



A STUDY ON AIR FREIGHT FORWARDING IN DHL INDIA

Dr.D.Arivazhagan¹, Ms.R.Divya
Ranjani², Nigoosh. P³

¹Professor, ²Assistant Professor, ³Second
Year MBA Student

Abstract

In recent years, the Indian logistics industry has experienced rapid growth due to the country's expanding economy, rising consumer demand, and increasing globalization. As a result, the competition in the logistics market has intensified, with a growing number of companies vying for a share of the market. In this context, DHL India has established itself as a leading player, offering high-quality and innovative logistics solutions to a diverse range of clients across industries.

Key words: Operation, efficiency and vehicle

Introduction

DHL is a globally renowned logistics and shipping company that operates in over 220 countries and territories around the world. The company has a long-

standing history in India, with a presence in the country for over 40 years. DHL India offers a comprehensive range of logistics services, including air and ocean freight forwarding, warehousing and distribution, customs brokerage, and e-commerce logistics.

One of the key factors that have contributed to DHL India's success is its extensive network of offices and partners throughout the country. With a presence in over 60 locations in India, DHL India has a deep understanding of the local market and is well-positioned to serve the needs of its customers effectively. The company's network also enables it to offer a wide range of services, including express delivery, freight forwarding, and supply chain solutions, to businesses of all sizes and industries.

Moreover, DHL India has invested heavily in technology and innovation to enhance its logistics capabilities and provide superior customer service. The company has developed a range of digital tools and platforms to streamline its operations, improve efficiency, and optimize supply chain performance. DHL India has also launched several



innovative solutions, such as its temperature-controlled logistics service for the pharmaceutical industry and its cross-border e-commerce platform for international sellers.

Another factor that sets DHL India apart from its competitors is its commitment to sustainability and social responsibility. The company has implemented several initiatives to reduce its environmental impact, such as the use of electric vehicles and the optimization of its logistics network to reduce emissions. DHL India has also engaged in several social initiatives, including the provision of disaster relief and support for education and healthcare projects in rural areas.

Overall, DHL India's success can be attributed to its deep understanding of the local market, extensive network, commitment to innovation and sustainability, and customer-centric approach. As India's logistics industry continues to grow and evolve, DHL India is well-positioned to play a leading role in shaping its future.

Need for the study

Given the rapidly evolving business landscape and changing customer

preferences in the air freight forwarding industry in India, there is a need for a study on DHL's operations in the country. The study would provide insights into the market trends, customer preferences, and competitive landscape in the industry, enabling DHL to develop more effective strategies for growth and expansion. Specifically, the study would help DHL to:

- Assess its current operations in India and identify areas for improvement.
- Understand the changing customer preferences in the market and develop customized solutions that meet their specific needs.
- Identify emerging market trends and develop strategies to stay ahead of the competition.
- Evaluate the effectiveness of its current pricing strategies and identify opportunities to optimize costs.
- Identify new technologies and services that can help differentiate DHL from its competitors and improve customer experience.



Scope of the Study

The scope of the study on air freight forwarding in DHL Global Freight Forwarding in India encompasses a comprehensive analysis of the company's current operations, market trends, customer preferences, and competitive landscape in the Indian air freight forwarding industry. The study aims to provide insights into the company's strengths and weaknesses and identify areas for improvement to help DHL stay competitive in the market and meet the changing needs of its customers.

Market Analysis

The study will analyze the current state of the air freight forwarding industry in India, including market size, growth trends, and key drivers. It will also examine the market segments served by DHL and identify the company's position in each segment. Furthermore, the study will evaluate the impact of the COVID-19 pandemic on the industry and identify emerging trends and opportunities for growth.

Customer Analysis

The study will analyze customer preferences and expectations in the

Indian air freight forwarding market, including their demand for customized solutions, transparency, reliability, and cost-effectiveness. It will also examine customer perceptions of DHL's brand and services, including its strengths and weaknesses, and identify areas for improvement to enhance customer experience and loyalty.

Competitive Analysis

The study will evaluate the competitive landscape of the Indian air freight forwarding industry, including the strengths and weaknesses of DHL's key competitors. It will also identify the competitive strategies employed by these companies and evaluate their effectiveness. Furthermore, the study will identify new entrants into the market and assess the potential impact of their entry on DHL's market share.

Operations Analysis

The study will analyze DHL's current operations in India, including its network coverage, service offerings, pricing strategies, and technology. It will identify areas where DHL can improve operational efficiency, optimize costs, and enhance customer experience. Furthermore, the study will evaluate the



effectiveness of DHL's current pricing strategies and identify opportunities to optimize costs and improve profitability.

Research Methodology

Research Methodology: A mixed-methods research approach can be used, which involves both quantitative and qualitative methods of data collection and analysis. This approach allows for a comprehensive understanding of the research question and ensures the validity and reliability of the results.

Sampling: A purposive sampling technique can be used to select participants for the study. This technique involves selecting participants who have relevant knowledge and experience of air freight forwarding in DHL Global Forwarding in India, such as managers, employees, and customers.

Data Collection: Data can be collected through surveys, interviews, and document analysis. Surveys can be distributed to DHL Global Forwarding customers and employees to gather quantitative data on factors such as service quality, pricing, and delivery times. Interviews can be conducted with

DHL Global Forwarding managers and employees to gather qualitative data on factors such as supply chain management, customer service, and regulatory compliance. Document analysis can be used to gather data on DHL Global Forwarding's operational procedures, policies, and performance indicators.

Data Analysis: The quantitative data collected through surveys can be analyzed using descriptive statistics and inferential statistics, such as correlation analysis and regression analysis, to identify the relationship between different factors affecting air freight forwarding services. The qualitative data collected through interviews and document analysis can be analyzed using thematic analysis to identify common themes and patterns related to air freight forwarding services provided by DHL Global Forwarding in India.

Ethical Considerations: Ethical considerations, such as informed consent, confidentiality, and data protection, should be taken into account throughout the research process to ensure that the rights and privacy of participants are respected.



Research Design

Exploratory Research with Secondary Data:

An Exploratory Study of the Air Freight Forwarding Services of DHL Global Freight Forwarding: A Secondary Data Analysis

The purpose of this exploratory study is to conduct a secondary data analysis of the air freight forwarding services of DHL Global Freight Forwarding. The study will analyze available secondary data sources to gain a preliminary understanding of DHL Global Freight Forwarding's air freight forwarding services and to identify potential areas for further research.

Data Sources

1. Industry reports from organizations such as the International Air Transport Association (IATA) and the World Bank.
2. Company financial reports and investor presentations from DHL Global Freight Forwarding and its competitors.

3. Customer reviews and ratings on online platforms such as Trustpilot and Yelp.

4. Trade publications and news articles related to the air freight forwarding industry and DHL Global Freight Forwarding specifically.

5. Market research reports and surveys related to the air freight forwarding industry and customer satisfaction with freight forwarding services.

Data Analysis

The study will conduct a content analysis of the secondary data sources, focusing on the key themes and trends related to DHL Global Freight Forwarding's air freight forwarding services. The analysis will involve identifying strengths and weaknesses of the company's services, comparing them to those of competitors, and identifying potential areas for further research. The results of the analysis will inform the development of research questions and methodology for future studies on DHL Global Freight Forwarding's air freight forwarding services.



SOURCE OF DATA COLLECTION

Demand

- Volumes continued to remain low
- Low global PMI Index; higher index for the emerging markets
- Comparatively low export orders from ASPA contributing majorly to volume decline
- High inflation continues to affect the world economy and trade
- Easter holidays reduced volumes ex-EU, US
- Major economies expected to show more resilience against high inflation towards H2 '23, recovery in volumes expected

Capacity• Remains sufficient considering currently low volumes; belly capacity following the same cue as passenger travel has

increased

- Ongoing labour disputes likely to have operational impact

Carriers

- Higher flight frequencies in general for increased PAX demand

- Most airlines have available capacity at hand, absorbing low

yields amidst lean volumes

Jet Fuel

- Prices remained higher than normal; > \$100/Bbl
- OPEC+ decided to cut production for liquid fuels
- EIA's forecast for crude oil price increased by \$2/Bbl

Rates

- Competitive spot market across most tradelanes;

slight increase in ad hoc and charter rates

- Expect more stability on long term rates

towards H2 2023

Regulation/News

- Schiphol airport flight limit blocked by Dutch

court; no cut in schedules



- Strikes across airports around the globe affecting passenger travel and delaying operations
- Russia, Ukraine crisis continues; sanctions likely to be in effect.

sample size may not be large enough to be representative of all customers. Additionally, the study only focuses on DHL Global Freight Forwarding and does not include other competitors in the air and ocean freight forwarding industry. This may limit the generalizability of the findings.

Limitations of Study

Limitations of the Study on Air Freight Forwarding in DHL Global Freight Forwarding

Every research study has its limitations, and it is important to acknowledge them to avoid making incorrect conclusions or generalizations. The purpose of this paper is to discuss the limitations of the study on air and ocean freight forwarding in DHL Global Freight Forwarding.

- **Sample size:**

One of the limitations of this study is the sample size. While the study aims to use stratified random sampling to select customers from each region where DHL Global Freight Forwarding operates, the

- **Data accuracy:**

The accuracy of the data collected is another limitation of this study. The primary data collected through customer surveys may be subject to response bias or social desirability bias. Customers may not be completely honest or may exaggerate their responses to make their experience seem more positive or negative than it actually was. The secondary data collected from industry reports and DHL Global Freight Forwarding's internal records may also be subject to inaccuracies, such as incomplete or missing data.

- **Time constraints:**

Another limitation of this study is time constraints. The study is limited to a specific time frame, which may not



provide a comprehensive understanding of the changes in service quality and customer satisfaction over time. This may limit the ability to make conclusions about the long-term effects of the factors identified in the study.

- **Scope:**

The scope of this study is limited to air and ocean freight forwarding in DHL Global Freight Forwarding. This means that other services offered by DHL Global Freight Forwarding, such as road and rail transportation, are not included in the study. This may limit the generalizability of the findings to other services or industries.

- **Industry-specific factors:**

Finally, this study may be limited by industry-specific factors. Air and ocean freight forwarding services are subject to external factors such as weather, natural disasters, and political instability. These factors may impact service quality and customer satisfaction, but they are outside the control of DHL Global Freight Forwarding. Additionally, the industry may have unique regulations

and standards that may not be applicable to other industries.

Today's dynamic global markets demand an Air Freight partner who is able to take on more of your logistics load. The challenge is to find a supplier able to offer increased capacity across more routes worldwide, who strikes the right balance between budgets and outstanding service quality, and provides a single, dedicated point of contact that will save you time. That's why more international businesses are choosing DHL Global Forwarding as the air freight partner. With over 15,000 consolidation flights every week and daily flights from more major locations, we maintain a fast, secure and flexible service with the visibility and assured supply chain management you demand. From tailored sector-specific solutions to simple

volume air freight, no one offers a broader range of services for every size of business, including Temperature controlled shipments for the Life Sciences and Healthcare Multi modal track and trace for greater certainty Customs expertise where you need it most Charter solutions for oversize and



specialist cargo Easy to use information systems.

slowdown, from ~2% in 2022 to ~1% in 2023

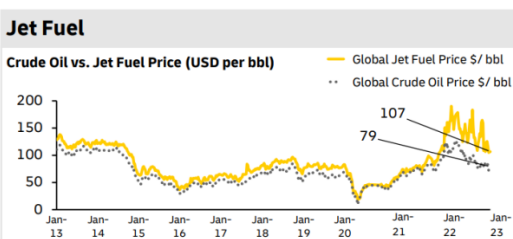
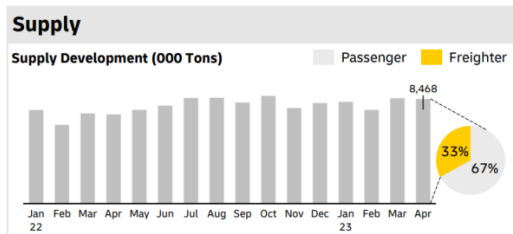
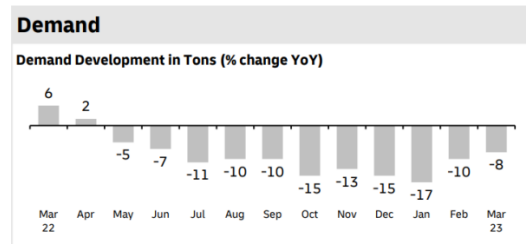
Analysis and Interpretation of Data

Market Developments

Economic Outlook

GDP Growth by Region

	2023F	2024F	2025F	2026F	2027F	CAGR (2023-2027)
EURO	0.10%	1.56%	1.98%	1.80%	1.67%	1.76%
MEA	3.09%	3.31%	3.35%	3.03%	3.25%	3.24%
AMNO	0.74%	1.62%	1.95%	1.81%	1.66%	1.76%
AMLA	1.82%	2.37%	2.83%	2.90%	2.92%	2.75%
ASPA	4.20%	4.67%	4.34%	4.29%	4.18%	4.37%
World	2.02%	2.85%	2.97%	2.87%	2.79%	2.87%

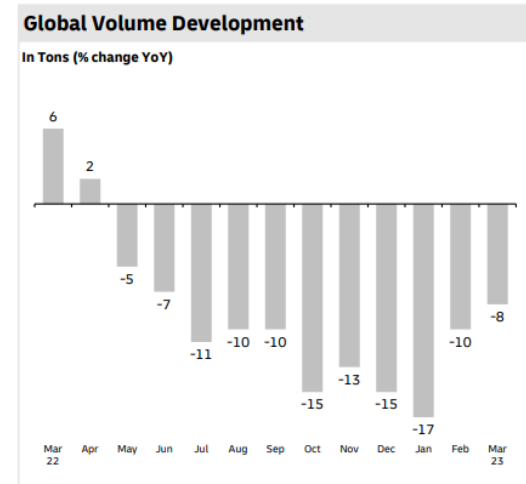


- Demand remained low; PMI index for EU, US mostly remain low; Index outbound emerging markets show improvement

- Overall scheduled capacity remain sufficient to support the current volumes; MoM improvement continues
- Jet fuel price remains high

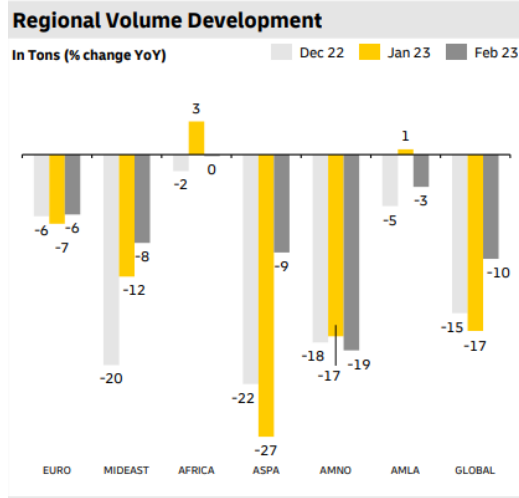
- Freight rates remain dynamic; slight increase

Demand



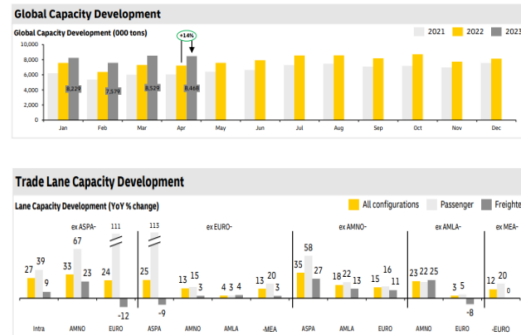
IMF baseline forecast Growth to fall to ~2% in 2023, before settling at ~3% in 2024.

- Advanced economies expected to see an especially pronounced growth



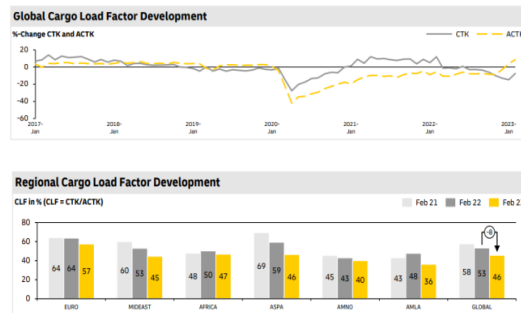
- Volumes remain low; reached pandemic levels but YoY comparison showed a decline
- Easter holidays increased volumes outbound ASPA but reduced exports outbound EU, US
- The PMI index for the emerging market has improved and shows promise but comparatively low export orders ex-ASPA
- Index for EU, US indicate low volumes and remain lower than last quarter for some countries
- Higher perishable movement ex-some African nations
- High inflation and reduced purchase power contributing to overall lower volumes
- No drastic replenishment needed for inventories

Supply



- Global capacity now +14% vs Apr'22
- Belly capacity continues to grow- YoY ~20% growth as passenger travel recovery remains significant
- Capacity remains sufficient on majority of trade lanes
- Continuing recovery of the global PAX market across all regions
- Labor dispute and shortages in recent times affecting capacity on certain trade lanes mostly in EU causing delays

Utilization



- Sufficient capacity in market; cargo volumes remain low



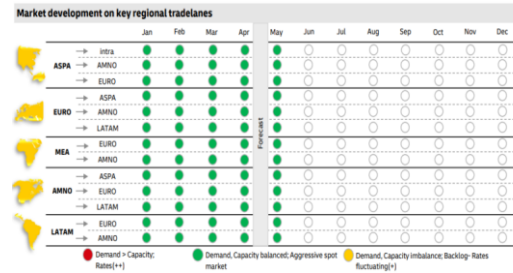
- Flat volume growth against improved capacity has led to reduced load factors in all regions – Cargo Load Factor (CLF) is an indicator of how tight is the demandsupply balance

- The industry-wide cargo load factor decreased by ~8 Pts YoY in Feb '23

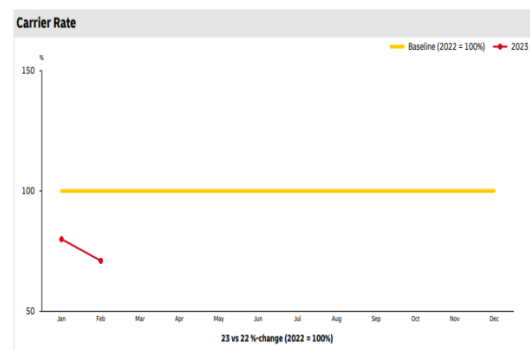
- Utilization is likely to remain balanced under current demand vs capacity situation

- Expect more stability in long term rates towards H2 2023

Regional Market Development



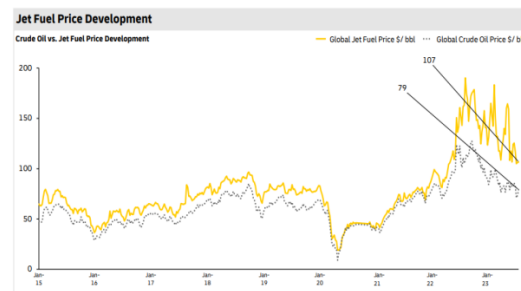
Rates-Global Carrier Rate Development



- Market continued to remain aggressive on most trade lanes, as demand remained low and capacity sufficient
- Slight increase in ad hoc and charter rates

- High jet fuel price likely to affect rates as the prices can fluctuate amidst the current market dynamics

Jet Fuel

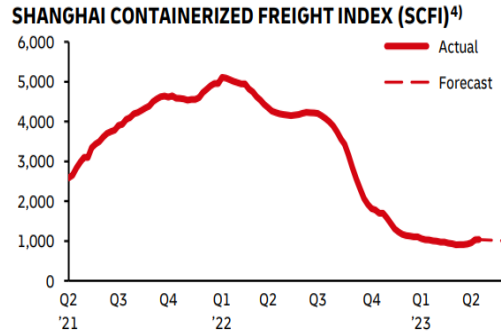
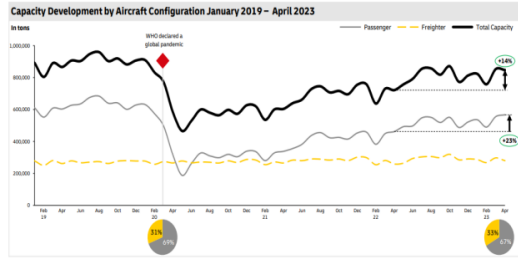


- Jet fuel price touched \$107/Bbl. by Mar '23 end

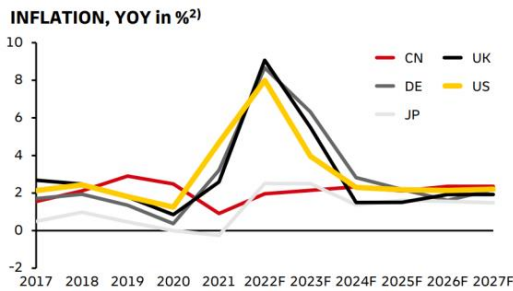
- Economic slowdown indicates lower fuel consumption which is likely to reduce the prices
- Jet fuel price will remain on the higher side as demand is increasing

- EIA forecasted the Brent crude oil spot price to average \$85/Bbl. in 2023, up \$2/b from last month's forecast
- The dependency on crude oil from Russia is shifting to other OPEC countries and this shift in market will keep the crude oil price volatile

Global Capacity Development

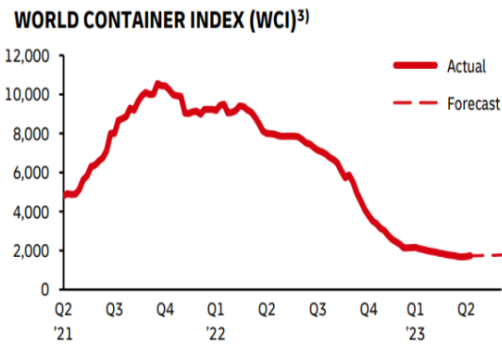


Market Development:



Major trades –

Market outlook May 2023 month-on-month development



EUROPE



Import region	Capacity	Rate
AMNO	=	=
AMLA & MX	=	=/-
ASPA	=	=/-
MENAT	=	=/-
SSA	=	=/-

NORTH AMERICA



Import region	Capacity	Rate
EURO	=	-
AMLA	=	=
ASPA	+	=
MENAT	=	-
SSA	=	-

KEY Strong Increase ++ Moderate Increase + No Change = Moderate Decline - Strong Decline --



ASIA PACIFIC




Import region	Capacity	Rate
EURO	=	+
AMNO	=	+
AMLA	= EC / = WC	++ EC / + WC
ASPA	=	=
MENAT	-	+
OCEANIA	=	-

KEY Strong Increase ++ Moderate Increase + No Change = Moderate Decline - Strong Decline --



LATIN AMERICA*



Import region	Capacity	Rates
EURO	+	--
AMNO	=	-
ASPA	+	-
MENAT	=	-
SSA	=	=

KEY Strong Increase ++ Moderate Increase + No Change = Moderate Decline - Strong Decline --

Findings

Market Dominance: DHL Global Freight Forwarding is one of the largest players in the air freight forwarding market in India. The company has a strong market presence and holds a significant market share in the country. The company has a wide network of branches and agents across the country, which enables it to provide efficient and reliable air freight services to its customers.

High Demand: The demand for air freight services in India is increasing rapidly due to the growth of e-commerce, manufacturing, and other industries. DHL Global Freight Forwarding has been able to capitalize on this trend by offering a wide range of air freight services to its customers, including express air freight, economy air freight, and charter services.

Strategic Partnerships: DHL Global Freight Forwarding has formed strategic partnerships with airlines, airports, and other logistics companies in India to enhance its air freight capabilities. These partnerships have enabled the company to provide more efficient and cost-effective air freight services to its customers.

Focus on Technology: DHL Global Freight Forwarding has invested heavily in technology to improve its air freight services. The company uses advanced tracking and monitoring systems to provide real-time visibility of shipments to its customers. It has also developed a user-friendly online platform that enables customers to book, track, and manage their air freight shipments.

Customized Solutions: DHL Global Freight Forwarding offers customized air freight solutions to its customers based on their specific needs and requirements. The company has a team of experienced logistics professionals who work closely with customers to design and implement customized air freight solutions.



Regulatory Compliance: DHL Global Freight Forwarding is fully compliant with all regulatory requirements related to air freight forwarding in India. The company has a deep understanding of the regulatory environment in the country and works closely with regulatory authorities to ensure compliance.

Strong Customer Focus: DHL Global Freight Forwarding has a strong customer-centric approach to its air freight services. The company is committed to providing high-quality services that meet the needs and expectations of its customers. It has a dedicated customer service team that provides round-the-clock support to customers.

Efficient Operations: DHL Global Freight Forwarding has a highly efficient and streamlined operation process for its air freight services. The company uses advanced logistics management systems to optimize its air freight operations and reduce transit times and costs.

Continuous Improvement: DHL Global Freight Forwarding has a culture of continuous improvement, which is reflected in its air freight services. The company regularly reviews and evaluates its air freight operations to identify areas for improvement and implement best practices to enhance its services.

Conclusion

In conclusion, the study on air freight forwarding in DHL Global Freight Forwarding in India has provided valuable insights into the operations and challenges of the company in this sector. The study has identified that DHL Global Freight Forwarding is one of the leading players in the Indian air freight forwarding industry, with a significant market share and a strong network of services and facilities across the country. The study has also highlighted the major challenges faced by the company in this sector, including the high cost of operations, increasing competition, and regulatory issues.



Bibliography

- "The Role of Air Freight Forwarders in Global Supply Chains" by H. Michael Chung
- "Air Freight Forwarding 2021" by Transport Intelligence
- "The Future of Air Cargo: Analysis and Insights into the Air Freight Forwarding Industry" by the International Air Cargo Association (TIACA)
- Suresh, N., & Bhavadharani, S. (2021). An Empirical Study on the Impact of Passenger Loyalty Program on Passenger Retention with Reference to Air India. *Productivity*, 62(1).
- "An Empirical Analysis of Air Cargo Freight Rates in the United States" by E. Bowen, C. Hsiao and J. Stavins
- "Air Freight Forwarding Industry in the US - Market Size, Growth Trends, and Forecast" by IBISWorld
- "Digital Transformation in Air Freight Forwarding" by McKinsey & Company
- "The Impact of COVID-19 on the Air Freight Industry" by the International Air Transport Association (IATA)
- "Innovation in Air Cargo: Emerging Technologies and the Future of Air Freight Forwarding" by H. Michael Chung and Y. Yang
- "Air Cargo Logistics in Developing Countries: A Study of Kenya" by C. K. Muriithi and L. J. Ngugi
- "Introduction to Air Transport Economics: From Theory to Applications" by Bijan Vasigh, Ken Fleming, and Thomas Tacker.