



# A Study on Service Quality Evaluation Towards Air Freight Forwarding With Special Reference To VRL Logistics Limited, Coimbatore

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## ABSTRACT

Freight forwarding is the planning and coordinating of the movement of commodities across international borders, on behalf of shippers. Other tasks involved include, but are not limited to: warehouse planning, supplying cargo insurance, and customs brokerage. Freight forwarders are integral to the supply chain and act as intermediaries between the company who makes the shipment and the final destination of the goods. Although they do not carry out the shipments themselves, they offer different modes, such as sea/ocean freight, rail freight, road transport, and air freight shipment. They often use multiple modes for the transport of a single shipment. The objective of the study is to analyse the Service Quality Evaluation Towards Air Freight Forwarding With Special Reference To VRL Logistics Limited, Coimbatore. Total number of sample taken for the study is 217 respondents. Convenience sampling techniques were used for the study. Primary data and secondary data have been used in the study.

**Keywords:** Service quality, freight forwarding, Empathy, Assurance, Reliability.

## I. INTRODUCTION OF THE STUDY FREIGHT FORWARDING

Freight forwarding is the planning and coordinating of the movement of commodities across international borders, on behalf of shippers. Other tasks involved include, but are not limited to: warehouse planning, supplying cargo insurance, and customs brokerage.

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transport, and air freight shipment. They often use multiple modes for the transport of a single shipment.

**PROCESS OF FREIGHT FORWARDING:** The process of freight forwarding involves multiple stages:

- Export haulage: It refers to the transfer of consignment from its original source, that is, the manufacturing place to the freight forwarders' warehouse.
- Export customs clearance: In this stage, the consignment receives clearance for shipment.
- Origin handling: It refers to the inspection and validation of the cargo against the booking documents.
- Import customs clearance: It involves the unloading and customs clearance paperwork for cargo, which will be inspected by the respected authorities.
- Destination handling: It refers to the handling of consignment being shipped once it reaches the destination, including transfer to the import warehouse.
- Import haulage: It refers to the final transfer of consignment from the import warehouse to the buyer's place.

**ROLE OF FREIGHT FORWARDER:** The following is a brief breakdown of a day in the life of a forwarder:

### Shipment Tracking

Forwarders use a Transportation Management System (TMS) to maintain transparent visibility throughout each stage of a shipment's voyage.

### Customs Brokerage



This critical piece of forwarding requires special licensure—a customs brokerage license. Licensed brokers are the only people qualified to manage and submit the extensive documentation necessary to complete importing/exporting processes.

#### **Warehousing**

Some forwarders may have their own warehouses available to harbor shippers' commodities (or parts of commodities), but for the most part, the service customer's forwarder will offer is to arrange storage at a warehouse owned and operated by a conveniently located affiliate.

#### **Negotiating**

Bargaining with carriers for cost-efficient shipping rates is no easy task. The art of this deal entails appealing to carriers' interests by balancing the pros and cons of customer's cargo type, time flexibility, credit status, space/tonnage requirements, and more.

#### **Cargo Space Scheduling**

Savvy coordination and scheduling of cargo space are the more tangible parts of a forwarder's skill set. If customer hire a freight forwarder to manage logistics, this is where they'll have the opportunity to display their chops. It takes a thoughtful planner to determine whether it is profitable to consolidate a shipment, to secure timely sailings, and to weigh the feasibility of intermodal shipping options. Cargo scheduling is the logistics of "Logistics."

#### **Consolidating Freight**

Forwarders may have several customers who all need to transport shipments that do not necessitate the use of an entire container. Freight consolidation for less than container load (LCL) shipping is a service forwarders provide wherein multiple smaller consignments are all booked aboard the same container. In these instances, the shipping cost is spread amongst all participating customers based on the cargo's space requirements.

## **II. STATEMENT OF THE PROBLEM**

Good service quality leads into customer satisfaction and, therefore, makes the firms more competitive in the market. High service quality can be achieved by identifying problems in service and defining measures for service performances and outcomes as well as level of customer satisfaction. Evaluating service quality of freight forwarder industry is not an easy task due to its heterogeneity, intangibility and inseparability. VRL logistics limited, Coimbatore has been taking efforts to offer service quality to its customers. The company is in the intention to increase customer satisfaction,

customer retention and acquiring new customers. It needs to maintain the potential competitiveness in the industry for the long term survival. The service quality offering to the customers must be evaluated frequently to know the customer expectation and perception in the market. Hence the study is taken to analyse service quality evaluation towards air freight forwarding with special reference to VRL logistics limited, Coimbatore.

## **OBJECTIVES OF THE STUDY**

### **Primary objective**

➤ To Study On Service Quality Evaluation Towards Air Freight Forwarding With Special Reference To VRL Logistics Limited, Coimbatore

### **Secondary objectives**

- To understand the service quality in customer requirement
- To evaluate the service quality in technical measures
- To measure the service quality towards customer relationship management
- To measure the customers satisfaction in reliability of the concern
- To obtain suggestions from the respondents to enhance service quality in the company

## **SCOPE OF THE STUDY**

The study is confined VRL Logistics Limited, Coimbatore. It analysis about the service quality evaluation towards air freight forwarding in the company. The sample of the study is 217. The study helps to measure the perception of service quality of the company. It will be useful to understand the service quality in customer requirement and technical measures of the company.

## **LIMITATIONS OF THE STUDY**

- The geographical area for the study is the Coimbatore only.
- Time and sample size is the main constraint.
- The customers provide data from their memory. The data furnished by the sample customers may not be accurate.
- The data are qualitative in nature which is collected from the customers.
- The population for the study was 217 only.
- The sample size for this study was small compared to the total customer's strength of the organization.

## **III. REVIEW OF LITERATURE**

**Hartono et al. (2017)** proposed the integration of SERVQUAL, the Kano model, Kansei Engineering, and the quality function



deployment to study the quality of logistics services. They identified 26 attributes that were categorised in the five dimensions of SERVQUAL, and the attributes were then used to assess the quality of a hyperlocal transport service companies (that used motorcycles) in Indonesia. This study also proposed a method to determine the importance of each attribute: multiplying the satisfaction score (derived by the gap analysis) with the Kano weight and the Kansei score.

**Cheng et.al (2018)** empirically study the freight forwarding industry in terms of demographic profiles, capabilities of providing different type of logistics services, service performance and the perceived prospects in Hong Kong. They explain many forwarders have high capability to provide freight forwarding and traditional logistics service, but they seem to lack the ability to provide other value-added service.

**Zhou Wenyong, Z. Jing, Chen Hongxiang (2019)** Due to the growing challenge from the foreign freight forwarders, the international freight forwarder (IFF) industry in China is experiencing a severe test. In order to remain competitive and customer loyalty, service quality and customer satisfaction increasingly have become the key to success in IFF business. This paper provided a system of quality evaluation for freight forwarding service (FFS) developed from SERVQUAL, which was composed of 5 dimensions and 17 items. And then the customers' perceived quality of the FFS they received was measured using by fuzzy comprehensive appraisal. Moreover, customer satisfaction index was used to discover and analyze the key factors of customer satisfaction. Additionally, an example was shown to illustrate above evaluation system and operation process.

**Martina Zsófia Török, Dr. Mónika Pónusz (2020)** In the past years, service quality and its influencing factors have become a recurring topic of study. Literature offers several approaches to the definition of service quality, which address the parameters affecting services based on different interpretations. The present study deals with the definition of service quality, as well as the ways of measuring service quality as seen in international models. We aim at presenting the changes in the definition of service quality over the past few years, and the factors that help identify and measure the quality of services. The course of business in companies is vastly influenced by the quality of services offered and used, therefore, this study also looks at the relationship between service quality and the course of business.

**Seock-Jin Hong, Il-Soo Jun (2022)** This paper analyses the differences between the service quality priorities of air cargo service providers and customers. After having identified what constitutes the decisive factors when it comes to air cargo service quality, research was carried out on the differences between the service quality priorities of air cargo service providers and customers. The clear differences between the service quality priorities of Korean air cargo providers and those of air cargo providers from other countries which our paper uncovered make it clear that these two groups should be treated as separate research subjects.

**Porter ME (2024)** In literature, many scholars already discuss the service quality issues of liner shipping and third party logistics service provider, however, few researches apply quality function deployment (QFD) to explore the service quality requirement of international freight forwarders. The main contribution of this paper is conducting expert consultation from Japan, Korea and Taiwan to define the important solutions for this industry. QFD is a special procedure to transform service quality requirement into technical requirement through analysing the relationship between technical measures and customer requirements. Applying QFD would not only identify important service quality requirement but also understand useful technical measure for quality improvement. Measuring service quality of freight forwarder industry is not an easy task due to its heterogeneity, intangibility and inseparability. Perceived service quality is the description of interaction between customer and service provider, so we could obtain service quality requirements directly from shipper with quantitative and qualitative surveys.

### Research Gap

Prior research on air freight forwarding has mostly been on supply chain integration, cost control, and logistical efficiency optimisation, with a particular emphasis on operational and technical factors. Although service quality has been studied in relation to delivery speed and tracking accuracy, little study has been done on how effectively businesses satisfy certain client needs and expectations. Furthermore, technical assessments of service quality often ignore the subtleties of customer relationship management, which is essential to customer happiness and retention. Customer happiness has been studied, but little is known about how it relates to how reliable air



freight services are seen to be. By analysing service quality via customer-centric lenses and analysing both technical metrics and the efficacy of customer relationship management, this research seeks to close these gaps. By doing this, it aims to give a more thorough knowledge of the elements that influence customer satisfaction in the air freight forwarding industry, bringing new perspectives that haven't been completely explored in earlier research.

#### IV. RESEARCH METHODOLOGY

Research methodology is a collective term for the structured process of conducting research. There are many different methodologies used in various types of research and the term is usually considered to include research design, data gathering, and data analysis. In simple terms, research methodology is used to give a clear-cut idea of what the researcher is carrying out his or her research.

**a. Study area:** Study area is VRL Logistics Limited, Coimbatore.

##### b. Design of the study

The research design helps a researcher to pursue their journey into the unknown but with a systematic approach by their side. Research design is a plan to answer the research question. A research method is a strategy used to implement that plan. Research design and methods are different but closely related, because good research design ensures that the data you obtain will help you answer your research question more effectively.

**c. Source of the data:** Data refers to information or facts. It includes numerical figures, qualitative and quantitative information. There are two types of data collection method. They are

- Primary data
- Secondary data

**Primary data:** A primary data is a data which is collected for the first time for a particular interest to collect more information. In this study the primary data was collected through questionnaire.

**Secondary data:** Secondary data consists of information that already exists somewhere have

been collected for some other purpose. In this study secondary data was collected from company website, magazines, journals and books.

##### Sample design

The sampling technique adopts for this research purpose is Convenience sampling.

##### Convenience sampling

People or elements in a sample are selected on the basis of their availability. If researcher are doing a research survey and work at a university, for example, a convenience sample might consist of students or co-workers who happen to be on campus with free time who are willing to take questionnaire.

**Population:** The aggregate elementary units in the survey are referred to as the population. Here it covers the entire customers of VRL Logistics Limited, Coimbatore.

**Sampling Unit:** Sampling unit is in Coimbatore.

**Sample size:** The sample size for this research is 217.

##### Analytical tools and methods

Statistical analysis is a scientific tool that helps collect and analyze large amounts of data to identify common patterns and trends to convert them into meaningful information. In simple words, statistical analysis is a data analysis tool that helps draw meaningful conclusions from raw and unstructured data. The following are the tools used by the researcher to interpret the data and to provide conclusion for the study.

- Percentage analysis
- Chi-square test
- Correlation

##### CHI-SQUARE ANALYSIS

##### RELATIONSHIP BETWEEN THE YEARS OF DEALING AND TANGIBLES HYPOTHESIS TESTING

**Null hypothesis (Ho):** There is no significant relationship between the years of dealing and tangibles

**Alternative hypothesis (H1):** There is some significant relationship between the years of dealing and tangibles.

Case Processing Summary							
		Cases					
		Valid		Missing		Total	
		N	Percentage	N	Percentage	N	Percentage



Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percentage	N	Percentage	N	Percentage
YEARS OF DEALING AND TANGIBLES	217	100.0%	0	.0%	217	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	134.985 <sup>a</sup>	30	.000
Likelihood Ratio	148.783	30	.000
Linear-by-Linear Association	38.314	1	.000
N of Valid Cases	217		

a. 23 cells (52.3%) have expected count less than 5. The minimum expected count is .47.

**INTERPRETATION:** As per the above table, it is inferred that the P value is 0.000; it is significant to 5% (0.05) significant level. The minimum expected count is 0.47. Thus alternative hypothesis is accepted and it is found that there is some significant relationship between the years of dealing and tangibles.

### V. FINDINGS

- 36.9% of the respondents are satisfied towards the firms provide individualized attention.
- 51.6% of the respondents are highly satisfied towards the firms provide individualized attention.
- 53.9% of the respondents are neither satisfied nor dissatisfied towards the employees have the best interests of the customer in mind.
- 49.8% of the respondents are neither satisfied nor dissatisfied towards the operate at convenient hours.
- There is some significant relationship between the years of dealing and tangibles.
- There is negative relationship between the amount of monthly and reliability.

### VI. SUGGESTIONS

- There must be consistent facilities with the industry to long survival in the competitive circumstances.

- The company must offer service delivery at promised time to assist customers. There must be accurate records to maintain to offer quality service for its customers.
- The staff must inform customers regarding if there is any failure to offer service at the promised time. There must be trustworthy employees in the company to have long term customer relationship.
- The firm has to provide individual attention for the customers. The employees must understand the customer needs to help for them.

### VII. CONCLUSION

Service quality and customer satisfaction are important aspects of business since a company's growth is largely dependent on how well it maintains its customers through service and how well they keep their customers satisfied. Freight forwarders are an integral part of the supply chain and act as intermediaries between the company that makes the shipment and the final destination of the goods. It is the coordination and shipment of goods from one place to another via single or multiple carriers via air, marine, rail, or highway. Since the customers depends its timely services, the freight forwarding company plays major role for the business.

The study reveals that respondents exhibit a high level of satisfaction with various aspects of the



services provided, particularly in areas such as up-to-date equipment, timely responses, and trustworthiness of employees. Overall, the results suggest that while the firm Sanguine Logistics performs well in delivering promised services and maintaining accurate records, enhancing employee interactions and individualized attention could further elevate customer satisfaction. It is concluded that the company must allocate resources and utilize the same for offering quality service as well as it must ensure for quality centric services.

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