002  Davis, Beth R,” Logistics service driven loyalty: an exploratory study”, Journal of business logistics, 2006  A chronological study of freight forwarding services research on retail sector Sanjeev kr. 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