

EXPORTERS SATISFACTION ON DOCUMENTS SERVICES PROVIDED BY SHIPPING COMPANIES

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ABSTRACT

Service industry in India is booming very fast and shipping services is one of those industry which is contributing significant amount in Indian Economy. Shipping companies provide various services to exporters like, selection of route, providing freight, transportation, warehousing, insurance and documentation. Shipping companies provide services to exporters to make various documents like Invoices, Packing list, Bill of Lading, Certificate of Origin or any other required documents. Among all other services provided by shipping companies documentation is being considered very critical, as it is very important to have correct and on-time documentation. Discrepancy in documents and delay in preparation of documents may cost to exporters in huge amount. In this research paper researcher try to identify the satisfaction level of exporters on services provided by shipping companies related with documentation. For the said descriptive research design had been adopted. Primary data has been obtained from 100 exporters of various products through Gujarat. For this purpose researcher asked structured question to exporters regarding on-time preparation of documents, correctness of documentation, scope of verification of final preparation of documents. Researchers applied Chi-square test to know the influence of service quality of documents on customer satisfaction. Percentage analyze used to know that to what extent of exporters are satisfied with services provided related with documentation.

KEYWORDS: NVOCC, Shipping Company, Export Documentation, Customer Satisfaction.

Introduction

India adopted globalization in 1991 and ever since, India is one of the world's fastest growing economy. India's potential in export is huge as it shows that export from India increased from USD 45 Million in 2001 to USD 276 Million in 2017. In same way India's import increased from USD 51 Million in 2001 to USD 384 Million in 2017. Increase in foreign trade from one country always allows other industries or dependent industries to grow. In same way, as India's share in foreign trade increase, other dependent services like Shipping companies, Logistic, Port operation, and ware house services also increased because of demand from Exporters. As customer satisfaction is an integral part of marketing strategy of any business and to retain the customer, companies must satisfy their customers. In today's perfect completion market every service providers need to act fast and professionally in order to succeed. Being able to ship goods from one country to another and without committing mistakes is essential to lead the competition. Shipping companies (Freight Forwarders, NVOCC and Carrier companies) are those companies which provide shipping services to exporter. And shipping services primarily include freight and logistics of cargo from one port to another port. But as completion increase in shipping sectors, shipping companies also started providing other allied services like warehousing, transportation, Insurance, and Documentation.

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Shipping companies prepare different documents to its customers like:

- Bill of Lading,
- Certificate of origin,
- Shipping Bill Filing,
- Commercial Invoice
- Packing List
- Quality Certificate
- Legal documents.
- Others (As demanded and *required by Exporters*)

Documentation services provided by shipping companies is very crucial in foreign Trade, as a single discrepancy in any documents may stuck up the payment of exporter or stuck up cargo of Importer at Port. Exporter doesn't want to face such situation, so they always expect to have correct, error free and on time documentation from their shipping companies.

Literature Review

A common statement that defines satisfaction is Customer Expectation Vs Customer Experience. If customers' real time experience is equal to expectation, they will be satisfied and if that experience exceeds their expectation, customers will feel delighted. Analysing satisfaction is tough task, it became complex in the case of services because of every individual expectations are different In term of service quality of documentation, researchers reviewed some earlier work done by various researchers and authors.

Mehta S.C and Durvasula S. (1998), studied SERVQUAL dimension with organizational performance in B2B business services, where researchers studied freight services provider in Singapore. Researcher mention that shipping companies provide various services which include claim and complain handling, and documentation also. Researcher discussed that service quality has impact in organisation performance and if customer experience poor service they may lose customer order or delay in payment. Whereas good service quality from sipping companies will lead to get more orders to exporter.

Balabais J.A. (2000) conducted research on factors affecting services provided by export intermediaries in England. Researcher mention that intermediaries offer various services like freight, transportation, promotion, documentation and others. Researcher mention that documents may be required with special approval from consulate, special permission and other regular documents are also being prepared by these intermediaries.

Lu C.S (2000), conducted a research to examine the logistic services in maritime industry of Taiwan (ROC). Researcher analysis different factors to assess the degree of importance of different variable of services. Researcher identify that the most strategic dimension was *value added services*, followed by *equipment and facilities*, and *speed and reliability of services*. Speed and reliabilities include on time departure and arrival as well as on time documentation also. Researcher mention that this way companies can improve their competitive advantages.

Jirsak P., Kolar P. (2012), conducted a research in Czech Republic to identify the orientation of logistic and shipping service provider toward customers' orientation policy. For data collection researchers conducted interview with companies and also collected data through questionnaire. After analysing the data researchers mention that to customer orientation must be core focus of the shipping companies and companies must keep customer close while making marketing plan. Researchers also mention that all employees of the organisation must be aware about company's customer policy so they can treat customers in well manner, it will increase customer satisfaction. Furthermore researchers also mention that top management of companies should analyse customer companies and claims to provide better service next time. Researchers' mention that customer orientation allow companies to have competitive advantage and economy of scale.

Kuo and Chin (2012), find that shipping companies should give importance to CRM attributes such as communication, response, and problems and complain, understanding customers need. This will give them competitive advantages. Their research also suggest that price, gifts and price difference with other are all critical points and freight forwarders should take these all in account to develop better CRM.

Jin-Long Lu (2013), conducted research to know the factors play important role to select shipping company by shipper and International freight forwarders in Taiwan. Researcher collect data by using hierarchical information integration (HII) approach and apply multiple linear regression models to know the critical factors. Researcher mention that there are following factors which affect the shipper

decision to select shipping company: **Reliability** (Pickup and delivery reliability; On-time arrival and departure; Schedule reliability; Transit time reliability; Condition of equipment and containers), **General Reputation** (Historical operating performance; Carrier reputation; Financial stability; Loss and damage records), **Rates** (Transportation rate & Negotiation rates), **Service Quality** (Various services; Tracking capability; Multimodal services; Convenience of the location for Picking-up and unloading goods; Coverage of destination ports; Expertise/Knowledge of Sale representatives; Frequency of sailing; Acceptance of less shipments), **Shipping Order and Operation** (Speed of issuing shipping documents; Accuracy of shipping documents and Bills; Speed of claims; Space availability), **Communication** (Interaction with customers; Willingness to negotiate services to Satisfy needs; Responses and communication; Regard to shipping business; Familiar with local regulations and systems). Research conclude his research by identifying top 5 attributes which affect the decision of shipper to select the shipper as: Carrier Financial Stability; Pickup and Delivery Reliability; Transit Time Reliability; Accuracy Of Shipping Documents And Bills; Carrier Reputation.

Yuen, K. F., & Thai, V. V. (2015), conducted research with objective to know the dimensions of service quality inline shipping and examine their effects on customer satisfaction. Researcher identify the service quality indicator from literature review and found that quality indicator can be divided in four ways: reliability, responsiveness, speed, and value. Researchers mention that services which save time of exporters are valued greater than cost saving services.

Shylender A. and Kavitha S.F. (2015), studied the satisfaction of customer toward air freight services provided by companies with the objective to understand the documentation process followed by TM cargo logistic. For this research, researcher collected data from exporters and importers, and analysis result with the help of chi square test. Researcher suggests that shipping companies must avoid delay in documentation process to have more satisfied customers.

Rahmat A.K. and Faisol N. (2016), conducted semi structured interview of four logistic companies and three logistic service users and collected and study data to find out the reasons of satisfaction of users of logistic service in collectivist society like Malaysia. Researchers found that, on time delivery, Delivery condition and **Accuracy**, Key contact person of company are the more crucial elements to have satisfied customers.

Research Methodology

- **Research Problem:** India is one of the fastest developing economy and with its share of 1.7% in total world trade. Many domestic and multinational shipping companies are coming up from shipping service sector are looking forward to enter in India so completion will increase in this sector. In such competitive environment best service quality and satisfied customer are need to survive. Correct documentation is very crucial in foreign trade as it has direct impact on customer satisfaction, so it's important to know, the service quality of documentation provided by shipping companies and satisfaction of exporters toward this service.

- **Objective of Research**

- Ultimate aim of this research paper is to measure present satisfaction of exporters toward service quality specially related with documentation services provided by shipping companies.
- To know that relationship between business age satisfaction on documents services provided by shipping companies.
- To know the nature of Industry of exporters and their satisfaction toward the satisfaction on documentation services.

- **Research Design & Data Collection:** This research paper is a descriptive research paper where researcher collected samples from Exporters of Gujarat of different commodities and products (i.e. Agriculture, Pharmaceuticals, Ceramic, and Chemical Exporters) through a structured questionnaire which was mailed to 250 exporters and researchers got response from 200 of them. Some responses were collected through telephonic interview.

- **Contribution of Research:** This research is helpful to the shipping industry as they will come to know about the satisfaction of their customers i.e. Exporters. Also this research will be contributing in academic field of B2B service marketing.

- **Limitation of research and Area of Further Study:** Every research is an incomplete research if it does not have any area of further research. Just like same way, this research paper is also have limitation and is of improvement. Lack of Time is one of the major limitations of this research and another

limitation of this research is that it is being conducted with in a specific geographical area and that is Gujarat. Researchers choose only one service (Documentation) to know the satisfaction of exporters. This is also are of further research that another research can be done by taking all other services.

- **Statistical Tools:** The following statistical tools will be used by researchers to analysis the different services provided by Freight forwarders and their impact on Satisfaction.
 - **Percentage Analysis:** To know the various variables of different services provided by Freight forwarders and their impact on customer satisfactions.
 - **Chi-Square test:** To know the dependability of various variables on service provided by freight forwarders.
- **Hypothesis:**
 - Hypothesis to know the influence of **Business age on satisfaction for various variables of documents services:**
 - Hypothesis to know the influence of **Industry of Business on Satisfaction for Various variables of documents service**

Data Analysis

Researchers sent structured question to 200 exporters and 184 respondent revert. Percentage analysis has been used to analysis data and chi-square is being used to know that dependency of different variables. While analyzing Percentage analysis, researchers divide measure satisfaction level of customers on the scale of 1-5, where:

1 = Highly Satisfied, 2 = Satisfied, 3 = Average, 4 = Dissatisfied, 5 = Highly Dissatisfied

Below tables are reflecting about the basic data of respondents like industry of respondents, time in business, various services provided by shipping companies, and reason for change in shipping services.

Industry (Export)	Responses (%)
Agriculture	16
Pharmaceuticals	31
Ceramic	24
Textile	19
Chemical	12

Table 1: Industry of Respondents

Time in Business	Responses (%)
No information provided	41
More than 20 Years	30
15-20 Years	5
10-15 Years	16
Less than 5 Years	8

Table 2: Time in Business

Service Provided	Responses (%)
Provide Services for Limited Countries	19
Provide only Limited Services	7
Provide All shipping servicesfor all countries	74

Table 3: Service Provided by Shipping



Chart 1: Services taken from Shipping Companies by Respondents

This chart is showing that all respondent are taking services of Price/Ocean freight as it is basic and much required part of shipping companies' jobs. But apart from this 74% respondents are taking services of documentation. 53% are taking services of Transportation and 48% are taking services of custom clearance (CC). But very few respondents are taking services of Insurance from shipping companies, this is because of that they are getting it done by them self.

Change in Service Provider	Responses (%)
Yes	93
No	07

Table: 4 Change in Service Provider

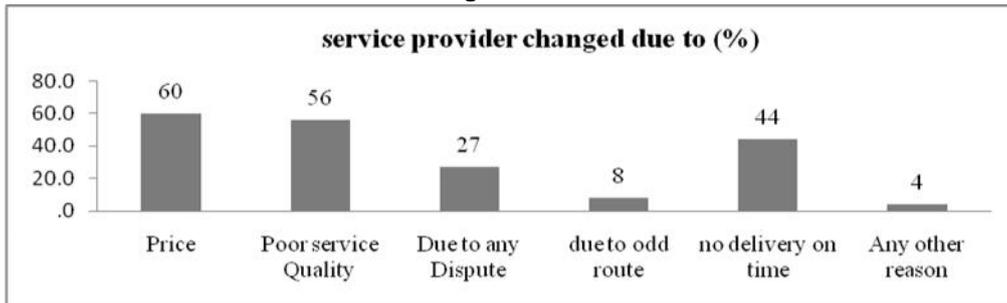


Chart 2: Reasons to Change Service Provider

This chart is showing us the various reasons, due to which respondents have changed their shipping companies. Price is the major factor, but as this research is more concern with Service quality, it can be observed that after price its service quality due to which 56% respondents changed their service provider. After Service quality other reasons are: *not delivery on time, dispute, odd route and other reasons* respectively.

• **Data Analysis on Documentation Services Provided by Shipping Companies**

Below tables reflect reply from respondents about different question asked about the documentation services (i.e. Document name which their shipping companies are providing, sending draft for approval before making final documents, and correction of mistake in draft if any found.)

Documents Name	Responses (%)
Only Bill of Lading	65
All Documents (Include Bill of Lading, Invoices, Packing List, certificate of Origin, Legalised documents, and Others.)	35

Table 5: Documents Name Get Prepared from Shipping Companies

Documents Draft sent by Shipping Companies	Responses (%)
Yes	95
No	5

Table 6: Documents Draft Sent by Shipping Companies

Correction in Documents Mistake by Shipping Companies	Responses (%)
Yes	97
No	3

Table 7: Mistake Correction by Shipping Companies



Chart 3: Time Taken to Prepare Documents

Every respondent wish that their shipping documents should be get prepared as soon as possible so they can send these documents to buyer and get the payment without any delay.. We can see that around all respondents are getting their Bill of lading within 3-5 days, which is ideal time period to get bill of lading. And more than ¾ respondents are not getting their Invoice and packing from shipping companies. as they are making it by them self. 64.00% of respondents are also not getting their legalization documents; only less than ¼ of respondents are getting their other documents from freight forwarders. Around ¼ of respondents are getting their legalization documents only after 1 week and almost ¾ of respondents are getting their other documents within 10-15 days which is much more days than standard time.

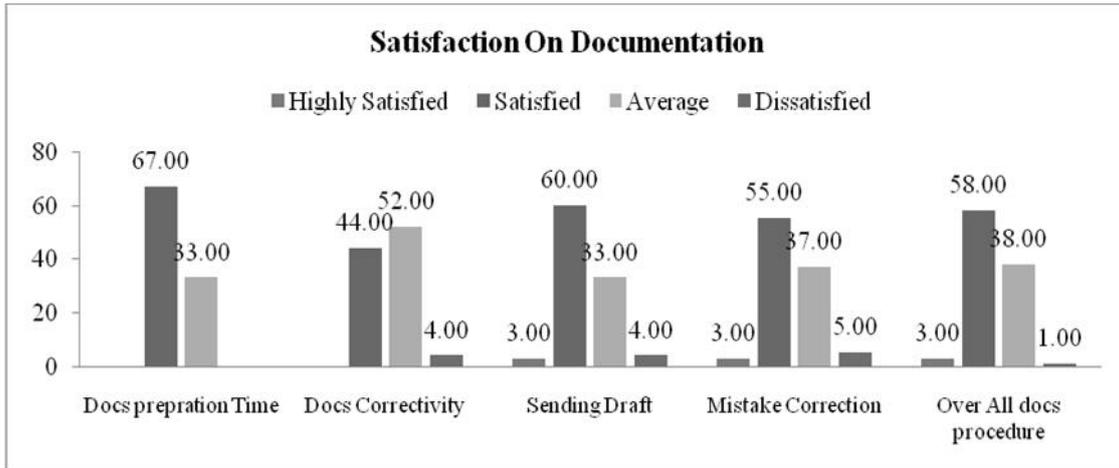


Chart 4: Satisfaction Level on Service given Related with Documentation

Chart B6, is showing the satisfaction level of respondents on the services related with documentations. From the above data we can see that around 1/3 of respondents are putting their SHIPPING COMPANIES. on the scale of Average in documents preparation time. It means that they are expecting that their documents should be get ready so they can send documents to buyer and get the payments. When it comes to documents correctively, more than ½ of respondents are expecting that documents should be more correct as they put their service provider on the scale of Average. Also it is visible that 4.00% respondents are dissatisfied with the correctively of documents. Freight forwarders are being judged on sending draft parameters around 1/3 of respondents are expecting improvement in sending draft. It is because of the reason that some time freight forwarders do not send correct draft related with respondents and some time they took longer time than usually. In the case of mistake correction more than ½ of the respondents are satisfied with it but around 1/3 respondents are expecting some more improvement in this area. While around 58.00% of respondents are satisfied with overall documents preparation but around more than 1/3 of respondents are expecting something better than what they are getting actually.

Hypothesis Testing

Hypothesis to know the influence of **Business age on satisfaction for various variables of documents services:**

- **H₀:** There is no significant influence of Business time on satisfaction for various aspects of documents preparation.
- **H₁:** There is significant influence of Business time on satisfaction for various aspects of documents preparation.

Documents Services provided by shipping Companies and their Variables	Asymp. Sig. (2-sided)
Docs preparation Time	0.149
Docs Correctively	0.216
Sending Draft	0.149
Mistake Correction	0.269

Conclusion

As chi-square value of all elements of documents services elements is higher than 0.05, here we can conclude that H0 is accepted. There is no significant influence of Business time on satisfaction for various aspects of documents preparation system followed by freight forwarders.

Hypothesis to know the influence of **Industry of Business on Satisfaction for Various variables of documents service**

- **H₀**: There is no significant influence of nature of Business on satisfaction for various aspects of documents preparation.
- **H₁**: There is significant influence of Nature of Business on satisfaction for various aspects of documents preparation.

Documents Services Provided by Shipping Companies and their Variables	Asymp. Sig. (2-sided)
Docs preparation Time	0.023
Docs Correctively	0.201
Sending Draft	0.534
Mistake Correction	0.221

Conclusion

As chi-square value of all (except Documents preparation time) elements of documents services elements is higher than 0.05, so H0 is accepted. There is no significant relationship between nature of business and documents correctively, sending draft and Mistake correction. But as Documents preparation time value is < 0.05, so there H0 is rejected and there is relationship between documents preparation time and nature of business.

Findings

After the data analysis, researchers found:

- From total number of respondents, maximum are exporters and 30% respondents are in their current business since more than 20 years.
- Research found that 75% of shipping companies provide all kind of services like warehousing, freight, documentation, insurance, and transportation.
- When it was asked that ever they change their service provider, maximum respondents reply was positive and main reason behind it is service quality after prices of services.
- It was found that maximum number of respondents (93%) take services of documentations from shipping services. ¼ respondents only get Bill of lading as their documents service rest other get prepared all other documents along with bill of lading from shipping company.
- It was found that all service taker get draft of their documents for final approval and shipping companies correct the mistake if any found.
- Shipping companies took minimum time to prepare a documents is 3-5 days for Bill because this is the documents which is being only issued by Shipping company, and maximum time is being taken by legalization process of documentation.
- About the satisfaction on documentation services, researcher found that maximum service takers are satisfied with time taken to prepare documents, while on corrective issue maximum respondents gave average ranking to the shipping companies' services.
- When relationship between respondents age in business with satisfaction was tested, researchers found that there is no relationship between time spent in business and satisfaction on business.

Conclusion

Researchers start this research with the prime objective to know the satisfaction of exporters on documentation services provided by shipping companies. Here researchers would like to conclude with the above analysis that exporters are satisfied with the documentation services provided by shipping companies. Researchers also tried to found the various documents which are being prepared by shipping companies for exporters. Researchers found that Bill of Lading is documents which is being always prepared by shipping company and rest other documents are also being prepared by shipping companies on the demand of exporters. Here researchers conclude that good quality of services always bring satisfied customers for the organization, and it help organizations to retain such customers for longer

time period. Here it can be said that quality work always help in customer retention. Researchers also conclude that this is just an attempt to understand satisfaction on a single service which is being provided by shipping companies, other services are also being provided by shipping companies, further research can be done on those services.

Suggestions

On the basis of above data analysis and observation, researchers concern for shipping companies that they need to improve their services, as still there is scope of improvement from satisfaction to highly satisfied, and from Average rating to satisfied or highly satisfied. It's is found fact that maximum respondents are satisfied with one time preparation, but they respondents gave average rating to Documents corrective, sending draft, and mistake correction after receiving instruction on draft. Because documentation is a time consuming process and any delay in documentation cost very high to exporters, they may lose buyer or payment may get delay due to wrong documentations. Shipping companies try to avoid such kind of mistake while providing services related with documentations.

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