

Full Length Research Paper

A study on utilization of shipping agency services with special reference to console shipping services, India Private Limited at Tirupur City

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Accepted 20th September, 2013

Shipping and logistics play a major role in foreign trade operations. Knowledge and experience on different modes of transport, shipping lines, routes, and transshipment etc. would enable the persons in charge of Export-Import to profitably decide the feasibility of different modes of shipment. The Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and reexport of most commercial items. The items that BIS regulates as “dual-use” – items that have commercial and military or proliferation applications- but purely commercial items without an obvious military use are also subject to the EAR. Any item that is sent to a foreign destination is an export. “Items” include commodities, software or technology, such as clothing, building materials, circuit boards, automotive parts, blue prints, design plans, retail software packages and technical information. A set of schematics can be sent via facsimile to a foreign destination, software can be uploaded to or downloaded from an Internet site, or technology can be transmitted via e-mail or during a telephone conversation. Regardless of the method used for the transfer, the transaction is considered an export for export control purposes. A key in determining whether an export license is needed from the Department of Commerce knows whether the item you are intending to export has a specific Export Control classification Number (ECCN). The ECCN is an alpha-numeric code, e.g., 3A001 that describes a particular item or type of item, and shows the controls placed on that item. All ECCNs are listed in the commerce control List (CCL).

Key words: Console shipping services, utilization, satisfaction, service, export, partnership, forwarding agent.

INTRODUCTION

Company's profile

Consolidated Shipping Group is one of the fastest growing NVOCC in the regions it operates. As an integrated freight forwarding and Logistics solutions provider, CSS has what it takes to offer transportation and logistics from/to any part of the globe. Ocean freight, /air flight, local and international land transportation, projects handling, supply chain management and personal effects management are among the expertise

offered to the customers (Anderson et al. 2007).

A renowned name in the freight forwarding industry, consolidated shipping Services (CSS) is certainly a company to reckon with for all freight forwarding and logistics requirements. CSS group today is one of the leading integrated freight forwarding solutions provider, with substantial man years of experience. The management through its corporate dynamism and farsightedness brought in collective experience within the industry to embark on a journey that has crossed

many an ocean and many a seas. Topping the NVOs list in the UAE, CSS group has to its credit an enviable Global Network Partners; if this reputation is enviable there is a good reason for it. Working in the strategic blueprint has been instrumental in keeping a wave ahead of the competition. With a team consisting of over 500 experienced and dedicated professional, across eleven offices, CSS has what it takes to meet any freight forwarding requirements, be it sea, land or air. CSS has always adapted itself to the latest trends in the industry to offer efficient and most feasible solutions to clients' freight forwarding requirements. A plush looking corporate Headquarter in Dubai and the state-of-art CFS and Supply Chain facilities in the Jebel Ali Free Zone bear witness to the growth of the group that began on a very humble note.

The Indian operations of the consolidated shipping group provide cost effective solutions for all freight forwarding requirements. With its registered office in Ernakulam, Kerala, the group has set the ball rolling with opening of the Indian operations in Tirupur, the cotton city of India in late 2004. With strong backing of the CSS group and a global network of partners, CSS India is fully geared to take on any challenge to receive and deliver cargo from/to global destinations, be it by sea, air, land or rail.

REVIEW OF LITERATURE

Andre (1987)'s studied a corrugated shipping box that comprises a tray and lid and a panel hinged to the lid and foldable within the enclosure formed by the tray and the lid. The panel has a sub-panel extending rearward of the rear face thereof and an aperture in the front face for receiving a garment hanger. A garment can be folded over the panel by first inserting the garment hanger in the aperture passing the garment around the free edge of the panel over the back face and through a slot provided in the sub-panel to thereby retain the garment in a draped position and prevent bunching thereof in the box.

Banomyong and Beresford (2001)'s paper explores the various alternative routes and methods available to garment exporters in Lao PDR, a land locked country in south East Asia, when exporting to the European Union. Lao exporters are dependent on the transport systems in place in neighboring countries (i.e Vietnam, Thailand, Malaysia and Singapore) for transit purposes. A multimodal transport cost-model is used to illustrate and clarify multimodal transport routing alternatives. A confidence index is also introduced for each route, transport modes and nodal links. Five routing alternatives are presented in this paper and it is shown that they are the most competitive in terms of time and cost, while the route via Port Klang, Malaysia potentially offers a better alternative for Lao garment exporters.

Clarence (1976) studied a garment shipping carton for

carrying garments on hangers, having four walls and a closed bottom. The top may be opened or closed by foldable flaps. Three of the four flaps have two apertures for the insertion of a hanger hook and for support of the hanger. One of the three flaps is supported in a closed position by supporting tabs on its edge that insert into apertures in the opposite flap. The fourth flap has no apertures and folds over the other three to prevent the hangers from dislodging. Locking tabs on its edge insert within apertures in the opposite wall to hold the flap in place.

Herbert (1987) studied a clothes hanging system for shipping pre-hung garments. A hanger is provided with a central hole or aperture. During shipping, a rod passes through opposed walls of the shipping carton and through the holes of the hangers. In this manner, the garments and hangers will not become accidentally dislodged, during shipment, from the horizontal support rod. Upon receipt of the shipping container, the hangers are slid off the rod and the hooks of the hangers placed on the store's clothing racks.

Shamsuddoha and Yunus (2006)^s study on the impact of export promotion programs(EPPs) on firm export performance(FEP) has received little attention in the export literature. This paper attempts to investigate the direct and indirect impact of EPPson FEP in a comprehensive model. The indirect effects of EPPs on FEP have been conceptualized through a set of firm-and management-related antecedents for empirical testing.

Statement of the problem

India has lot of shipping companies which are both public sector and private sector undertakings. Export of large amount of goods is easily transferred to other countries by the way of shipping exports. In that way, customer satisfaction towards exports of goods is important. At this juncture, the researcher made an attempt to measure the satisfaction level of shippers by raising the following questions:

1. To what extent the shippers are suffering in the services provided by the Console Shipping Agency Services.
2. How do they manage their problems in export of goods?
3. Are the Console Shipping Agency really providing satisfactory service to its customers?

Need for the study

In India, the shipping companies, part of export sector, are expected to show profits, though they are service-oriented organizations. The days are gone, when the shipping companies were set up with an exclusive motto of "service" instead of profit. The recent economic

reforms urge the shipping companies to introduce various services in order to provide better service to exporter. The need for development of various shipping companies is thus once again recognized and it will now be possible to introduce a variety of services offered in Tirupur. This study will help the exporter to analyze the performance of shipping agencies and to take corrective measures in the sphere of various services.

Objectives of the study

1. To ascertain the shippers' satisfaction towards services provided by the shipping agency in Tirupur.
2. To evaluate the factors influencing the shippers' satisfaction in utilizing the services provided by the Console shipping Agency.
3. To find out the problems faced by the shippers in export of goods.
4. To offer suggestions to improve the quality of the services provided by the company.

RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve the research problem by applying various research techniques along with the logic behind the problem.

Research design

Research design is the specification of methods and procedures for acquiring the information needed. It is the operational pattern or framework of the project that stipulates what information is to be collected from which sources and by what procedures it is to be analyzed. In this study, the researcher has adopted descriptive research design for analyzing the data because the research is to report about the existing (or) present scenario as it is, that is, the level of satisfaction level.

Here the researcher has no control over variables but tries to find causes for functioning of shipping agency and satisfaction level on utilizing the services provided by the console shipping agency.

Census survey

In this study, the researcher has adopted the census survey because of the limited population. A complete enumeration of all items in the population is known as a census inquiry. It can be presumed that in such an inquiry when all items are covered, no element of chance is left and highest accuracy is obtained. There are about 150 exporters doing their trading activity with the help of console shipping agency service and hence all the exporters taken into consideration.

Data collection

Primary data

Primary data were collected by the researcher for the specific purpose of addressing the research problem. The primary data

were collected with the help of a well structured questionnaire, directly to the shippers and collected the information from them.

Secondary data

Secondary data were obtained through company office, magazines, newspapers, journals, books and related websites.

Tools used for analysis

The researcher had used the following statistical tools to analyze the responses.

1. Percentage Analysis
2. Two-way Analysis
3. Chi-square analysis

In order to identify the factors influencing the level of satisfaction perceived by the shippers in utilizing the services provided by the console shipping agency, a Chi-square (X^2) test was used and the formula is as follows,

$$\text{Chi-square test } (X^2) = \Sigma(O-E)^2/E$$

$$\text{Degrees of freedom} = (R-1) (C-1)$$

Period of the study

The study was conducted for a period of four months since January 2009.

Scope of the study

The study sheds light on the various numerous problems faced by the respondents in exporting. It also highlights the satisfaction level of shippers and their opinion about the services provided by the company in Tirupur. The prevailing service conditions were studied and suggested a constructive services for increasing customers' satisfaction level in general and in particular to shippers in Tirupur.

Limitations of the study

1. The study focuses only on Tirupur shippers.
2. The bias in sample responses could not be controlled because of their busy schedule in office.
3. The result may or may not be applicable to other areas.

ANALYSIS AND INTERPRETATION

Inference

It is inferred from Table 1 that most of the respondents (51.3%) are in partnership. It is observed from Table 2 that most of the exporters firms (44.0%) are stuffing their goods at Inland Container Depot.

It is found from Table 3 that majority of the respondents (67.3%) approach clearing and forwarding agent for their export of goods. It is observed from Table 4 that

Table 1. Nature of organization.

Nature of organization	No. of respondents	Percentage
Sole Proprietorship	18	12.0
Partnership	77	51.3
Private Ltd. company	52	34.7
Public Ltd. company	3	2.0
Total	150	100

Table 2. Place of stuffing.

Nature of organization	No. of respondents	Percentage
Inland Container Depot(Tirupur)	66	44.0
Continental Container Freight Station(Tirupur)	1	0.7
Container corporation of India(Tirupur)	6	4.0
CFC(Tuticorin)	52	34.7
St. John Freight(Tuticorin)	11	7.3
Bangalore	13	8.7
Cochin	1	0.6
Total	150	100

Table 3. Type of port user.

Port User	No. of Respondents	Percentage
Clearing and forwarding Agent	101	67.3
Mainline/Freedom Operator	3	2.0
Stevedoring Agent	46	30.7
Total	150	100

Table 4. Terms of shipment.

Shipment	No. of respondents	Percentage
Free on Board (FOB)	105	70.0
Cost Insurance and Freight (CIF)	39	26.0
Cost Freight Rate(CFR)	6	4.0
Total	150	100

Table 5. Forwarder nomination.

Nomination	No. of Respondents	Percentage
Exporters	77	51.3
Importers	73	48.7
Total	150	100

Table 7. Opinion about the fees charged by the agency.

Opinion	No. of Respondents	Percentage
High	17	11.3
Moderate	101	67.3
Low	32	21.3
Total	150	100

Table 6. Opinion about console shipping agency.

Opinion	No. of Respondents	Percentage
Satisfied	147	98.0
Not Satisfied	3	2.0
Total	150	100

Table 8. Opinion on dispatching at the expected date.

Opinion	No. of Respondents	Percentage
Yes	150	100.0
No	0	0.0
Total	150	100

most of the respondents (70.0%) are shipping their

Table 9. Reasons for choosing console shipping agency.

Reasons	No. of Respondents	Percentage
Better Service	82	54.7
Convenience	51	34.0
Importers Reference	17	11.3
Total	150	100

Table 10. Problems faced by the exporters.

Opinion	No. of Respondents	Percentage
Yes	20	13.3
No	130	86.7
Total	150	100

goods on FOB basis. It is inferred from Table 5 that majority of the respondents (51.3%) prefer exporters nomination while exporting their goods. It is inferred from Table 6 that majority of the respondents (98.0%) are in the opinion that they satisfied with the service provided by Console Shipping Agency.

It is inferred from Table 7 that majority of the respondents (67.3%) feel that the fees charged by Console Shipping Agency is nominal and fair. It is inferred from Table 8 that all of the respondents (100%) feel that the goods are dispatched at the expected date. It is observed from Table 9 that most of the respondents (54.7%) are in the opinion that they are choosing console shipping Agency for its better service. It is inferred from Table 10 that most of the respondents (86.7%) agree that they have not faced any problems in exporting their goods.

Hypothesis testing

1. Null Hypothesis (H_0): There is no significant relationship between nature of organization and opinion about the Console Shipping Agency (Table 11).

It is obvious from the result in Table 11 that calculated Chi-square value is lesser than the table value at 5% level of significance. Hence, Null hypothesis is accepted. So it is concluded that there is no significant relationship between nature of organization and opinion about the Console Shipping Agency.

2. Null Hypothesis (H_0): There is no significant relationship between place of stuffing and fees charged by Console Shipping Agency (Table 12).

It is obvious from the result in Table 12 that calculated Chi-square value is greater than the table value at 5% level of significance. Hence, null hypothesis is rejected. So it is concluded that there is a significant relationship between place of stuffing and fees charged by console

Shipping Agency.

3. Null Hypothesis (H_0): There is no significant relationship between type of port user and opinion about the Console Shipping Agency (Table 13).

The table value at 2 degrees of freedom at 5% level of significance is 65.471. The calculated value of Chi-square is much higher than the table value. Hence the null hypothesis is rejected and there is a significant relationship between the Type of Port User and opinion about the Console Shipping Agency.

4. Null Hypothesis (H_0): There is no significant relationship between Type of Port User and Fees Charged by Console Shipping Agency (Table 14).

The table value at 4 degrees of freedom at 5% level of significance is 9.488. Since the calculated value of Chi-square is higher than the table value, the null hypothesis is rejected and there is a significant relationship between the Type of Port User and Fees Charged by Console Shipping Agency.

5. Null Hypothesis (H_0): There is no significant relationship between reason for choosing and opinion about the Console Shipping Agency (Table 15).

The table value at 2 degrees of freedom at 5% level of significance is 5.991. The calculated value of Chi-square is much lesser than the table value. Hence, the null hypothesis is accepted and there is no significant relationship between reason for choosing and opinion about Console Shipping Agency.

Major findings

1. It is found from the analysis that most of the respondents' firms (51.3%) are partnership firm and most of them export their goods to Italy.
2. Majority of the respondents (44.0%) are stuffing their goods at Inland Container Depot.
3. It is observed that majority of the respondents (67.3%) are using clearing and forwarding agent for their export of goods. And majority of the respondents (70%) ship their goods on FOB basis.
4. It is evident from the analysis that most of the respondents (51.3%) were preferred the forwarder nominated by the exporter.
5. Majority of the respondents (67.3%) are getting moderate satisfaction with the fees charged by Console shipping Agency. And most of them agree that the goods are dispatched at right time.
6. It is found that most of the respondents (54.7) have selected Console Shipping Agency for its better service.
7. Majority of the respondents (98.0%) are satisfied with the overall performance of Console Shipping Agency.

Table 11. Nature of organization and opinion about console shipping agency.

Nature of Organization	Opinion about Console Shipping Agency		Total
	Satisfied	Not Satisfied	
Sole proprietorship	18(12.2)	0	18
Partnership	50(34.0)	2(66.7)	52
Private Ltd. company	76(51.7)	1(33.3)	77
Public Ltd. company	3(2.0)	0	3
Total	147	3	150

Calculated Chi-square Value = 1.526. Table Value at 3 degrees of freedom = 7.815.

Table 12. Place of stuffing and fees charged by Console Shipping Agency.

Place of Stuffing	Fees charged by Console Shipping Agency			Total
	Low	Moderate	High	
Tirupur	7(41.2)	44(43.6)	22(68.8)	73
Tuticorin	6(35.3)	49(48.5)	8(25.0)	63
Bangalore and Cochin	4(23.5)	8(7.9)	2(6.3)	14
Total	17	101	32	150

Calculated Chi-square Value = 11.006. Table Value at 4 degrees of freedom = 9.488.

Table 13. Type of port user and opinion about Console Shipping Agency.

Type of Port User	Opinion about Console Shipping Agency		Total
	Satisfied	Not Satisfied	
Clearing and forwarding Agent	100(68.0)	1(33.3)	101
Mainline/Freedom Operator	1(0.7)	2(66.7)	3
Stevedoring Agent	46(31.3)	0	46
Total	147	3	150

Calculated Chi-square Value = 65.471. Table Value at 2 degrees of freedom = 5.991.

Table 14. Type of port user and fees charged by Console Shipping Agency.

Type of Port User	Fees charged by Console Shipping Agency			Total
	Low	Moderate	High	
Clearing and forwarding Agent	7(41.2)	71(70.3)	23(71.9)	101
Mainline/Freedom Operator	3(17.6)	0	0	3
Stevedoring Agent	7(4.2)	30(29.7)	9(28.1)	46
Total	17	101	32	150

Calculated Chi-square Value = 11.006. Table Value at 4 degrees of freedom = 9.488.

- 8 It is found that most of the partnership firms are satisfied with the services rendered by the Console Shipping Agency.
- 9 It is also found that the stuffing charges and fees are high at Tirupur when compared to other places.
- 10 It evident form the two way table that most of the exporters who utilize the clearing and forwarding agent are satisfied with the services offered by Console Shipping Agency.
- 11 It is found from the analysis that majority of the

shippers who utilize clearing and forwarding agents are in the opinion that the fees charged by the agency were high and the result of chi-square test was proved the result.

SUGGESTIONS

Majority of the respondents are satisfied with the Console Shipping Agency services and hence it is

suggested to maintain high customer care and to offer excellent services to retain the existing customer base. Since the customers are not fully satisfied with the fees charged by the Console Shipping Agency, proper care should be taken to reduce the cost of services.

Conclusion

It is found from the study, the console shipping agency provides better service to their customers who export their goods through them. In a customer driven environment the concept of customer-driven logistics is becoming increasingly accepted as business begin to understand that their future existence depends on the loyalty of the end user of their product.

In this highly competitive market the key challenge is to create the customer driven supply chain; the internet is the revolutionizing supply chain throughout the world. E-mail is the simple internet tool which creates more relationship between shippers and the agency. The key factor of customer satisfaction is to fulfill the growing demand for customized products and services while at the same time speeding up delivery. Growing customers demands for value. Variety and responsiveness would drive 95 percent of the supply chains.

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