

PREFERENCE TOWARDS THE SERVICES PROVIDED BY THE 3 PL SERVICE PROVIDERS AMONG THE KNITTED GARMENT UNITS IN TIRUPUR

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Abstract :Deploying a third party logistics by companies is mainly for improving the business and reducing the cost of doing business. The third party logistics helps the business units to improve their mode of doing business, increase the level of efficiency, reduce risks and saving the valuable time and amount.

IndexTerms - Third Party Logistics, Efficiency, Services, Supply chain management.

I. INTRODUCTION

Deploying a third party logistics by companies is mainly for improving the business and reducing the cost of doing business. The third party logistics helps the business units to improve their mode of doing business, increase the level of efficiency, reduce risks and saving the valuable time and amount. The at most advantage of timing with 3PL services period , a perfect supply chain management which will accommodate to clear specific business orders quickly , add and remove products as and when required, update the stock holding of the products, and enhancing the operations pertain to freight forwarding, logistics, warehouse and distribution. The second advantage of deploying a third party logistics will bring a decent and depth tracking system for monitoring the cargo flow between the departments and destination point. The third advantage would be the reduction of space (footage) in containers, ships, airplanes and reduce the amount of handling charges.

II. NEED FOR THE STUDY

The apparel units in Tirupur are exporting at large to various parts of the world. As the volume and nature of the product is heavy, deploying 3PL service provider is inevitable. The apparel units are involved in the production of men, women, children and multiple products of textiles. These units specifically uses various types of services provided by the 3PL, viz., shipping, forwarding, consolidating contract delivery, freight bill payment, household goods, Relocation, load tendering and brokering. This study is intended to analyse the preference of the knitted garment units on the various services by the 3PL service providers.

III. REVIEW OF LITERATURE

Alston and Kelly (2012) has analysed the objective of supply chain management and found that Supply chain management are practiced for increasing the value delivered to the customer. Ansari and Modaeress (2010) has analysed the challenges faced by the logistics service providers. From his research he has concluded that the manufacturers appoint logistics service providers not only for cost cut but also for cargo safety and security. Giuripero (2006) assessed the required skills for the success supply chain management and stated that the essential skills required for the effective supply chain includes team co-ordination, effective planning communication technology and financial ability. Hsiao (2010) analysed the effective usage of 3PL service providers, in addition he finalized that the third party logistics service provider can achieve better handling of truck loads and counter balancing.

IV. SAMPLE SIZE AND GEOGRAPHICAL AREA

For the purpose of identifying the preference of knitted garments on the services provided by the 3PL, Tirupur area was selected and the units of varied nature was accounted viz., sole proprietor, Firm, Company and buying house. A total of 316 sample units were covered with the composition of 19 units which are categorized sole proprietors, 136 as firm, 127 as company and 34 units who have registered as buying houses.

4.1 Statistical tools used

For analyzing the opinion of the entrepreneurs who are involved in knitting apparel production, the opinion were analysed through average ranking method. The overall mean scores were obtained and based on the highest of the score, the ranking was presented.

Table 1- Type of service specifically used by the knitted garment unit entrepreneurs.

S.No	Type of service specifically used	Mean	Rank
1	Shipping	2.8449	I
2	Forwarding	3.3323	V
3	Consolidation	3.1930	VII
4	Contract delivery	3.3259	VI
5	Freight bill payment	3.4399	IV
6	Organised activity	2.8513	VIII
7	Relocation	2.7880	IX
8	Load tendering	3.8259	II
9	Brokering	3.7057	III

Source : Computed from primary data:

From the analysis, it could be understood that, out of the various services provided, shipping services were highly utilized and has been ranked as I, the load tendering and brokering were followed by the second line securing the ranks of II and III, the freight bill payment forwarding, contract delivery, consolidation services were in the next line securing the ranks of IV, V, VI, VII. The services viz, organized activity and relocation have been accepted as the next line services, securing the VIII and IXth ranks respectively.

V.CONCLUSION

Out of the various services provided by the 3PL provider the major services utilized effectively were shipping, load tendering and brokering. Thus these services were highly expected and utilized by the knitted garment entrepreneurs of Tirupur.

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