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# A STUDY ON PROBLEMS FACED BY FREIGHT FORWARDERS

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**Abstract:** The freight forwarding industry plays a crucial role in global trade, acting as an intermediary between shippers and various transportation services to ensure the efficient movement of goods. This study focuses on identifying and analyzing the key problems faced by freight forwarders, with a specific reference to Vrrddhi Freight Pvt Ltd. The research explores challenges such as regulatory compliance, documentation complexities, fluctuating fuel costs, port congestion, customs delays, and technological adaptation. Using a combination of qualitative and quantitative research methods, data was collected through interviews and surveys with employees and stakeholders of Vrrddhi Freight Pvt Ltd. The findings highlight critical operational bottlenecks and underline the need for improved digital infrastructure, better coordination with logistics partners, and stronger policy frameworks to streamline freight forwarding operations. The study aims to provide actionable recommendations for Vrrddhi Freight Pvt Ltd and similar firms to enhance efficiency, reduce costs, and improve customer satisfaction in the dynamic logistics landscape.

#### I. INTRODUCTION

The word of logistics originates from the ancient Greek logos, which means "ratio, word, calculation, reason, speech, and oration". Logistics as a concept is considered to evolve from the military's need to supply them as they moved from their base to a forward position. In ancient Greek, Roman and Byzantine empires, there were military officers with the title 'Logistics' who were responsible for financial and supply distribution matters. A freight forwarder or forwarding agent 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. Forwarders will contract with a carrier to facilitate the movement of goods. A forwarder is not typically a carrier, but is an expert in supply chain management. In other words, a freight forwarder is a "travel agent," for the cargo industry, or a third-party (non-asset-based) logistics provider. A forwarder will contract with asset-based carriers to move cargo ranging from raw agricultural products to manufactured goods. Freight can be booked on a variety of carrier types, including ships, airplanes, trucks, and railroads. It's not unusual for a shipment to move along its route on multiple carrier types. The term logistics seems all pervasive. It appears on the sides of trucks, ships and aircraft, forming part of the name of many business enterprises, in classified job advertisements as well as newspaper articles and on television news broadcasts

Furthermore, the future of logistics is increasingly shaped by technological advancements. Innovations like autonomous trucks, drones, and artificial intelligence are reshaping the logistics landscape, making it possible to deliver goods faster and with fewer errors. Supply chains are becoming more transparent, thanks to technologies like blockchain, which can provide real-time tracking of goods and ensure the authenticity of products. At the same time, the logistics industry faces significant challenges, such as labor shortages, rising fuel costs, and environmental concerns, pushing for more sustainable and cost-efficient solutions.

#### II. STATEMENT OF PROBLEM

Freight forwarders encounter a range of operational issues that disrupt the smooth movement of goods from manufacturers to final destinations. One of the major challenges is poor coordination with carriers, which often leads to delays, increased costs, and client dissatisfaction. In addition, forwarders frequently face difficulties when dealing with both companies and individual customers, due to problems such as incomplete documentation, miscommunication, and unrealistic expectations. The customs clearance process further adds complexity, being time-consuming and bureaucratic, which hampers overall service efficiency. Rigid terms and conditions set by carriers also reduce flexibility and limit profitability.



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Despite these widespread issues, there remains a lack of localized research that explores these challenges in specific regional contexts. Addressing and understanding these concerns is essential for improving service quality, enhancing customer satisfaction, and boosting the overall effectiveness of the logistics sector.

#### III. Review of literature

**Feo et al.** (2015) explored the preference analysis of Spanish freight forwarders model choice between short sea shipping and door-to-door road transport in terms of value of time, value of reliability and value of frequency in freight transport.

Scott and Brook, (1991) The chain linking each element of the manufacturing and supply process from raw materials to the end user, encompassing several organizational boundaries. In their research they highlight the significance of coordination among constituent members.

Lu and Din Woodie (2002) empirically explores the international network development of regional forwarders. Collaboration between competing forwarders may create favourable condition and network sharing for each other.

develop Lun et al. 2009 examine liner shipping from network perspective with an aim to development descriptive framework operation of shipping networks. The а for and liner framework supports liner shipping companies and their partners for cost and service improvement in renovating their networks

#### IV. OBJECTIVE OF THE STUDY

#### **PRIMARY OBJECTIVE:**

To study the issues faced by freight forwarders.

#### **SECONDARY OBJECTIVE:**

- To analyse the issues faced by freight forwarders from the carriers.
- To analyse the issues 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 issues faced by the freight forwarders.

#### V. REASEARCH METHODOLOGY

The Research methodology refers to the systematic, theoretical analysis of the methods applied to a field of study. It includes the strategies, techniques, and procedures used to collect, analyze, and interpret data in research. This research methodology is designed to provide a comprehensive understanding of the efficiency, documentation challenges, role of freight forwarders, and the impact of technology in the export and import clearance process. This section elaborates on the approach, tools, and techniques that will be employed throughout the study.

The research methodology for this study will employ a mixed-methods approach, combining both qualitative and quantitative techniques to analyze the efficiency of the export and import clearance process. Primary data will be collected through structured surveys and semi-structured interviews with customs authorities, freight forwarders, importers/exporters, and logistics providers.

#### **DATA COLLECTION:**

The data for this project was collected through a combination of primary and secondary sources to ensure comprehensive and reliable findings. Primary data was obtained by administering structured questionnaires to customers, logistics professionals, and other key stakeholders involved in freight forwarding services. These questionnaires aimed to assess various aspects such as service satisfaction, documentation processes, operational efficiency, customs clearance experiences, and the use of digital tools. Additionally, informal interviews were conducted with employees in logistics and freight operations to gather firsthand insights into recurring challenges and internal procedures. To supplement the primary research, secondary data was collected from internal company records, industry journals, government



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publications, logistics market reports, and authoritative websites. This secondary information helped to establish industry benchmarks, understand market trends, and validate the findings from the primary data collection. Together, these methods provided a balanced and well-rounded foundation for the analysis and conclusions drawn in the study.

#### SAMPLING TECHNIQUE:

Sampling technique refers to the method used to select a subset of individuals, items, or data from a larger population to represent the entire group. The goal is to gather data from a manageable number of subjects that can provide insights about the whole population. Sampling techniques can be random or non-random, and the choice depends on the research objectives and the population being studied.For this study, purposive sampling will be employed which is non probability samples, where participants are selected based on their direct involvement in the export clearance process, exporters, and logistics professionals who were readily accessible and willing to participate. This method allowed for quicker data collection and provided practical insights from individuals actively involved in customs clearance operations.

#### DATA ANALYSIS TOOLS:

SPSS (Statistical Package for the Social Sciences) is a software package used for statistical analysis in various fields, including monitoring and evaluation

- **Descriptive statistics**: It used to summarize and describe the basic features of the data collected. This includes measures such as mean, median, mode, standard deviation, and percentages.
- **Correlation Analysis**: It is used to examine the strength and direction of the relationship between two or more variables.

#### VI. SIGNIFICANCE OF THE STUDY

This study is significant as it sheds light on the operational challenges and customer satisfaction levels within the freight forwarding sector—an essential component of global trade and logistics. By identifying key problem areas such as poor coordination with carriers, customs delays, and documentation errors, the research provides valuable insights that can help logistics providers enhance their service quality.

The findings are especially useful for freight forwarders seeking to improve efficiency, adopt digital solutions, and meet growing customer expectations. Additionally, this study contributes to the limited localized research on freight forwarding operations, particularly in the Indian context, offering practical recommendations that can support industry development, policy improvement, and strategic decision-making in the logistics ecosystem.

#### FINDINGS

#### **Descriptive Statistics**

The hypothesis typically tests if the sample mean is significantly different from a known value or population mean. In your case, where you have the mean (1.97) and standard deviation (0.816) for unforeseen shipping costs' effect on revenue, you might want to test whether the mean is significantly different from a value you expect or hypothesize.

Null Hypothesis (H<sub>0</sub>): The mean percentage of revenue affected by unforeseen shipping costs is equal to a specific value

Alternative Hypothesis (H<sub>1</sub>): The mean percentage of revenue affected by unforeseen shipping costs is not equal to that specific value.

Descriptive Statistics								
	N	Mean	Std. Deviation					
What percentage of your revenue is affected by unforeseen shipping costs?	64	1.97	.816					
Valid N (listwise)	64							



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#### **INTERPRETATION:**

The results from the descriptive statistics show that, based on a sample of 64 respondents, the average perception of how much unforeseen shipping costs affect revenue is 1.97, which suggests a slight impact. The standard deviation of 0.816 indicates moderate variability in the responses, meaning that while most respondents reported a similar level of impact, there was some variation in their perceptions. Overall, the data suggests that unforeseen shipping costs are perceived to have a slightly below moderate effect on revenue, with some differences in how respondents rate this impact.

#### Correlation

A hypothesis for correlation typically involves a **null hypothesis** ( $H_0$ ) and an **alternative hypothesis** ( $H_1$ ), aiming to test whether a statistically significant relationship exists between two variables.

#### Null Hypothesis (H<sub>0</sub>):

There is no significant correlation between Variable A and Variable B.

#### Alternative Hypothesis (H1):

There is a significant correlation between Variable A and Variable B.

Symmetric Measures							
		Value	Asymptotic Standard Error <sup>a</sup>	Approximate T <sup>b</sup>	Approximate Significance		
Interval by Interval	Pearson's R	019	.139	149	.882°		
Ordinal by Ordinal	Spearman Correlation	003	.131	023	.981°		
N of Valid Cases		64					
a. Not assuming the null hypothesis.							
b. Using the asymptotic standard error assuming the null hypothesis.							
c. Based on normal approximation.							

#### **INTERPRETATION:**

The analysis of the crosstabulation between the operation area of asset-based carriers and the types of freight forwarding services offered shows no significant correlation between the two variables. Both the Pearson's correlation coefficient (r = -0.019, p = 0.882) and the Spearman's rank correlation coefficient ( $\rho$  = -0.003, p = 0.981) indicate an extremely weak and statistically insignificant relationship. Therefore, we fail to reject the null hypothesis and conclude that the operation area of asset-based carriers is not significantly associated with the type of freight forwarding services offered

#### VII. RECOMMENDATION SUGGESTIONS

To overcome these challenges, the study suggests that Vrrddhi Freight Pvt Ltd should prioritize the digitization of its logistics operations. Investing in modern logistics software and automation tools can streamline documentation, enhance shipment visibility, and reduce manual errors. Automation of routine tasks such as billing, cargo tracking, and reporting can significantly boost efficiency. The company should also focus on employee development by conducting regular training programs on trade regulations, customs processes, and logistics best practices to improve workforce capability and confidence.



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Improving infrastructure is equally important. Collaborations with third-party warehousing providers and last-mile delivery services can help expand logistics coverage and reduce transit times. Modernizing the fleet and using smart route optimization tools can lower operational costs and environmental impact. On the customer service front, establishing a dedicated team for real-time communication and creating a digital platform or mobile app for tracking and support can greatly enhance customer satisfaction. Strengthening compliance through expert consultations and implementing standard regulatory checklists will also reduce the risk of penalties and delays.

#### VIII. CONCLUSION

In conclusion, the study reveals that Vrrddhi Freight Pvt Ltd faces a variety of interconnected challenges that hinder its operational effectiveness and customer service quality. These include outdated technology, regulatory hurdles, logistical inefficiencies, and human resource issues. However, these challenges also present opportunities for transformation. By adopting digital solutions, investing in employee training, enhancing infrastructure, and improving customer engagement strategies, the company can significantly improve its service delivery and market competitiveness. With a structured approach to overcoming these problems, Vrrddhi Freight can position itself as a more efficient, responsive, and future-ready freight forwarding company in an increasingly competitive logistics industry.

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