ENHANCING TRACKING PRACTICES IN THE MALAYSIAN FREIGHT FORWARDING INDUSTRY

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ABSTRACT
Freight forwarding is the movement of all intermodal commodities on behalf of shippers. Although the freight forwarding industry's contribution to a country's national output may not be as competitive as other sectors, the role that this industry plays in supporting an economy's activity cannot be underestimated. Furthermore, the stiff competition in the freight forwarding industry requires companies to continue to excel to survive and compete with the competitors. Thus, the purpose of this paper is to assess current literature and practices in the freight forwarding industry regarding tracking practices. Furthermore, it is expected that the documentation, freight readiness, route and technology capabilities will serve as a foundation for more effective operations and practices in Malaysia, ensuring the freight forwarding industry's sustainability. The study contributes to the body of knowledge on freight forwarding performance and can assist managers in reacting appropriately to create cost-effective logistic solutions.

Keywords: Tracking Practices, Freight Forwarding, Logistics.

INTRODUCTION
A freight forwarding company is a legal entity that is responsible for delivering freight on time while maintaining its quality and quantity in each time frame. Allowing for the signed contract of freight forwarding services, the freight forwarding company must be able to constantly track the location of cargo to ensure timely delivery of cargo and to coordinate cooperation among
different delivery participants. However, current coordinating has identified the most common service failures in the forwarding industry from the perspective of shippers as being related to documentation such as lack of logistics planning, information, and communication such as ineffective decision-making, operation such as lack of logistic practices and error in delivering service, equipment, cost, and booking and delivery services leading to losses to both parties (Aini, Faisol, Hashim, & Nasir, 2018; Popovych, Shyriaieva, & Selivanova, 2016). As a result, logistics activities such as delivery planning, freight forwarding, and mode selection must be optimized. Low cost and responsiveness are critical success factors in becoming a market leader (Dua & Sinha, 2019).

LITERATURE REVIEW

Elements of Tracking Practices
Freight forwarding providers constantly review their business strategies to provide high quality services to their customers, whose requirements are becoming more demanding in the dynamic world. Tracking practices can be defined as forwarding services which affects individual and supply chain partners that contribute to the betterment of the business performance. Hence, this paper incorporates the following elements, i.e., documentation, freight readiness, route and technology capabilities that are crucial and key practices in preserving and sustaining the performance of freight forwarding in the market as presented in Figure 1.

Documentation
Documentation refers to document handling with customs officials and other authorities to transfer cargo from ports to customer (Fanam, Nguyen & Cahoon, 2018). Depending on the type of shipment, different documentation will be required. For example, if the items being shipped
are dangerous goods, chemical goods, water samples, or perishable items, they will almost certainly need to fill out additional documentation (C&D Logistics, 2020). According to Mastercard Biz Caribbean (2016), documentation is one of the important elements in freight forwarding service because it shows the ownership of goods and that the items were delivered in good conditions. On the other hand, there might be an error or mistakes occurred while handling the documentation either the mistakes come from the client or the freight forwarder itself. Surely this will give a negative impact to the freight forwarder. As stated in Microdea (2018), documentation errors may cause the payment process to be slowed or even halted. Payment interruption will also affect the clients and lead them to indeterminacy of how to incorporate the fees into their broader financial plans. Next, supported by Manaadiar (2020) rerouting of cargo may happen when the freight forwarder submitted the incorrect documentation to the carrier and thus, the cargo will be ended up in another continent. If these errors happen frequently, it will result to the clients’ doubtful in purchasing the service ever again.

Previous study by discovered that the most common problems are purchasing, or procurement documents and service delays caused by documentation processes (Kannikar & Martusorn, 2019; Rabiya & Edward, 2016). This is supported with study conducted by Nazli, Ezgi, and Durmuş (2015), where the most common service failures in the forwarding industry from the perspective of shippers are related to documentation. If freight forwarders fail to perform complex logistics activities such as documentation accurately, or if goods are not delivered on time and safely, the shipper may suffer in terms of lost sales. It is now recognized; many organizations operate their documents electronically (Martin, Pavel & Marek, 2014).

**Freight Readiness**

Freight readiness refers to a specific date when the forwarding agent has the cargo ready for handover to a transportation provider (Sternberg & Harispuru, 2016). As shared by Freightcourse (2021) it is crucial for the shippers to specify the freight readiness or cargo ready date as this allows the trucker or freight forwarder to schedule when a cargo can be picked up from the shipper’s place. Due to pandemic, changes of people buying online create high demand on transportation delivery. Hence, demand for freight services exceeds supply of the readiness of the freight/cargo in delivering the product.

According to Bock (2010), changes such as traffic congestion or new transportation requests are unavoidable because they have such a large impact on the overall performance of the regulated transportation systems. Also, Alagesan and Daud (2019), by analyzing road freight transportation in various countries, it was discovered that road freight transportation has either been on the rise or is one of the most widely used modes of transportation in recent years. Also, Ghandriz, Jacobson, Laine, and Hellgren (2020) mentioned that in the near future, transportation will see significant advancement in the field of automated driving systems (ADS), which will revolutionize the way goods travel on the road. Therefore, freight readiness is important.

**Route**

Route means seeks to find an optimal route between two places as a standpoint of logistics companies that provide transportation service (Ohmori et al., 2017). The route is an important component in freight forwarding because it allows the freight forwarder to simulate unique static or dynamic environment requirements, as well as variables such as weather, traffic, road types, and vehicle speed (Poduch, 2017). This ensures ample, predictable supply of freight a forwarder can handle while servicing its primary customer base.
Ohmori et al. (2017) proposed short-term subcontracting in transportation mode to reduce costs in their study on optimization problems in vehicle routing and scheduling. Aside from that, Molina et al. (2014) discovered that vehicle capacity, fuel type, and driving are the most important factors influencing the vehicle route problem. Previous study of freight trip generation (FTG) modelling on shipment sizes and number of vehicle trips using alternative distribution channels by Jaller et al. (2015) show significant differences in production and attraction patterns between establishment types, establishments across industry segments, and establishments within industries. Furthermore, Hanif and Kaluwa (2016) investigated the difficulties of freight forwarding operations. The study discovered that high transportation costs, deficiencies in road and rail infrastructure, inefficient ports, and transit border delays pose serious challenges to transportation logistics through a survey. Therefore, a strong system needs an understandable logistical border as well as appropriate transport implements and techniques to link with procedures (Kherbesh & Mocan, 2015).

**Technology Capabilities**

Organizations increasingly rely on technology to improve the organization performance, becoming essential features of business strategy for the success of many leading organizations in the world. According to Closs, Goldsby and Clinton (1997) technology help in improving logistics sector competitiveness and has greatly increased in efficiency and responsiveness. For years, the freight forwarding industry as one of the industries in logistic sector has been facing high levels of global competition due to technology advancement. Technology is reshaping the logistic industry including freight forwarding, that make freight logistics even faster, cheaper, and more predictable (Gruchmann, Pratt, Eiten & Melkonyan, 2020). Data transmission is critical, and it must be reliable and efficient. Therefore, freight forwarding companies must remain current in term of technology capabilities by applying numerous applications that will help the organization operate effectively. Furthermore, this technology capabilities have created a variety of innovative trade solutions.

Technology capabilities refers to logistics information systems that allows forwarding companies to monitor and manage logistics and supply chain networks (Ahimbisibwe et al., 2016). Empirical evidence reveals that technology capabilities is significantly correlated with organizational performance (Brah & Lim, 2006). Organizations with high technology capabilities outperform organizations without high technology capabilities. As a result, technology capabilities are an important part of the practices in ensuring the effectiveness of all processes involved in freight forwarding along the supply chain.

**CONCLUSION**

This study is an early attempt to explore the important elements to enhance tracking practices in the Malaysian freight forwarding industry. Based on the literature, the key elements has been discovered are documentation, freight readiness, route and technology capabilities are interconnected with each other and each of them plays important role in the practices by the forwarding company. To facilitate the delivery of goods to customer, it is crucial to minimize the error in documentation handling and accurate route planning to ensure the freight can be delivered on time. Therefore, this paper contributes to the concept of freight forwarding operations that can be used to explain and understand the importance to improve the tracking practices. It thus, provided a base for future researchers to examine any aspects of logistics in Malaysia.
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