



THE STUDY ON CHALLENGES FACED BY FREIGHT FORWARDERS

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Abstract

Freight forwarding is a service-oriented industry that specializes in the coordination and facilitation of the movement of goods between locations, typically across national boundaries. Freight forwarders act as intermediaries between shippers and various transportation services, and are responsible for managing the logistical and administrative aspects of the shipping process.

Their services typically include negotiating shipping rates, preparing and processing customs documentation, arranging insurance, coordinating warehousing and distribution, and providing guidance on international trade regulations. Freight forwarders are an essential part of the supply chain for

businesses involved in international trade, as they help ensure that goods arrive at their intended destination on time and in good condition.

The freight forwarding industry is highly competitive and has seen significant growth in recent years due to the increasing demand for global trade. To succeed in this industry, freight forwarders must have a deep understanding of international logistics, customs regulations, and transportation services, as well as strong relationships with carriers and other service providers. They must also be able to provide their clients with reliable and efficient service, while managing risks and keeping costs under control

Key words: Customs, regulation and transportation

Introduction

A freight forwarder is a person or company that arranges shipments of goods on behalf of individuals or businesses. They act as an intermediary between shippers (those who need to transport goods) and carriers (such as shipping lines or airlines) to ensure that the goods are transported safely and



efficiently from one location to another. Freight forwarders typically handle a range of services, including documentation, customs clearance, insurance, and logistics management, to facilitate the movement of goods across international borders. In simple terms, a freight forwarder is a logistics provider that helps move goods from one place to another. Freight forwarding is the process of arranging and managing the transportation of goods from one location to another, often across international borders. Freight forwarders act as intermediaries between shippers and carriers, coordinating the movement of goods by air, sea, road, or rail.

The role of a freight forwarder includes negotiating rates with carriers, arranging for customs clearance, obtaining necessary permits and licenses, and managing the logistics of the transportation process. Freight forwarders may also provide additional services such as cargo insurance, warehousing, and supply chain management.

The freight forwarding industry faces a number of challenges, including navigating complex international trade regulations, managing shipping delays

and security risks, and adopting new technologies to improve efficiency.

Freight forwarding operators are expertise in delivery, Protection and the greater part of organizing the land, ocean and air transportation for products. They are taking noteworthy segment of the export work and the dangers. For the benefit of the shippers, they do all procedural and documentation convention required in the traditions and port clearance the additionally take care of the shipment and warehousing of cargo before shipment of export consignment and after release of import cargo by the ocean transport. And there is another critical part of the work-solidification of Transportation.

A cargo specialist gets countless and regularly bunch of together various little one by placing them into one expensive committal, particular cargo rates from the transportation line or the aircraft. Generally, shipper of a little measure of items may pay a genuinely more amount of cargo.

Cargo sending specialists are authorized by the tradition. Name of the address of the fright forwards working from various ports can be acquired from



traditions house or from their nearby affiliation. Determinations for the reasonable sending specialists are imperatives. The exporter to do care in different choosing criteria of settling freight forwarder.

Objective Of The Study

To study about the Challenges Faced by Freight forwarding company with special reference to NTC Logistics Private Ltd (International Freight forwarding) Corporate office in Chennai

Secondary Objective:

To analyze the challenges faced by freight forwarding company from the carriers.

To analyses the challenges faced by freight forwarding company from the companies and individual customers.

To know the satisfaction level of the customs clearance and terms and conditions imposed on the freight forwarding company by the carriers.

To suggest solutions to reduce the challenges faced by the freight forwarding company

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 analyze the challenges faced by freight forwarding company from the carriers as well as companies and individual customers. It helps to understand the satisfaction level of the custom clearance.

Logistics play a vital role in international business. A freight forwarder can help to improve the delivery of products and increase customer service NTC Logistics India [P] Ltd faces challenges in documentation, transport, Custom clearance, freight forwarding, sales and this affect the exports and integral part of global supply chain so to overcome all these find study is conducted.

Scope Of The Study

- To study about challenges faced by freight forwarding company.
- To study about how Freight forwarders solve the challenges.
- To study about types operations involved in Freight forwarding company.



- To study about how a fresher handle an operation.

Limitations

- ❖ The study was not completely generalized because the findings and conclusion are restricted to 50 respondents only
- ❖ The employees are busy at their works so I could not interact them to collect the proper information.
- ❖ Intern students are allowed on particular timings only so it is difficult to collect the data.
- ❖ Collecting the samples from the employees is difficult because they are busy at their works.

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

Research Methodology

Research methodology is one of the main aspects of every research. This explains how the researcher conducts this project. The word research indicates the mode or the way of accomplishing an end. The modern world is full of scientific inventions and seeks a scientific outlook to everything. Any

scientific approach should have a method or outline to be followed to attain a particular goal. Through methodological, systematic procedure, we can think of accuracy and clear-cut conclusion. the methodology adopted in this study is discussed below in brief

Research Design

The type of research design undertaken is Descriptive Research. Descriptive research includes surveys and fact-findings enquiries of different kinds. The major purpose of descriptive research is description of state of affairs, as it exists at present. In fact, the research design in the conceptual structure within which research is conducted.

Once the research problem is formulated in clear cut terms, the researcher will be required to prepare a research design. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis, keeping in view



the objective of the research and the availability of staff, time and money. A good research design is often characterized to be flexible, appropriate, efficient and economical and so on

The research design applied for the study is described as 'descriptive research' study. The descriptive research study is used for defining and analyzing the research problem effectively. The descriptive research design designed for the study comprises formulating the objectives of the study, designing the methods of data collection, selecting the sample size, collecting the data, processing and analyzing the data and reporting the findings, suggestions and conclusion

Research Instrument:

The research instrument used for the study is of structured question. A structured questionnaire consists of a number of questions printed or typed in a defined order on forms or set of forms. Structured questionnaire is the one of the primary methods of collecting primary data. Structured questionnaire is a 24 Questionnaire which contains definite, concrete and pre-determined questions. The questionnaire used for

the study normally comprises closed-ended questions

Sampling Method

Sample Design is method of selecting the samples. The convenience method of sampling was applied to select the sample respondents. A sample of (20) employees of NTC Logistics India [P] Ltd in Chennai (Freight Forwarding) Department is taken for this study.

Period Of Study

The period of my study on 'Study on Challenges faced by Freight Forwarding Company' for duration of 3 months.

Method Of Data Collection

Data Collection

The main sources through which data is collected are:

- Primary data
- Secondary data

Primary data

The Primary data was collected through a structured questionnaire from the employees of Freight forwarder-NTC Logistics India [P] Ltd (freight Forwarding) in Chennai.



Secondary data:

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

Method Used for Collecting Primary Data

- Questionnaires.

Method Used for Collecting Secondary Data

- Internet.
- Interacting staffs.
- Google Forms.

Statistical Tool Used

- Correlation.
- Percentage Analysis

Data Analysis And Interpretation

The data after collection has to be processed and analysed in accordance with the outline laid down for the purpose at the time of developing research plant. This is essential for a scientific study and for ensuring that we have all the relevant data. Processing implies editing, coding, and tabulation of collected data so that they are

acquiescent to analyze. The term analyze refers to the computation of certain measures along with searching for patterns of relationship that exists among data groups. Thus "in the process of analyze relationship of differences supporting or conflicting with original or new hypothesis should be subjected to statistical tests of significance to determine with what validity data can be said to indicate any conclusions.

Analyze of data in a general way involves a number of closely related operations. That are performed with the purpose of summarizing the collected data and organizing them in such a manner that they answer. After collecting and analyzing the data, the researcher has to accomplish the task of drawing inferences followed by report writing. This has to be done very carefully, otherwise misleading conclusions may be drawn and the whole purpose of doing research may get vitiated. It is only through interpretation that the researcher can expose relations and processes that underlie his findings. Interpretation refers to the task of drawing inferences from the collected facts after an and or experimental study. In fact, it is search



for broader meaning of researcher findings

Gender of the employees

Table: 1

Particulars	No of Respondents	Percentage
MALE	15	73.7%
FEMALE	5	26.3%
Total	20	100

Interpretation

This chart illustrate about at past people are believing that freight forwarding industry is the hub of men, after the twenty century women were entered in freight forwarding industry. But now women have occupied freight forwarding industry too.

Qualification of the Employees

Table 3

Particulars	No of Respondents	Percentage
M.B.A	7	40%
B.E	4	30%
BA & B.Sc.	7	20%
Others	2	10%
Total	20	100

Interpretation

In freight forwarding industry experience is more required than qualification because operations handled by experienced peoples. M.B.A shipping and logistics people has technical knowledge to move the cargo and B.E

qualified people has willing to study the industry

Important on transit Time in Selecting Shipping Line

Table 4

Particulars	No of Respondents	Percentage
Based on Freight Forwarder	14	57.1%
Urgency	4	23.8%
Important	1	9.5%
Depends on Cargo	1	9.5%
Least Important	0	0
Total	20	100

Interpretation

In the Freight Forwarding Industries the important on transit time in selecting shipping lines Because the study has valid the report in this topic in the response on the Google Form till now the response were updated.

Time Taken to Provide the Freight Rates

Table: 6

Particulars	No of Respondents	Percentage
Instantly	3	20%
Few Hours	16	70%
One Day	-	-
Depends	1	10%
Never	-	-
Total	20	100%

Interpretation

This chart illustrates about satisfaction with time taken to provide the freight rates. Most of the respondent Satisfied



with the time taken to provide the Freight Rates and enquiry of the particular cargo in Few hours on which the customer Enquire.

Frequency of Sales Personnel visit

Table: 7

Particulars	No of Respondents	Percentage
Weekly	17	75%
Monthly	2	20%
Fortnightly	0	0
On Request	0	0
Never	1	5%
Total	20	100%

Interpretation

This Chart illustrates about satisfaction with the Frequency of sales personnel visit and this Data were collected with the employees to analyze all the things which comes under the Query related to the topic

Which is most Challengable good for Export/Import?

Table: 8

Particulars	No of Respondents	Percentage
Perishable	3	25%
Chemicals	16	60%
Statue	0	0
Re-used	1	15%
Marbles	0	0
Total	20	100%

Interpretation

In this chart describe about most challengeable goods for export and

import. Perishables are more challenge to export because it would be rotten within couple of days. Chemicals are very dangers cargo it could be flammable or other inconvincible. Exporting and importing statues are more restrictions.

How many days has taken to solve the challenges

Table: 9

Particulars	No of Respondents	Percentage
1-3 Days	18	85%
3-5 Days	2	15%
5-7 Days	0	0
More than 7 Days	0	0
No idea	0	0
Total	20	100%

Interpretation

In this chart describe about problem and solving. Most employees said they can solve them self if any problems in freight forwarding. If the problem becomes challenge, then the operation executives involve into the problem and solve within couple of days but if new challenges will come it will take more than a week.

As a freight forwarder what kind of issues you received from Shipper/Consignee

Table: 10



Particulars	No of Respondents	Percentage
Documentation	4	33.3%
Payment	15	61.1%
Transportation	1	5.6%
Irresponsible	0	-
Inco-terms	0	-
Total	20	100%

Interpretation

In this chart illustrate about issues get from shipper or consignee. Being a freight forwarder is very challenges. As freight forwarding company payment is major issues then proper documentations. Inco-terms is payment and responsible method if any problems in Inco-terms it affects the entire operation. Packing issues too happens.

Which is part is quite difficult to choose the below

Table: 11

Particulars	No of Respondents	Percentage
Transportation	1	10%
Shipping Line	13	50%
C.F.S	1	5%
C.H.A	5	35%
Warehouse	0	0
Total	20	100%

Interpretation

This chart describes about the chart which chosen by the shipper or consignee. Choosing Shipping line and C.H.A is a difficult part because they are the entire responsible of their cargo if any problems in documents their cargo could not move from CFS or Port.

Second thing is choosing warehouse because it depends on the cargo and capacity of the cargo. Transportation has the responsible to move the cargo.

Safety of goods

Table: 12

Particulars	No of Respondents	Percentage
Very-Satisfied	18	80%
Satisfied	2	20%
Neutral	0	0
Dissatisfied	0	0
Very Dissatisfied	0	0
Total	20%	100%

Interpretation

In this chart describe about safety of goods. Nearly high amount of people has Very-satisfied with safety of goods. Satisfied people and dissatisfied people are similar the same but their experienced indentation might be change.

Expensive mode of Transportation

Table: 13

Particulars	No of Respondents	Percentage
Air	17	85%
Sea	1	5%
Rail	0	0
Road	1	5%
Pipeline	1	5%
Total	20	100%

Interpretation

This chart describes about expensive mode of transportations. Air mode is high expensive and fast movement, sea



mode will less expansible when there is more containers. Pipeline mode only for Gas and Petrol.

Most Preferable Shipping line regarding freight

Table: 14

Particulars	No of Respondents	Percentage
Maersk	15	65%
CMA CGM	0	0
ONE	1	10%
Hapag-Lloyd	3	20%
OOCL	0	0
NYK	1	5%
Total	10%	100%

Interpretation

In this chart illustrate about most challengeable shipping line. N.Y.K is most hated shipping line by freight forwarders because of it has more way traffics line and lack of services. Maersk is most favorable shipping line by the freight forwarders because of plenty of services and low cost of services.

What customs does if any problems in cargoes

Table: 15

Particulars	No of Respondents	Percentage
Destroy	1	10%
Re-export	16	75%
Duty fine	3	15%
Auction	0	0
Total	20	100%

Interpretation

In this chart describe about what happens when cargo chased by customs weather it's not supposed to have proper documents, hazarders and other illegal cargo. Most of the cargos Re-Export by customs and auctions, if any problems in documents it could be destroy.

Who will be responsible of cargo if damage

Table: 16

Particulars	No of Respondents	Percentage
Buyer/Seller	3	15%
Freight Forwarder	13	60%
Shipping line	3	15%
Surveyor	1	10%
Total	20	100%

Interpretation

In this chart illustrate about who will be the responsible if cargo damage or stolen. Randomly buyer and seller have taken the responsibility with insurance. If any problems in shipping line they take over the responsibility with insurance

Which is type is difficult to send LCL/FCL

Particulars	No of Respondents	Percentage
LCL	18	80%
FCL	2	20%
Total	20	100%

Interpretation

This chart illustrates about type of load which is difficult to send. Most of the



employee said that handing LCL is quite difficult than FCL. In an LCL tare contained more than 1 party's cargos so there is a problem to deliver the proper port. If any problem in FCL it affects the full container

Are you satisfied with the customs clearance for your goods on Every Shipment of cargo?

Table: 18

Particulars	No of Respondents	Percentage
Highly satisfied	18	80%
Satisfied	2	20%
Neutral	0	0
Dissatisfied	0	0
Highly dissatisfied	0	0
Total	20	100%

Interpretation

This chart illustrates about satisfaction with customs clearance. Most of the respondents satisfied with customs clearance because they are the government authorized person to examine our cargoes. Some of the respondents dissatisfied because of some customs officer expecting something from our cargoes. Dissatisfied respondents have some reasons.

Which one is most challengable mode of transportation?

Table: 19

Particulars	No of Respondents	Percentage
Air	1	10%
Sea	3	15%
Road	1	10%
Rail	0	0
All the above	15	60%
Total	20	100%

Interpretation

In this chart illustrate about most challengeable mode of transportation. According to this chart most of respondents said that each mode of transportation has challenges because it's carrying customer's cargoes. Specially Air cargo has most challenges than sea mode because high expensive and debar age charges will includes.

Which countries most challengable for Export/Import

Table: 20

Particulars	No of Respondents	Percentage
U.S. A	17	78.7%
U. K	1	7.1%
U.A. E	1	7.1%
Australia	0	0
China	1	7.1%
Total	20	100%

Interpretation

In this chart describe about most challengeable country for export and import. U.S.A has more restriction to



import cargo from other countries because of their safety reasons. U.A.E and Australia has similar responses because they won't permit to import re-use cargoes and China is exporting more duplicate products to India.

Suggestion

Cargo arrival notice should be sent to the customers prior to the shipment arrival and delays should be informed to them in prior.

Tracking of the cargo through the website for the customer should be implemented.

Can give 24/7 customer care service to their customers.

In some Import cargo during CFS examinations the FTA certificate and Quality certificate has to be submitted by customer because in open Examination to avoid delay of verifying by customs check

Conclusion

By studying and comparing the various challenges faced by the freight forwarding company. It is easy identify the solutions to avoid the challenges 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 Forwarding company depends on a series of factors that do not depend on the Freight Forwarder per 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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