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   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

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   ACKNOWLEDGMENTS

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CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

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CUSTOMER SATISFACTION TOWARDS THE CHARGES AND SERVICES OF THIRD PARTY LOGISTICS SERVICES FOR INTERNATIONAL TRADE – AN EMPIRICAL STUDY

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ABSTRACT

Third party logistics (3PL) is a business dynamic of growing importance all over the world. However, it is at a very nascent stage in India, though some domestic and multinational companies are trying to establish themselves in this sector. This paper is an attempt to provide a 3PL perspective in India. The paper focuses on two major issues of services and charges provided by the 3PLs and the preferences of services by various international traders with respect to international trade –and impact of usage of third party logistics services on business results. The paper reveals that most 3PL users are satisfied with the current level of services provided by 3PL service providers as it has led to a positive impact on business results. As a result, the usage of third party logistics services is likely to increase substantially in the future.

KEYWORDS
International traders, outsourced services, Third Party Logistics.

1. INTRODUCTION

Outsourcing has been a strategic management tool for a time now. The 2010 3PL globalStudy affirms that shippers regard logistics and supply chain management as key to their success, and many credit 3PL' s with helping them to achieve critical service, cost, and customer satisfaction goals. Results of the review are based on the responses from 1,133 3PL users and non-users, as well as 3PL s, which were added for the first time to the survey group in 2009.The 2009 global annual 3PL Study, 64% of shipper respondents cited total landed cost (TLC) reporting and analysis as a critical capability they would like to see in their 3PL s. This strong interest in total landed cost – the sum of all costs associated with making and delivering products to the point where they produce revenue – suggested to take a deeper look in this area and the results clearly portrays that there his huge demand for 3pl sector all over the world. Shipper-3PL relationships are being impacted significantly by the prevailing uncertainty and economicvolatility in global markets, It is very important for 3PLs to mitigate or reduce any financial risk or service level impact that this may causesignificant challenges for both shippers and third-party logistics providers (John 2009).As a provider of outsourced logistics services, know that openness, transparency and good communication, flexibility and the ability to achieve cost and service objectives are key to the success of customer relationships ,but in order to be an effective partner for our customers, it is also increasingly important for us to understand the entire business, not just logistics Kai Peters(2008). Thus, outsourcing allows organizations to reallocate resources, less needed for the value creation, to its core competencies (Loren, 2002). This increasingly powerful outsourcing trend is true for the third-party logistics (3PL) services industry (Qureshi et al., 2008) in which 3PL service providers perform traditional logistics functions such as inbound and outbound transport, warehousing and other services such as reverse logistics and managerial activities (Fabbe-Costes et al., 2009). The functions are carried out by logistics service providers, with specialised sub-suppliers, on behalf of industrial logistics service buyers.

Third party logistics services are widely prevalent in North America (Lieb, 1992; Lieb and Randall, 1996) and Europe (Lieb, Miller and Wassenhove, 1993) and have been examined in a number of previous studies. Similar studies have focused on logistics issues in Bulgaria (Bloomen and Petrov, 1994), South Africa (Cilliers and Nagel, 1994), Australia (Dapiran, Lieb, Millen and Sohal, 1996), Korea (Kim, 1996), Asia Pacific (Millen and Sohal, 1996), Singapore (Bhatnagar, Sohal and Millen, 1999), and Indochina (Goh and Ang, 2000). These countries have availed large benefits of 3PL services over the last few years. However to date there has been very minimum number of comprehensive study reported in the literature that has focused on third party logistics services in India. There are many isolated examples of individual organizations and their respective logistics capabilities. Hence, it was considered important to carry out a comprehensive survey on 3PL practices in India.

The paper has been organized as follows. In the next two sections, the authorspresent a brief description of the Logistics outsourcing - third-party logistics (3PL) followed by a review of the relevant literature. Subsequently, the research methodology which is then followed by the results, based on data analysis, from the survey. Finally, future trends and managerial implications followed by conclusions arising from this research are presented.

2. LOGISTICS OUTSOURCING - THIRD-PARTY LOGISTICS (3PL)

Logistics research, and 3PL in particular, has received topical interest since the 1980s (Menon et al., 1998) and experienced rapid development during the past three decades (Berglund, 2000; Selviaridis& Spring, 2007).Technology is the key to all businesses and if you take a 3PL perspective our job is to reduce supply chain costs and add value for shippers(Kane 2010) and as it is a small margin business so driving the efficiencies that need to be driven to reduce costswith 50 percent of costs being labor cost. Cost reduction and improved reliability in services are the main factors likely to increase shipper respondents'use of 3PLs(Kai Peters 2010).Complexities of global trade, increased competition worldwide, and continued downward pressure on prices and margins are urging companies to develop better logistics systems in order to fulfill the need for a high service level at a lower cost (Sheffi 1990; Wilding and Juriado 2004; Lieb 2008) Logistics is about the art of managing material, information and financial flows within and between companies (Christopher, 1986; Chow et al., 1994; Jahre&Persson, 2005). Flows become business opportunities for logistics service providers if these are able to provide value (e.g. cost advantage and technical expertise) to any logistics activities, i.e., exceptional capabilities (Fawcett &Magnan, 2002). The logistics services industry has rapidly developed in regard to these capitalization opportunities of time and accuracy, which are important for customer service (Virum, 1993). The strategic advantage of 3PL service providers is the ability to economies by better use (engineering) of the existing logistics expertise and systems of the logistics services buyers (Sheffi, 1990; Sauvage, 2003). Hence, the logistics service providers capitalise on the information technology and alternative cost of buyers, to modify and/or create new systems and service offerings.

The development of a 3PL industry results from logistics services market restructuring through deregulation of transportation, which has consequences for price and service competition among carriers (Virum, 1993). Global markets and trade barrier reduction have increased customer requirements related to advanced logistics expertise and sophisticated technological capabilities (Sink & Langley, 1997), which are seldom core competencies of industrial organisations (Skjoett-Larsen, 1999). Thus, development of the logistics outsourcing phenomenon is not necessarily supported by company-specific reasoning only, but is a product of the experienced outsourcing trend (Razzaque&Sheng, 1998). It should be noted that the literature contains work on the differences between users and non-users of 3PL services (e.g. Murphy &Poist, 1998).

Consequently, the predominant goals of buyer-provider co-operation are productivity, improved quality, benefit-sharing and jointly reduced uncertainty. Researchers have assessed both the advantages and drawbacks in logistics (see e.g. Leahy et al., 1995; Razzaque& Sheng, 1998). The logistics services configurations of service providers may vary in terms of resource and capacity headroom, but the notion of one-stop shopping2 has expanded the scope of outsourced and delivered services, enabling logistics service buyers to better leverage scale to achieve cost advantages.

The merger and acquisition activity in the 3PL industry explains the shift in logistics service buyers' propensity, from employing many logistics service providers (Lieb& Miller, 2002) to one-stop shopping. Therefore, procurement of logistics services from multiple providers declined at the end of the 90s. One material determinant was the growing size of logistics service buyers and the expanded scope of service requirements. The response from the logistics services supply-side included mergers and acquisitions and forming of logistics alliances. The complex requirements again resulted in a shift toward procurement from several logistics service providers, increasing international competition on the supply-side. The 3PL providers expanded their service portfolios to include financial services, purchasing services and contract manufacturing in specific agreements with detailed service scopes (Andersson&Norrman, 2002), well-defined margins (Lieb& Kendrick, 2003), standardization of services and the responsiveness to changing market conditions. In addition, the merger and acquisition activity is indeed one driving force for the global coverage of 3PL services.

3. LITERATURE REVIEW

The variety of research topics in the field explains the fragmented nature of the logistics discipline, of which a dominating purpose is to solve practical problems (Gubi, et al., 2003). This has resulted in logistics researchers being satisfied with the managerial content of research and regarding relationships with practitioners as unique (Kent &Flint, 1997). Therefore, logistics is associated with the common positivistic tradition of research, which seems to be the predominant research approach in logistics (Kovács&Spens, 2005). Conversely, Aastrup and Halldórsson (2008) maintain that the claim lacks comprehensive evidence, and that the positivistic tradition, in which past logistics research is supposedly housed, is rather a legacy or myth. Ashenbaum et al. (2007) show that the usage of 3PL firms has kept increasing over the past decade.In addition, they point out that expenditures on using third-party logistics has been growing constantly and is estimated to grow in the future and that the use of third-party logistics firms is becoming a common practice. The growth of 3PL firms, both on the supply side and demand side, has made it necessary to treat such firms as a separate industry (Berglund et al. 1999). As a growing industry, 3PL firms account for a large portion of the logistics sector. Currently the outsourcing volume is growing at roughly_10 billion yearly (Rebitzer 2009).

Mentzer and Kahn (1995) argue that research in logistics has substantive justification, but less theory testing and development, indicating that logistics research is influenced by applied studies. Logistics research represents a more combined discipline including borrowed and applied concepts, principles, methodologies and methods with the logic "...there is no reason to reinvent the wheel." (Stock, 1997). Disciplines are applied to the same complex realities but from different perspectives. Arlbjørn and Halldórson (2002) claim that logistics research is fragmented by nature, and therefore the critical stance towards discussions on how surrounding disciplines are applied in logistics, and the extent to which these are used, is valid. An agreed advantage of utilizing differentstreams of research is flexibility in topic selection and analysis. Following from this, propositions and hypotheses testing and application of rigorous data analysis methods are potential generators of logistics research contributions.

Scholars have proposed that the 3PL literature may be advanced through more studies with a comprehensive conceptual basis (e.g. Maloni& Carter, 2006; Marasco, 2008). In other words, research in the 3PL domain has had a relative lack of theoretical work in the past compared with the empirically based studies. Thus, the literature has a largely exploratory and descriptive content. Consequently, development of the 3PL domain requires more emphasis on theory development, constructs and conceptual frameworks for building a conceptual foundation in subsequent empirical studies.

Research in the 3PL domain has to a large extent included conceptual descriptive work on buying processes (Sink & Langley, 1997), costs dimensions of decisions on placing a logistics activity out to be undertaken by an external service provider (Maltz&Ellram, 1997) and considerations related to purchasing processes of service requirements, i.e. complexity (Andersson&Norrman, 2002).

Empirically, research has focused on very large manufacturing logistics services buyers (e.g. Lieb& Randall, 1996) as well as non-manufacturing and smaller logistics services buyers (e.g. Murphy &Poist, 1998). From the service provider perspective, 3PL services have been discussed in terms of distribution areas, i.e., the global reach of 3PL logistics services (Rao et al., 1993), advantages and disadvantages related to various provider attributes in terms of shared benefits and productivity, service quality and uncertaintygoing forward (Leahy et al., 1995; Razzaque& Sheng, 1998).

The ever increasing complexity of global logistics services has increased international competition among 3PL services providers due to increasing buyer requirements for consistency and coordination of processes, customer focus and improved supply chain visibility (Lieb& Kendrick, 2003). Recently, supply chain risk management and the related visibility issues have received topical interest from different perspectives, e.g. sustainability (Carter & Rogers, 2008) and decision-making (Francis, 2008), with a wide body of research topics on firms level analysis (Selviaridis& Spring, 2007).

The outsourcing of logistics activities is known to provide possibilities for measureable value to material and goods, new market openings and customer service (Razzaque&Sheng, 1998). In order to determine scope, a logistics service buyer must know, already at the pre-contractual stage of provider selection (Andersson&Norrman, 2002), about terms and conditions being the distinguishing determinants, e.g. service price quality and delivery, in the provider selection processes (Sink & Langley, 1997). Information is regarded as a major prerequisite for decision making, regarding the scope of services in efficient markets. Conversely, the conditions of efficient markets have been questioned in 3PL due to the information obscurity and "...problems with service supplier selection result from an inability of the competitive process to ensure an efficient market." (Sink & Langley, 1997:173). The problems related to service scope may be grounded in the visibility in (efficient) markets (Francis, 2008), dependencies between logistic activities (Lewis &Talalayevsky, 2000), and buyer power/dependence structures of exchanges (Davis-Sramek et al., 2007).

Moreover, the variety of logistics services provided and potentially "tiered", for logistics activities of industrial organisation deserves attention. Leahy et al. (1995) reported the most common logistics services provided to buyers in the United States: distribution strategy development, electronic data interchange capabilities, reports on performance, freight consolidation and carrier selection, information management, warehousing, consulting, freight payments and rate negotiations. In addition, Boyson et al. (1999) added logistics services such as fleet management, packaging and product returns (i.e. reverse logistics). Logistics services such as freight payment/consolidation and customs brokerage indicated a significantly increasing trend from 2000 through 2003 in e.g. the North American market (The North American 3PL Market, 2004). The 3PL services provided have recently been more customised and tailored to specific needs of buyers for differentiation. The literature has proposed normative frameworks for organising between different types of 3PL services and supply chain strategies (e.g. Bask, 2001). Therefore, it is worthwhile to note issues related to outsourcing of logistics activities.

Rao and Young (1994) found issues among logistics service buyers which were grouped into five categories; 1) closeness of the logistics activities to core competence; 2) control and risk liability; 3) operating service/cost trade-offs; 4) information technology and systems; and 5) market relationships. In a service tiering context, market relationships and control are interesting issues. Hence, market relationship issues relate to the cost of managing exchange relationships with several logistics service providers and the loss of buyer leverage due to many (sub-) suppliers. In turn, issues of control relate to the continuous measurement and monitoring of performance. As Razzaque and Sheng (1998) note, loss of control to 3PL providers has been the commonly raised issue that inhibits organisations from using logistics service providers. Other issues mentioned are reliability, responsiveness to changing circumstances, an understanding of buyers' corporate objectives and difficulties in switching logistics services providers.

However, previous research has emphasized more operational issues as well. Selviaridisand Spring (2007) note that scholars have identified and discussed problems with respect to disruption or inbound flows, service performance, insufficient provider expertise and inadequate employee quality, sustained time and significant costs of the effort spent onlogistics problem solving, inability of 3PL service providers to deal with changing circumstances and loss of customer communication. In addition, 3PL service buyers appear to be dissatisfied with 3PL providers' information and communication technology capabilities, and thus rely on their in-house systems (van Laarhoven et al., 2000). Hence, issues that are attributable to service tiering are found in early studies in the 3PL domain. In

order to control logistics activities handed over to logistics service providers, possibly in different tiers, monitoring behaviour and flows of information become essential.
Risk issues have been discussed in the logistics and supply chain domain, but not to any large extent in 3PL literature in particular. However, reference has been made to "third parties". The concept of risk is found to be an influencing and critical factor in logistics research from both buyer and provider perspectives (La Londe& Cooper, 1989). Risk liability arguments are reflected in the lack of information on service options and firm strategy (Rao& Young, 1994), loss of control (Razzaque& Sheng, 1998), and risk sharing in principal-agent relationships (Agrell&Norrman, 2004). Management of risk in advanced logistics outsourcing has received attention (Andersson&Norrman, 2004). Risk and risk management have been an issue in supply chain management in general. However, the 3PL buyer perceptions of risk in particular remain unexplored (Rao&Goldsby, 2009). Economic volatility has challenged shippers and 3PLs alike to contend with factors such as unpredictable demand, instability in fuel costs and currency valuation, and excess inventory (Jim Morton2010)

4. RESEARCH METHODOLOGY
To determine the satisfaction of charges and various services provided by logistics service providers for the international traders, a survey instrument was designed to focus on the following areas: (1) Assessment of competitors ;(2) Extent of usage of services offered by third party logistics service providers for carrying out specific logistics activities for effective services (3) Reasons for outsourcing and to know the international traders' expectations from 3PL;(4) To know the reasons for using multiple logistics service provider;(5) The benefits of using third party logistics services on specific business objectives; (6) The overall satisfaction with services provided by the third party logistics service providers; and (7) The future plans of current users of third party logistics services.
The respondents were requested to fill the survey that best captured the current state of logistics issues in the organization with emphasis on outsourcing. In addition to the questionnaire survey and a number of personal visits to various organizations were carried out to get first-hand information related to this field as well as cross-check on the responses received from the survey participants.
The target population for this study were the importers, exporters, and buying agentsselected from Coimbatore, Erode and Tirupur districts of Tamilnadu, India,. These areas are highly concentrated industrial cluster in TamilNadu. The study period was 2months and all together 72 responses were received.Finally; detailed data analysis was performed on the usable sample size of 72 Indian organizations. Analysis of the data is presented in the following section.

5. LIMITATIONS
Even though utmost care was taken by the researcher to overcome errors, omissions and bias in data, the researcher experienced certain limitations during various stages of the research. The study is conducted in Coimbatore district of Tamilnadu. Hence the results are applicable to Coimbatore district only, and it cannot be generalized for other areas. There is possibility of respondent's bias. Though the respondents are assured that the response given by them will be kept strictly confidential, there seems to be some reservation on their part. While care is taken to minimize it with several cross checks, it might not be totally eliminated.

6. RESULT ANALYSIS
6.1. PARTICIPANT'S PROFILE
The responding organizations represented a cross section of the industry types including a mix of partnership, proprietorship, private and public limited company. Out of the total sample (47.2%) responses are drawn from partnership organization,(31.9%) followed by private ltd company,(16.7%) are from proprietorship concern and public sector (4.2%).The status of the responding companies constitute (77%) of them are from domestic tariff area ,(20.8%) are followed by 100% EOU and only(1.4%) of the respondents belong to EPZ. Among the overall respondents,(76.4%) are exporters,(18.1%)of the respondents are both(Importers and Exporters), (4.2%)are importers and (1.4%) are buying agents .It is clearly denoted that exporters are morein numbers when compared to other traders in the sample population . Out of the total samples the majority of the products traded in the international trade are manufactured goods (90.3%), backed by primary goods (4.2%) and (1.4%) are machinery and the remaining (4.2%) are other goods according to their necessities
6.2.TRANSPORTATION MODE (S)
In south India majority of the international traders mode of transports constitute sea (95.8%), followed by air (63.9%) and (9.7%) of them use road ways and (1.4%) use railways only inbound services .out of the total respondents the majority (89.6%) of them use tuticorinseaport ,continued by (73.6%) of them use Chennai seaport, (29.2%)of them use cochin seaport and (9.7%)of the respondents use other nearest ports to their convince
6.3. PREFERENCE OF INTERNATIONAL TRADERS WITH RESPECT TO SHIPMENT MODE(S) AND TERMS OF SALE
Users of the services of 3PL providers were asked to categorize the mode of shipment they frequently use, out of the total response received the majority of the international traders prefer LCL (55.6%), and there is no much difference in the traders preference between LCL and 20"FCL, (54.2%) of them prefer 20"FCL, the remaining (45.8%) prefer 40"FCL and only (8.3%) prefer break bulk. The sale terms offered by the international traders depicts (76.4%) prefer FOB (Free on Board) continued by (44.4%) of the respondents prefer cost and freight, (31.90%)of the traders prefer CIF (cost insurance and freight) the remaining (15.3%) of the traders other terms of international trades .
6.4. SERVICES OFFERED BY VARIOUS 3PL'S
Out of the total respondents ,all the organizations have outsourced the following logistics activities to the 3PL ,the results depicts (22.2%)Inland transport,(9.7%)Bonded warehousing, (90.3%)Custom clearance,(52.8%) Documentation, (15.3%) Steamer agency, (8.3%)stevedoring, (40.8%) stuffing and destuffing, (56.9%) freight forwarding the result infers that the majority of the traders prefer customs clearance and documentation works from 3PLS
6.5. REASONSFOR USING MULTIPLE–LOGISTICS SERVICE PROVIDERS
In the Responding companies (61.1%) of the respondents use multiple logistics service and only (38.9%) respondents stick with on service providers The main reasons for preferring multiple services providers give us a valuable insights that (61.1%) of them prefer because of the convenience they enjoy, (27.8%) of the respondents prefer due to the rapport and the relationship they maintain with multiple service providers,(9.7%)of them prefer to reduce dependency on service provider to avoid monopoly environment on certain circumstance, and (18.1%)of the respondents prefer because of the benefits and the service difference they enjoy among various services providers.
6.6. CARGO TRACKING AND USAGE OF SUBCONTRACTORS
The results show that out of the samples it portrays (77.8%)of the service providers provide cargo tracking services whereas (22.2%) of the service providers don't have cargo tracking system. The traders prefer this service and they feel it is important for their uninterrupted trading. In the third party logistics service provider (61.90%) of them provide their own services and the remaining (39.9%)of them use subcontractors the service providers are cost sensitive and try to reduce their additional charges by using their own services
6.7. PREFERENCE OF THE TRADERS IN STUFFING
Results indicate that the (47.2%) exporters prefer ICD stuffing (Inland Container Depot), followed by house stuffing (41.6%) and (33.3%)of them prefer CFS stuffing ,the exporters are more comfortable with ICD stuffing. In the case of importers (25%) of them prefer house stuffing,(23.6%)of them prefer CFS stuffing (container freight station), (22.2%) prefer ICD stuffing (Inland Container Depot),the importers shows their interest based on their conveniences
6.8. COMPARISONS OF THE SERVICES WITH COMPETITIVE SERVICES PROVIDER
From the respondents it's found, they are very sensitive on the service provided (69.4%) of them compare charges and services with other service provider and (30.6%) of them don't compare their existing service providers with that of others. The 3PLs have to highly concentrate on the USP to find a stable position in logistics service

6.9. PERCEPTION OF CUSTOMER TOWARDS THE CHARGES LEVIED BY THE 3PLS

The respondents perception towards charges levied reveals that (13.33%) feel their inland transport charges are comparatively high, only(2.66%)reveals the charges are nominal,(1.3%)reveals the charges are low .The majority of the traders feels thatthe inland charges are high when compared to other charges .In the case of CHA charges are (6.67%)feel it is high ,(6.66%)of them feel it is normal and (2.66%)feel the CHA charges are low .

6.10. IMPACT OF OTHER SERVICE FACTOR

Out of the total samples it represents (81.9%) traders' feels that they are getting the best competitive prices and only (4.2 %) traders feels they don't get competitative prices ,(13.9%)of the respondents feels they may not get best competitive prices always

The survey reveal that(81.9%) majority of the traders have not responded for considering a change in logistics service provider, the least (2.8%)of the respondents depicts they consideration for changing the service providers ,(12.5%) have untapped segment for other service providers to enter inside the market ,(4.2%)of the respondents have no idea of changing the service providers .The result depicts the service providers reveals the charges monthly(40.3%),followed by (33.3%) of the service providers revise the charges yearly,(25%) revise the charges for every shipment ,and the least (1.4%)of them feel service providers revise every week depending on the current demands and supply factors To test the overall satisfaction of the services and charges it was found that the only (8.3%) of the respondents are highly satisfied, (91.7%) of the respondents are still satisfied they are still expecting customized services from the service providers .It is very happy to know that no trader are dissatisfied with the services and charges provided by their service providers

6.11. TWO WAY ANOVA COMPARING THE SERVICE CHARGES AND CONSTITUTION

The two way ANOVA test helps to know the inter comparison homogeneity and intra comparison heterogeneity .The two cases service charges and constitution are taken for the comparison

Aim: To find the significant variance between service charges and constitution

H_0 : There is no significant relation between two variables

H_a: There is significant relation between two variables.

Correction factor $\frac{(T)^2}{N} = \frac{75076}{20} = 3754$

TABLE 1: ANOVA TABLE REPRESENTING THE RELATIONSHIP BETWEEN SERVICE CHARGES AND CONSTITUTION

Source of variation	Sum of squares	DF	Mean of squares	F-Ratio	Significant level
Between services charges	605	4	151.25	0.758	5% level
Between constitution	4537	3	1512.33	7.58	
Residual Error	2394	12	199.5		

The F value in the two way ANOVA table is less than the table value .Herewith we conclude that the service charges will remain same for all kinds of services.On the other end the F value is greater than the table value and hence preference of services differs with respect to constitutions.

7. SUMMARY AND FUTURE TRENDS

Currently almost all the organization using third party logistics services are satisfied with the performance of 3PL service providers with respect to their expectations. Each and every international trader who is interviewed is having different logistics service providers. Repetition of the Logistics service provider is very rare. So Logistics service providers are wide spread all over the world globally and imply more competition prevailing in this industry. It was found that there is Lack of Awareness among the traders about the whole functions of the Logistics service providers and the various components of charges they are paying to the Logistics service providers. In some cases of international trade the buyers of the importing country also nominate the 3PLs for their convenience.

Compared to others the traders are concentrating much on domestic tariff area rather than 100% EOU.(6.4%) of the Exporters are engaged more in the international trade than the other traders.(90.3%) of the manufactured goods are used more in the international trade. Manufactured good comprises of textiles garments, cotton fabric, Acids and chemicals spray agricultural hand operators, grinders, electrical goods, synthetic spindle tape and more of ready-made garments, egg products, leathers, spices,(88.9%) of the respondents use Tuticorin,(73.6%) use Chennai port,(29.2%) use Cochin Port, and remaining (9.7%) traders use other ports. So Tuticorin port is having a good future in the next forthcoming years whereas .(95.8%) of the sea is preferred for the international trade, which is also the cheapest form of transport. The international traders are using air during the emergency periods or when they are not able to find the ship for their cargo or to send their sample.(76.6%) of the respondents prefer FOB for the international trade, which will be easy for the traders to deal in the formalities to be done.(90.3%) of the Logistics service providers are doing the customs clearance, (56.9%) of them are doing freight forwarding and (52.8%) of them are doing documentation. Most of the logistics service providers are concentrating on Custom Clearance, documentation freight forwarding. But the services like inland transportation, bonded warehouse, steamer agency and stevedoring are concentrated less by these peoples.(61.1%) of the international traders are using multi-logistics service providers. (7.8%) of the logistics service providers are having the cargo tracking system. This shows that each and every logistics service provider are having advanced technology. (61.1%) of the logistics service providers are using their own services. So these logistics service providers are cost sensitive who try to reduce their additional charges by using their own services.Exporters prefer ICD stuffing to stuff the goods in the container. Importers prefer house destuffing to destuff the goods from the container.(69.4%) of the international traders are price sensitive who compare the charges with the other logistics service providers. The main reason for this changes is because of changes in the economic conditions and the inflation .5.3% respondents states that they are dealing as buying agents for countries like Bangladesh, Taiwan, Korea, USA, Africa, Spain, Canada, China and Sri Lanka.

The empirical study clearly depicts that 3PLs has to concentrate on the following key areas to improve its existing services and customer base .According to the sayings of Mahatma Gandhi, "Customer is the king…" Each customer should be treated as a privileged customer of the company. So company should attract the customers according to their preferences, convenience and needs. This can be done by customizing the services instead of generalizing the services provided for each customer.Since all the services are provided by majority of the Logistics service providers, the company should make its service different from the other service providers. This can be done by following "Differentiation strategy". This can be done by making its service in a different way with efficiency and accuracy. This strategy should be developed in a way to attract new customer and to retain its existing customers. So the company should concentrate in improving the services as well as in providing new and additional services by expanding product line to meet the broader range of customer expectations. To explore the best way to meet customer's needs and to maintain a quality standard at every stage of operations involved in the process of the organization, the company can implement a management concept- "Lean six sigma for services". This concept will be helpful to serve the consumers with good quality, accuracy, speed and efficient service involved in the process of its operation. The outcome of any process are the result of what goes into that process, any output such as profit, growth, or ROI, is dependent on the process variables such as quality, lead time, offering attractiveness, non-value-add cost.

To attract more customers from abroad the company should go in for tie-up with a well established company in abroad, which will give more returns to the company. Since the buyer in abroad nominates many logistics service provider, tie-up strategy will help the company to expand its operations abroad also. This will also increase the brand name, reputation and market share of the company.Each and every logistics service provider was competing by their own technology. With the advent of IT, the effectiveness can be enhanced by implementing EDI, ERP and extranet, to improve customer responsiveness,Reduce transaction costs, communication costs and time.Increase accuracy, productivity and increase the ability to compete globally.Improve the quality of decision to exploit business opportunities.Bring together people who work in the various processes.Company should have to keep a close watch of its competitors and should try to change its strategies according to the market leader. So bench marking of its operations and various services offered, with the best in industry or make a comparison with the market leader in order to improve the quality levels.The company should modify its portal by providing additional features like membership login to order, track and to know the rates for the shipment. This will be helpful to attract new customers and customers from abroad.69.4% of the international traders are price sensitive. So the company should quote its rates that make them feel competitive than the other service providers. The rates quoted should be understandable by the international traders, which should also help to compare it with the other service providers.

9. CONCLUSION
As an increasing number of firms are seeking to outsource their logistics businesses to 3PL providers, IT capability has also become a critical factor for 3PL providers in obtaining business from logistics users. The fast growth of Indian logistics industry has brought tremendous opportunities for logistics providers, but has also resulted in an intense competitive challenge from global players. The increased competition in Indian logistics industry has forced many 3PL providers to review their strategies. Drawing upon the logistics management literature and, this study should inculcate us to understand how 3PL providers can develop their services with respect to international trade which have direct impact in global competitiveedge. The data collected from 72 firms clearly depicts that the service providers should have strategic views on service aspects to enhance the strategies and capture the market .Further research should be undertaken to establish more mathematical models and techniques based on cost benefit analysis.

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