



A STUDY ON CUSTOMER SATISFACTION TOWARDS SERVICES RENDERED BY FREIGHT FORWARDERS WITH SPECIAL REFERENCE TO TIRUPPUR CITY

R.Kumaresan

Assistant Professor and Head Department of International Business, KSG College of Arts and Science, Coimbatore-15.

E.Dhanasekar

Assistant Professor Department of International Business, KSG College of Arts and Science, Coimbatore-15.

ABSTRACT

Logistics is concerned with getting products and services where they are needed and when they are desired. Consumers expect products to be readily available and fresh, that they take for granted, a high level logistical competency. No marketing or manufacturing process can be accomplished without logical support. Movement of goods is carried out by freight forwarders on behalf of the shippers. The customer expectations towards services rendered by freight forwarders in the current market scenario are very important in today's business. This research provides practical insights to the Freight Forwarders.

KEYWORDS : Logistics, Freight forwarders, Logical support.

I. Introduction:

Freight forwarder is occupying a vital part in international trade activities. Forwarding can be defined as "Help forward", "Send on to further destination". The traditional outlook on the position of a forwarder was to act as a buffer between manufacturer/exporter and the sea carrier, to assist in the efficient flow of goods down the international transport chain. The forwarder helps in booking space with the carrier, helping in the movement of goods down the dock, ensuring the safe loading, arranging customs clearance and producing the documentation to and from the sea carrier.

The term logistics is defined as "the process of planning, implementing and controlling of the efficient, cost effective flow and storage of raw materials, in-process inventory and finished products and related information from the point of origin to the point of consumption as per customer demands". Logistics is one of the leading determinants of the cost of goods and services. As many industrial and retail firms tend to refocus on their core business, logistics industry is growing strongly. They provide a designed set of customized logistics services, tailored to the exact needs and specifications of clients.

India is being touted as "Destination Future" for the logistics service providers all over the world. Indian players are also gearing up and positioning themselves differently by providing a wide spectrum of logistics services. Over the last three decades, the industry has graduated from being cost-focused to offering value-for-money solutions to clients. Logistics play an increasingly important role in a competitive, price sensitive market where cost cutting has to be combined with quality service.

II. Problems faced

Logistics continued to attract a minimum number of clients spend in India. The industry also suffers from inadequate infrastructure, complex tax laws and insufficient technological aids. This is partly due to the fragmented nature of the garment industry in Tirupur. A number of players offer only one or two services out of the gamut of products comprising transportation, warehousing, freight forwarding, express cargo delivery, courier services, container services, shipping services.

III. Review of the Literature

1) Miss.K.Parimala(2005) analyzed "The role of freight forwarders/CHA in logistics with special reference to SHAAN'S CARGO (P) LTD". Through her study it was found that "Freight forwarders take the entire responsibility towards the product to be exported from the shipper's factory till it reaches the destination". Her suggestions to the SHAAN'S CARGO were to have a tie-up with multinational freight forwarders and offer competitive rates to the customers.

2) Mr.V.Sivaram(2003) conducted "A study on problems faced by clearing and forwarding agents in international trade". The study found that the major problem faced by the clearing and forwarding agents was stiff competition in the business and since the government procedures are getting simplified the role of clearing and forwarding agents is diminishing. The study concluded that international trade are confronted with many problems and C&F agents have to adjust themselves to those problems in order to survive in the business.

III. Objectives of the study

The objective of the study is classified into primary and secondary objectives:

a)Primary objectives:

The primary objective is to study the customers' expectations towards services rendered by freight forwarders in the current market scenario.

b)Secondary objectives:

- 1) To study and understand the custom clearance procedure and documentation in the overseas business
- 2) To identify the problems faced by the customers and finding out the appropriate remedial actions.
- 3) To identify the expectations of the customers.
- 4) To analyze the cost that is being charged for the services rendered by the freight forwarders towards export and import of consignments from the major ports of different countries

IV. Research Methodology

Methodology is the back bone of the project work. The primary research is descriptive in nature. Descriptive research was adapted to the study with the help of the structured questionnaire. The study is aimed at identifying the customers' expectations towards the further improvement in the services provided by the freight forwarders in the current market. And the cost charged for the logistics services provided to the companies in the current market. The sample size taken is 50 manufacturers export companies in Tirupur. The statistical tools used in this study are Chi-square test. Chi-square test is an important test among several test of significance developed by Statisticians. As a non-parametric test, it can be used to determine if categorical data shows dependency or the two classifications are independent. It can also be used to make comparisons between theoretical population and actual data when categories were used. Thus the Chi-square test is applicable in large number of problems. The test is, in fact, a technique though the use of which it is possible for the researchers to (i) test the goodness of fit (ii) test the significance of association between two attributes and (iii) test the homogeneity or the significance of population variance

$$X^2 = (O-E)^2/E$$

O = Observed Frequency

E = Expected Frequency

V. Results of the study

The results of the study are given below:

Chi-Square Test

Table – 1

Table showing Nature of Organisation and Services Rendered by Services Providers

Nature of Organisation	Services rendered by service providers			Total
	Highly Satisfied	Satisfied	Least Satisfied	
Proprietorship	3 (1.8)	5 (6.3)	1 (0.9)	9
Partnership	4 (6.4)	25 (22.4)	3 (3.2)	32
Private Limited Company	3 (1.8)	5 (6.3)	1 (0.9)	9
Total	10	35	5	50

Source: Primary Data

Calculation of Chi-square test

O	E	(O-E)	(O-E) ²	(O-E) ² /E
3	1.8	1.2	1.44	0.8
4	6.4	-2.4	5.76	0.9
3	1.8	1.2	1.44	0.8
5	6.3	-1.3	1.69	0.2682
25	22.4	2.6	6.76	0.3018
5	6.3	-1.3	1.69	0.2683
1	0.9	0.1	0.01	0.0111
3	3.2	-0.2	0.04	0.0125
1	0.9	0.1	0.01	0.0111
				3.373

$$(R-1)(C-1) = (3-1)(3-1) = 2 * 2 = 4$$

Table value = 9.49
Calculated value = 3.373

Interpretation:

The table value of X² for 5% level of significance at 3% degrees of freedom is 9.49. Comparing the calculated value and table value, we find that the table value is higher than the calculated value. Null hypothesis is accepted than alternative hypothesis is rejected. So there is significance difference between the Nature of organisation and Services rendered by Service Providers

Table – 2

Table showing Size of Organisation and Charges levied by Logistics Service Provider

Size of Organisation	Charges levied by Logistic service providers			Total
	Highly Satisfied	Satisfied	Least Satisfied	
Small	2 (0.4)	2 (0.7)	1 (3.9)	5
Medium	1 (2.8)	3 (4.9)	31 (27.3)	35
Large	1 (0.8)	2 (1.4)	7 (7.8)	10
Total	4	7	39	50

Source: Primary Data

Calculation of Chi-square test

O	E	(O-E)	(O-E) ²	(O-E) ² /E
2	0.4	1.6	2.56	6.4
1	2.8	1.8	3.24	1.157
1	0.8	0.2	0.04	0.05
2	0.7	1.3	1.69	2.414

3	4.9	-1.9	3.61	0.736
2	1.4	0.6	0.36	0.257
1	3.9	-2.9	8.41	2.156
31	27.3	3.7	13.69	0.501
7	7.8	-0.8	0.64	0.082
				13.753

$$(R-1)(C-1) = (3-1)(3-1) = 2 * 2 = 4$$

Table value = 9.49
Calculated value = 13.753

Interpretation:

The table value of X² for 5% level of significance at 3% degrees of freedom is 9.49. Comparing the calculated value and table value, we find that the table value is higher than the calculated value. Null hypothesis is accepted than alternative hypothesis is rejected. So there is significance difference between the Size of organisation and Charges levied by the Logistic Service Providers.

V. Conclusion

The service providers are increasingly rapidly in numbers, which has lead the service industry highly competitive, wherein customer's demands and choices increases rapidly and therefore the service providers are supposed to provide a good quality service with competitive cost structure. The logistics service providers which takes a major part in the development of International trade, should improve the quality of service in the areas such as quick processing, prompt communication and flexibility in serving the customer's needs to the maximum extend. This could however improve the industries efficiency to compete with the world class quality of service.

References:

1. Krishnaveni Muthiah – Logistics Management & World Seaborne Trade First edition re-print(2004) – Himalaya Publishing Home
2. S.P.Gupta & M.P.Gupta – Business Statistic – Sultan Chand & Sons, Educational Publishers, 479/23, Daryaganj, New Delhi – 110.
3. C.R.Kothari- Research Methodology (Methods & Techniques) second edition – New Age International (p) limited
4. T.A.S.Balagopal – Export Management – Nineteenth Revised edition – Himalaya Publishing House
Websites
www.trade-india.com
www.exim.com
www.indianinfoline.com