FIATA PERSPECTIVE
FIATA PERSPEKTİFİ
2014

TRENDS IN WORLD LOGISTICS INDUSTRY

PERFORMANCES, EXPECTATIONS & SUSTAINABILITY

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1. AIM OF THE STUDY

This study aims to measure the perceptions of International Federation of Freight Forwarders Association (FIATA) members with regard to the topics of performance, expectations and sustainability in logistics industry. The subject of “performance” is explored by asking the competition levels, number of employees, company sales, profits and number of customers of the organization for the year of 2014. The subject of “expectations” is explored by asking the expectations for growth, an increase in sales, profits and number of employees of the organizations, and investment plans for the year of 2015. Finally, the subject of sustainability is explored by asking if sustainability is one of the pillars of the organizations, whether it is included in the mission statements, if it increases the reputation of organizations and the ideas about how sustainability can become a strategic item for an organization.

2. METHODOLOGY OF THE RESEARCH

2.1. General Description of the Research

This report is based on a research is composed on the date of October 14-16, 2014 by Beykoz Vocational School of Logistics and Association of International Forwarding and Logistics Service Providers (UTIKAD) together in the first three days of the FIATA World Congress which is held in Istanbul between the dates of October 13-18 October, 2014. Sample of this research is based on the participants of the congress from all over the world, and the data is collected by the students of Beykoz Vocational School of Logistics by delivering the questionnaire face-to-face. Within this three-day time period only 86 responses could be derived due to the busy schedule of the congress, and time constraint of the participants. However, the questionnaire will continue to be distributed through web-based form in the website of congress even after the congress ends.

2.2. Scope of Research and Data Collection Form

Research aims to investigate the perceptions of senior managers of FIATA member organizations regarding the subjects of performance, expectations and sustainability in world logistics industry. In this context, first four profile questions are directed, then 10 different questions about performance, expectations and sustainability are asked. All of the 10 questions are closed-ended.

2.3. The Method of Data Collection and Description of Sample

Approximately 876 participants are invited to the FIATA 2014, however in the first three days only 86 participants are available to response to the questionnaire. The profile of the sample can be summarized with the following figures. Figure 1 shows the positions of respondents in their organizations. According to the data, 42 % of the respondents are directors, 22 % are CEOs and 22 % are general managers.

Figure 1 : Position of the respondents

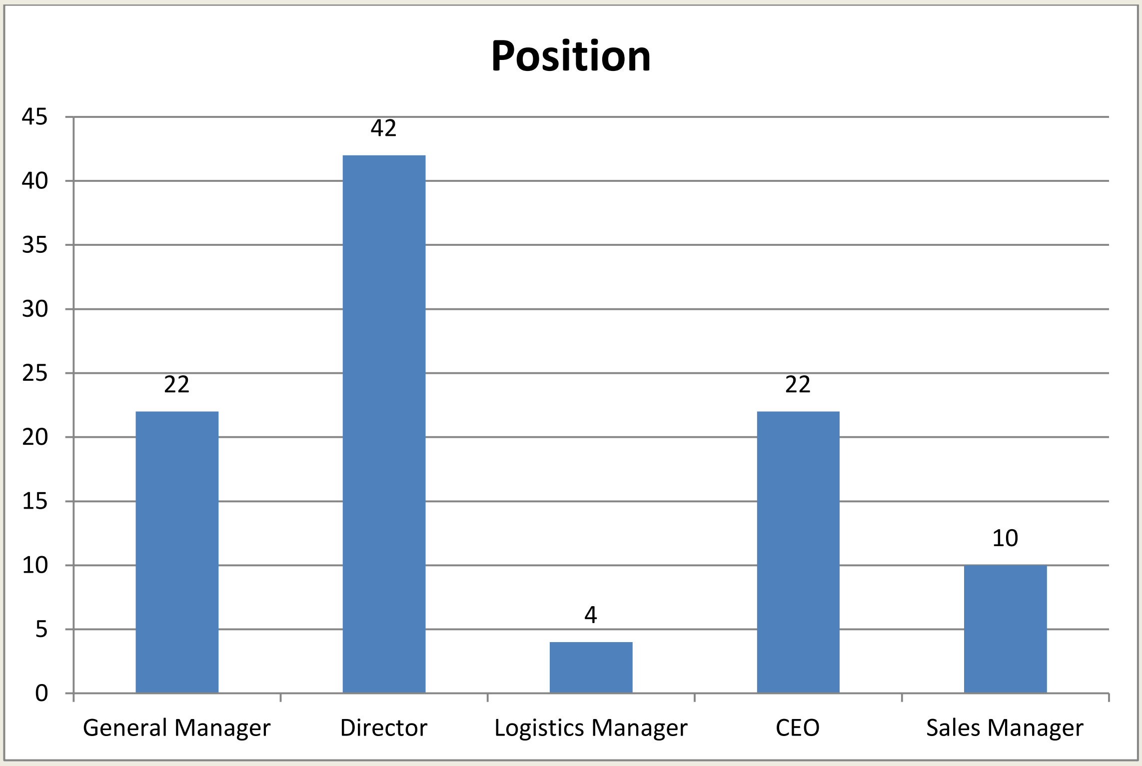
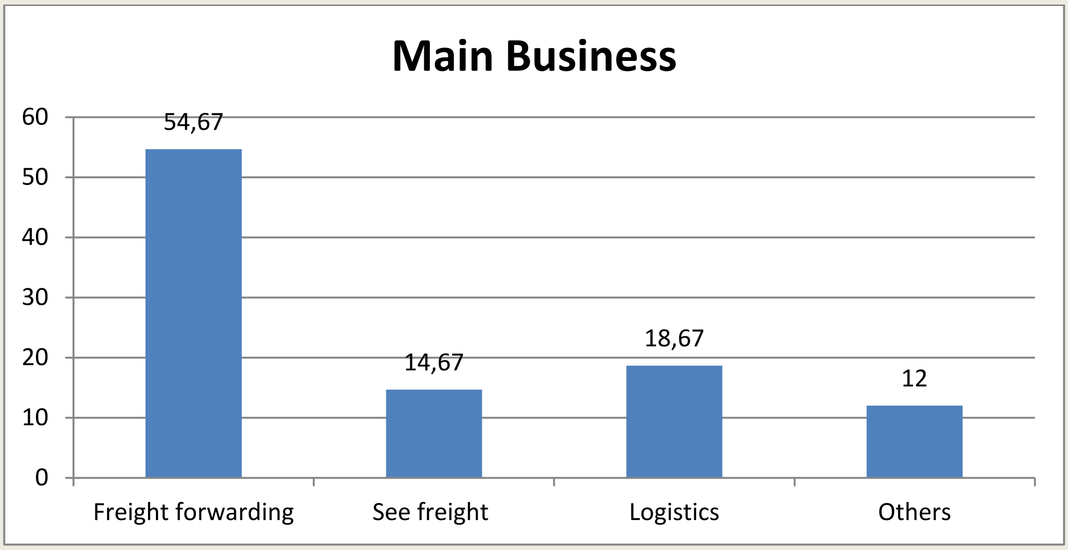


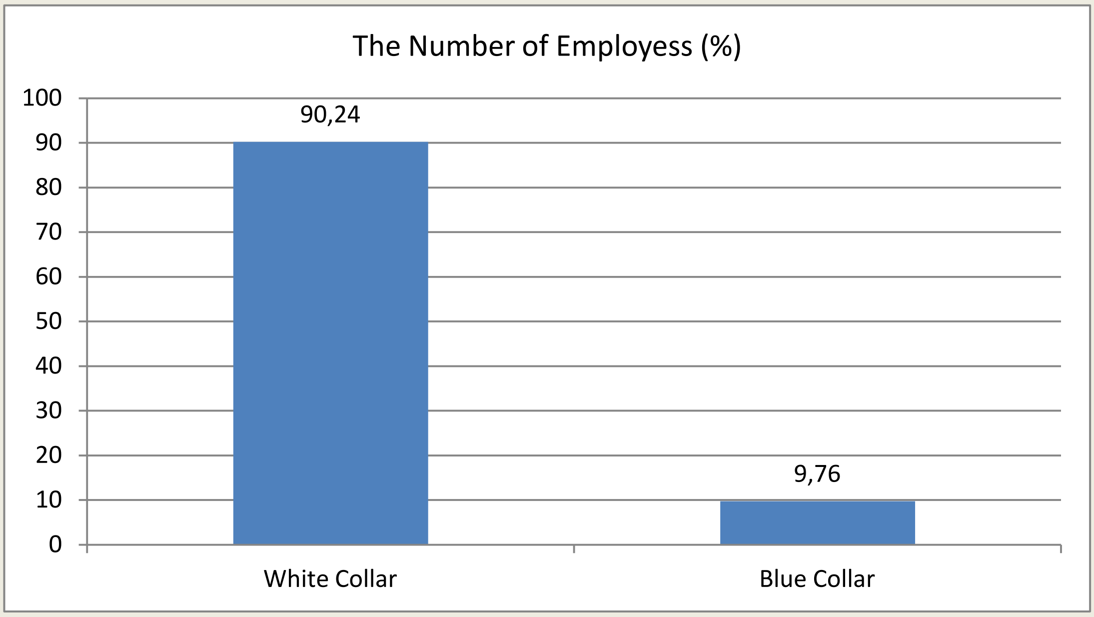
Figure 2 : Main business areas of the organizations



As it shows in Figure 2, approx. 55 % of the respondents' main business is freight forwarding while the logistics and sea freight become to be second and the third.

Figure 3 shows that in most of the companies, the number of white collar employees are more than the blue collars.

Figure 3. The number of employees

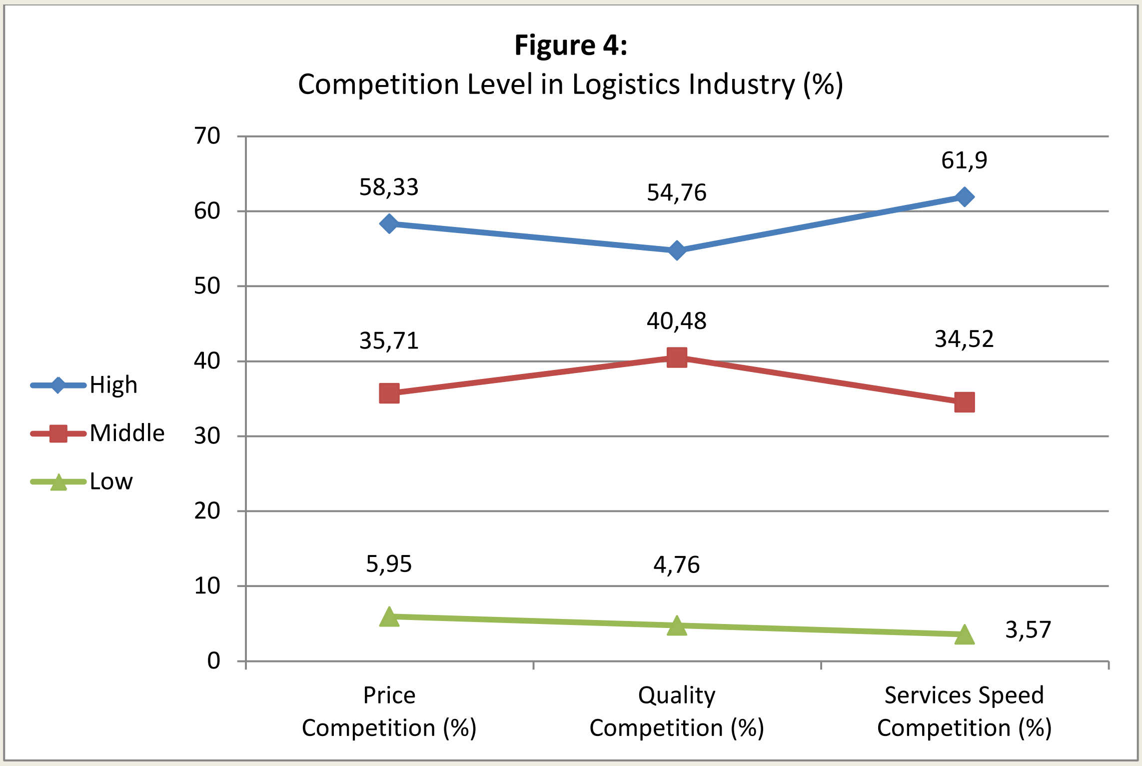


3. RESULTS

3.1. Results about performances

The findings regarding performances are explored by questions regarding competition level of the organization, sales, profits and number of employees, and number of customers in the year of 2014. The results are given as below :

Figure 4 : Competition Level in logistics industry



Q: Please indicate the competition level in logistics industry considering your location.

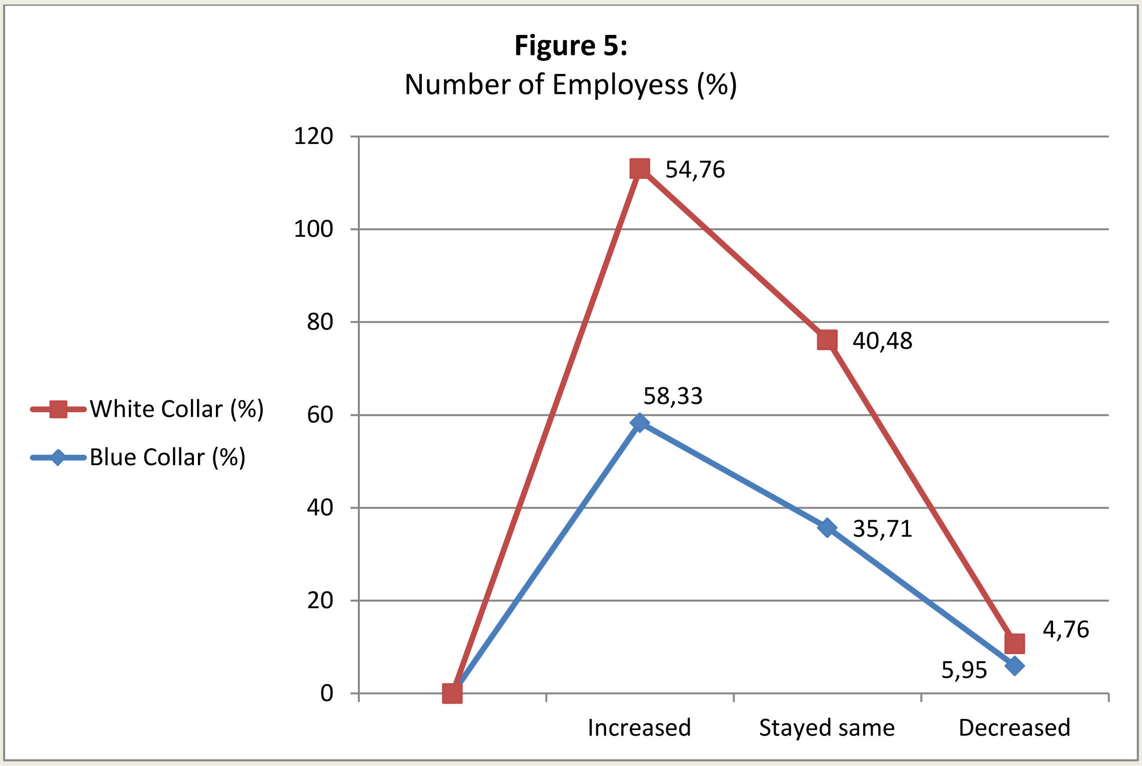
As given in the Figure 4, 58,33 % of the respondents mentioned that price competition is high in their location. 35,71 % of the respondents found price competition in mid-levels while 5,95 % said it is low.

When quality competition is asked, 54,76 % of the respondents found it at high levels, 40,48 % of the respondents mentioned as it is at mid-levels, and only 4,76 % said it is low.

About service speed competition, 61, 9 % of the respondents again found it at high levels, 34,52 % of them said that it is at mid-levels, and 3,57 % mentioned as it is low.

When number of employees in their organizations is asked, below results are shown in Figure 5.

Figure 5 : Number of Employees

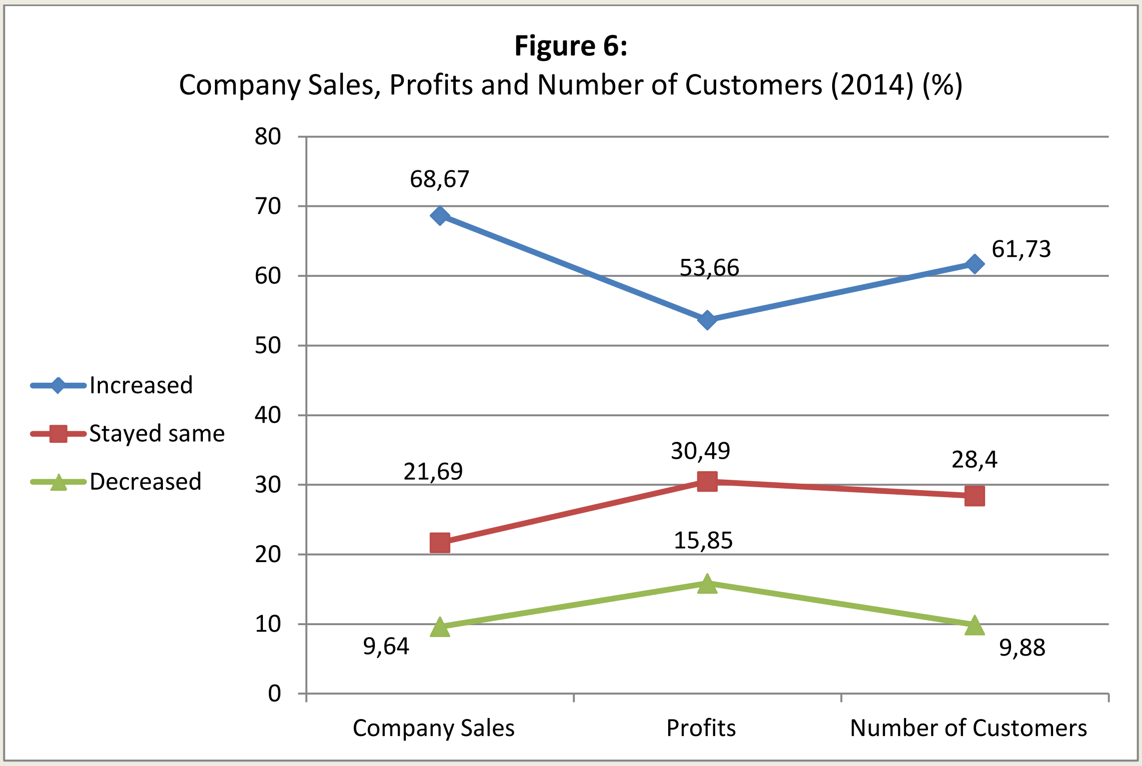


Q : Considering the year of 2014 please make a comment on your number of employees.

According to Figure 5, 54,56 % of the respondents mentioned that number of white collar employees has increased in the year 2014. 40,48 % said the number of white collar employees stayed same in 2014. Only 4,76 % mentioned that the number of white collar emloyees has decreased.

For the blue collar employees, 58,33 % of the repondents mentioned as it is increased. 35,71 % said that it stayed same, and 5,95 % said that it decreased in 2014.

Figure 6 : Company sales, profits and number of customers in the year 2014



Q: Considering the year of 2014 please make a comment on your company sales, profits and number of customers

According to Figure 6, 68,67 % of the respondents mentioned that the company sales increased in 2014 while 21,69 % said stayed same, and 9,64 % said decreases.

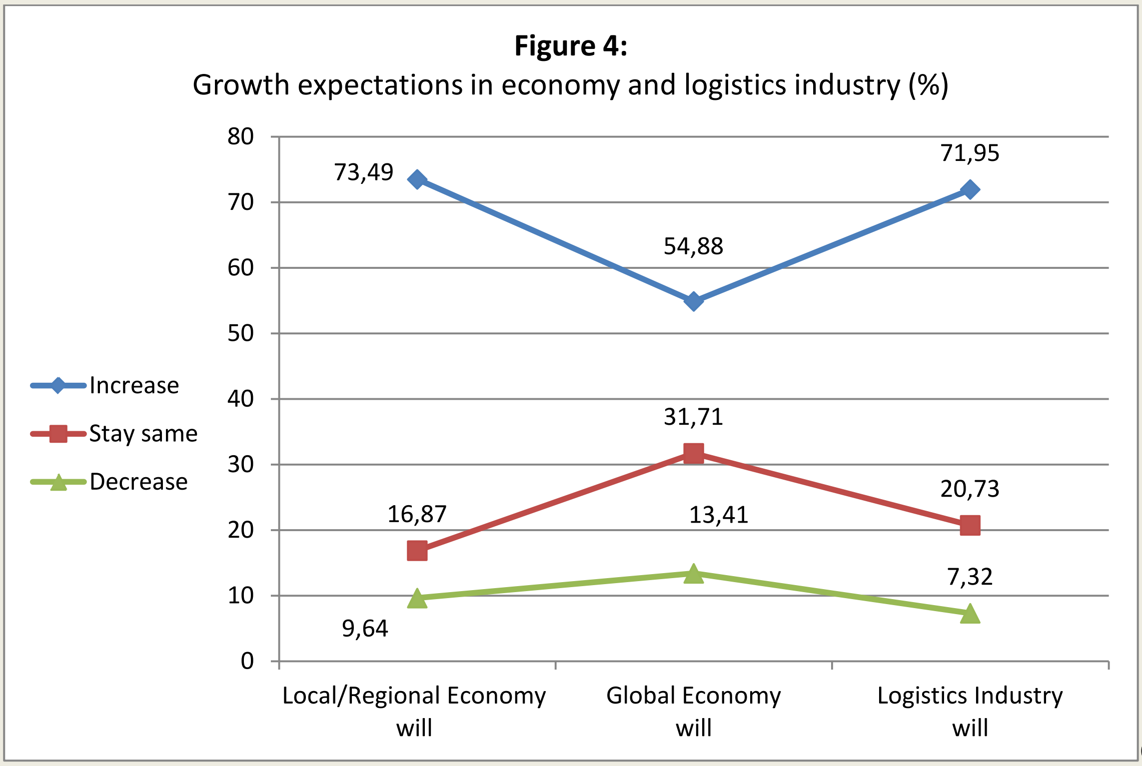
For profits, 53,66 % of the respondents mentioned as it increased, 30,49 % said stayed same, and 15,85 % mentioned that it decreased.

About the number of customers they have, 61,73 % mentioned as it is increased, 28,4 % said it stayed same, and 9,88 % mentioned as it decreased.

3.2. Results about expectations

The findings regarding expectations are explored by two parts of questions. The first part explores the perceptions regarding the growth expectations in local/regional economy, global economy and logistics industry for the year 2015. The second part explores the perceptions regarding sales, profits and and number of customers and investment plans for the year of 2015. The results are given as below :

Figure 7 : Growth expectations in economy and logistics industry for the year 2015



Q:

Q: Considering the year of 2015 please make a comment on growth

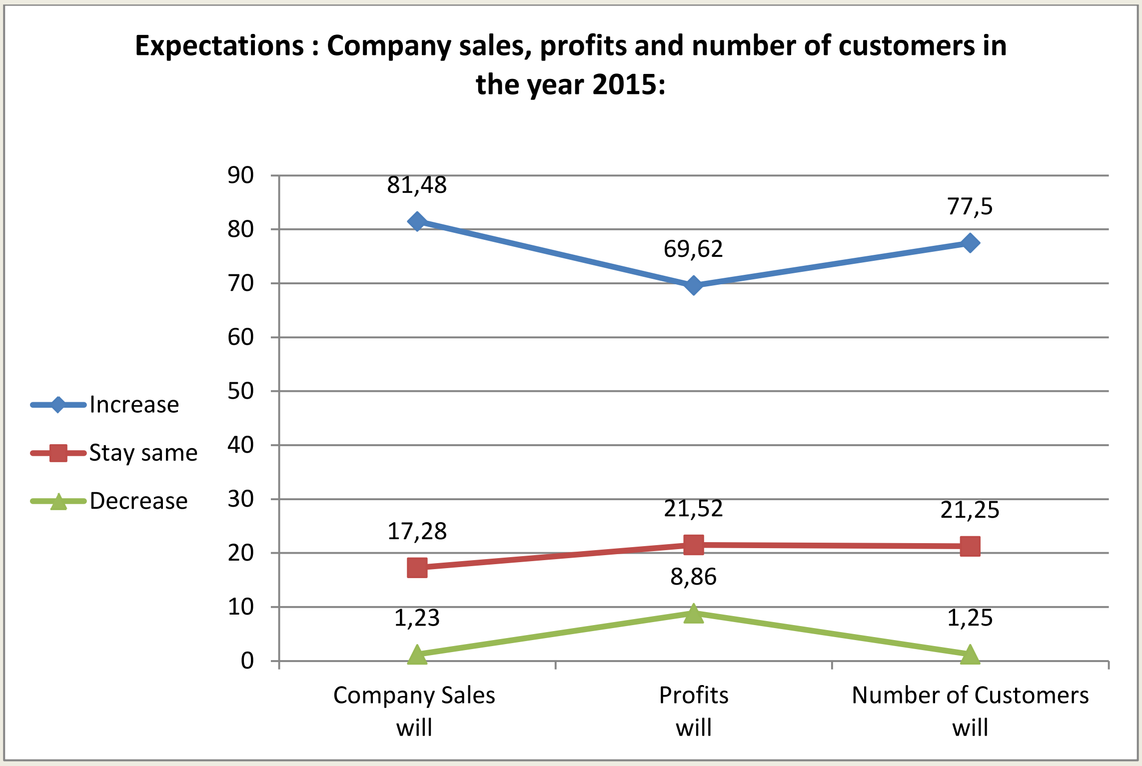
When respondents are asked about growth expections in their local or regional economy, 73,49 % mentioned that it will increase in 2015. 16,87 % said it will stay same. 9,64 % said it will decrease.

About growth in global economy, 54,88 % of the respondents said it will increase in 2015, while 31,71 % mentioned as it will stay same, and 13,41 % said it will decrease.

Finally about logistics industry, 71,95 % of the respondents said as it will increase, while 20,73 mentioned as it will stay same, and finally 7,32 said as it will decrease in 2015.

The results of expectations regarding sales, profits and and number of customers for the year of 2015 is given in Figure 8 as below :

Figure 8 : Expectations: Company sales, profits and number of customers in the year 2015



Q: Considering the year of 2015 please make a comment on your company sales, profits and number of customers

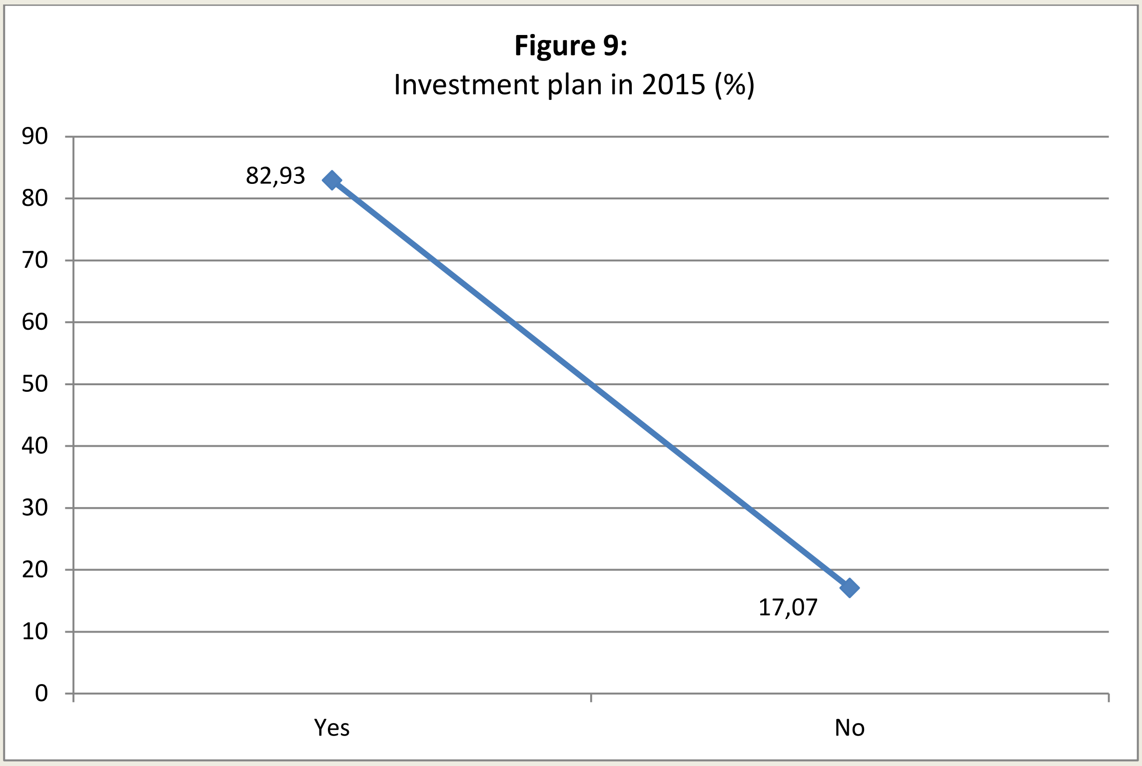
Regarding Figure 8, 81,48 % of the respondents mentioned that their company sales will increase in 2015. 17,28 % said it will stay same, and only 1,23 said it will decrease.

About the profits, 69,62 % said the profits of their company will increase in 2015, while 21,52 % says it will stay same, and 8,86 said it will decrease.

Finally, about the number of customers they have, 77,5 % of the respondents mentioned that it will increase. 21,25 % said it will stay same, and 1,25 % mentioned as it will decrease.

Additional to growth expectations, respondents are also asked if their compan has any investment plan in 2015. Figure 9 shows the result :

Figure 9 : Inventsment plan in 2015



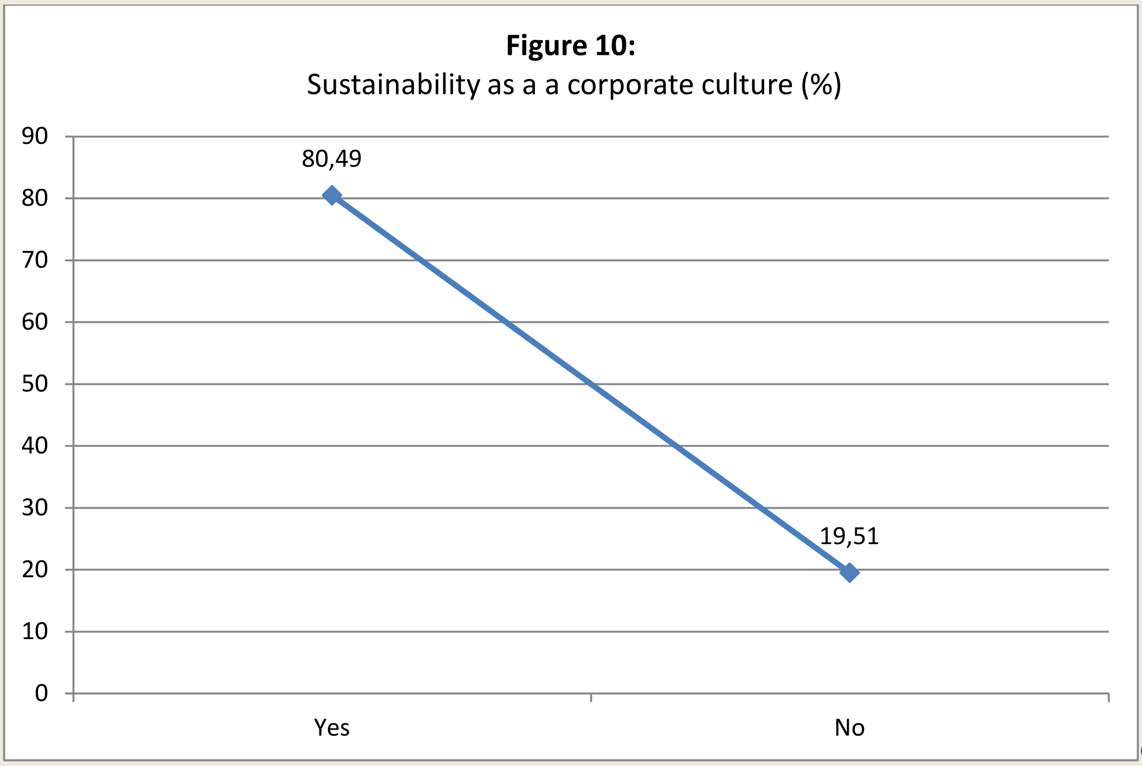
Q: Considering the year of 2015, does your company have any investment plan?

As it is seen in Figure 9, 82,93 % of the respondents gave positive answer about having investment plans in 2015.

3.3. Results about sustainability

In this part, findings regarding the perceptions toward sustainability is explored. In order to understand the ideas of the respondents, four questions are asked. The results are shown in below figures.

Figure 10: Sustainability as a corporate culture



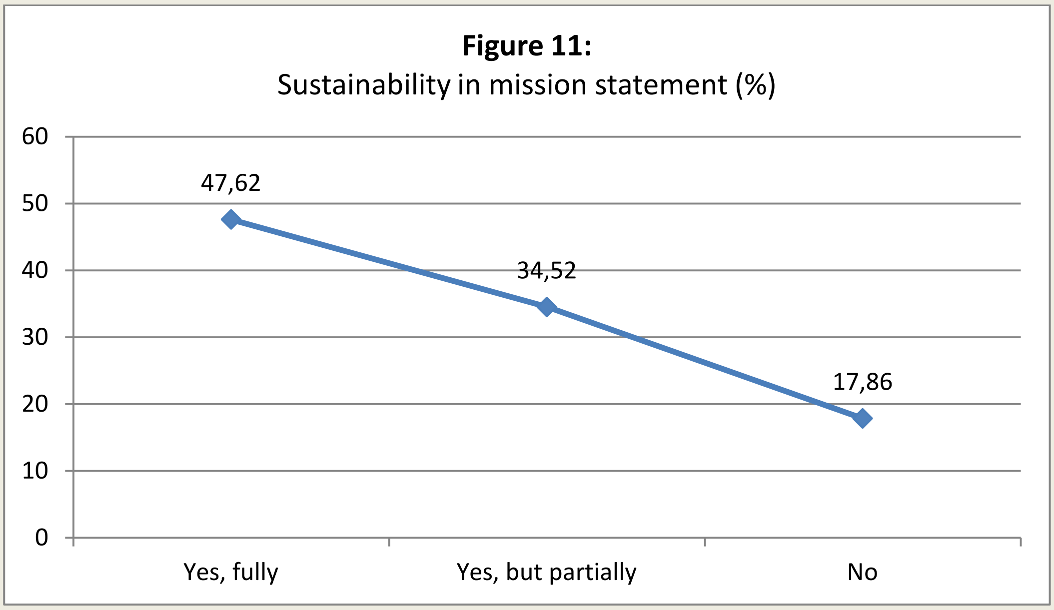
Q:

Q: Is sustainability one of the "pillar" of your company's corporate culture ?

For the questions of sustainability as one of the pillar of the company's corporate culture, 80,49 % of the respondents answered as "yes", while 19,51 % of them answered as "no".

The second question about sustainability is about including subject of sustainability in company's mission statements. Only 47, 62 % of the respondents answered as "yes, fully". 34,52 % of them said "yes, but partially", and the rest answered as "no".

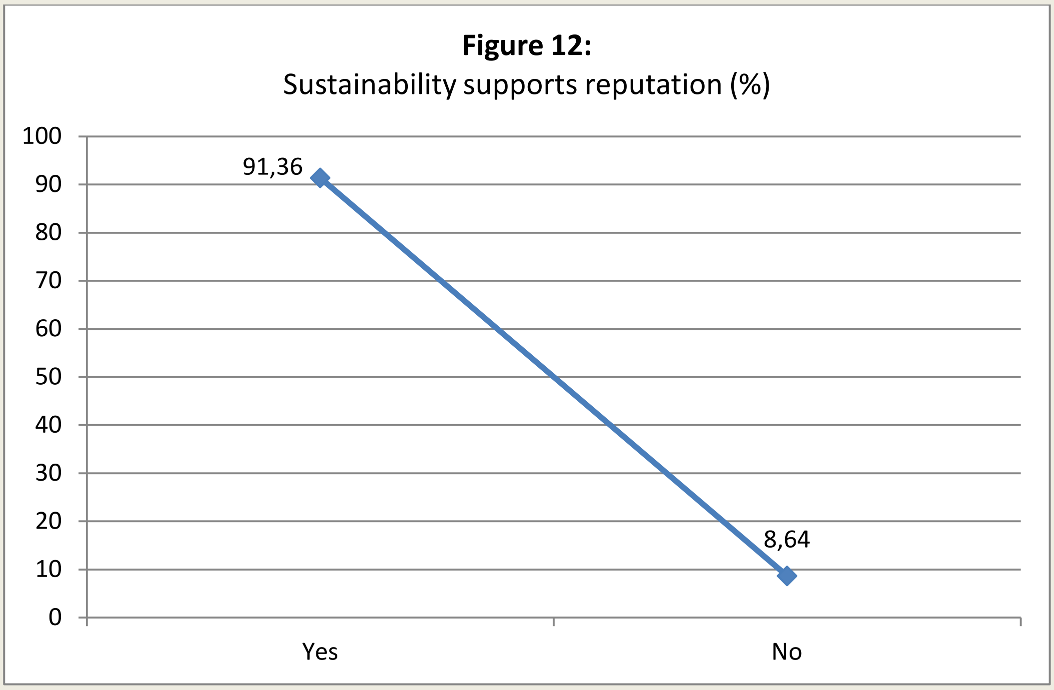
Figure 11 : Sustainability in mission statement



Q: Is the subject of "sustainability" listed in your company's mission statement ?

Another question about sustainability aims to investigate the perception regarding if sustainability supports reputation of companies. To this question, 91,36 % of the respondents say "yes", while the other says "no".

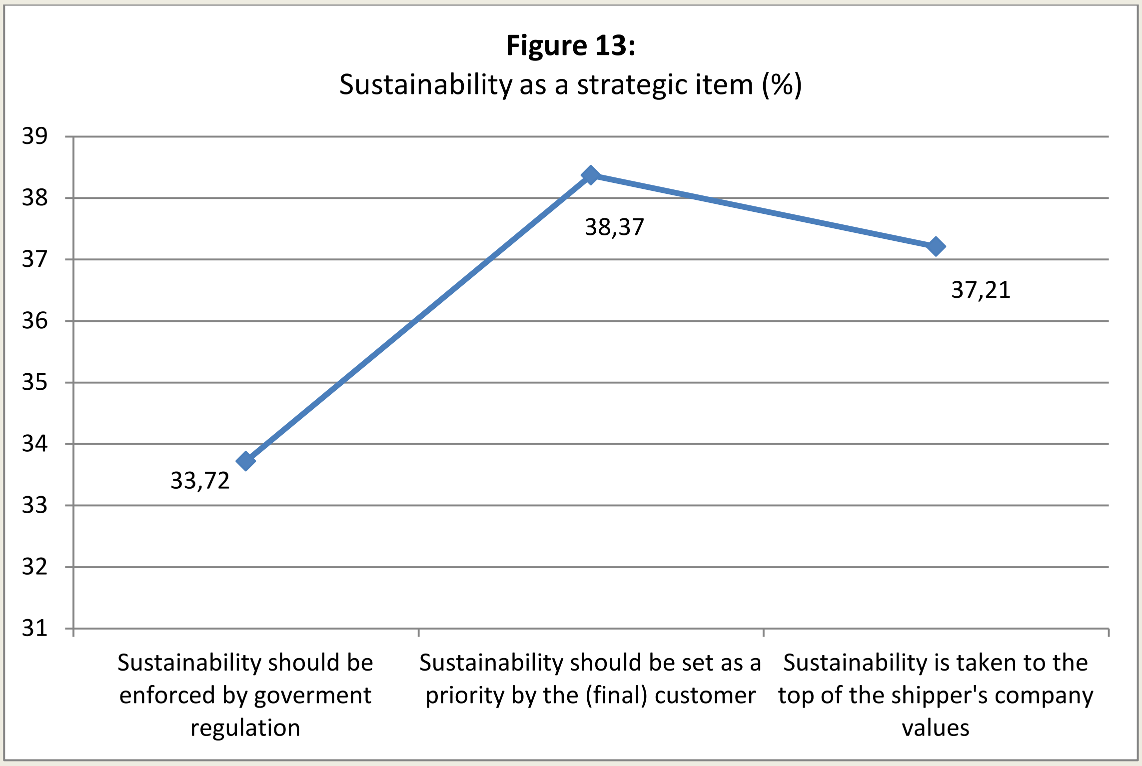
Figure 12 : Sustainability supports reputation



Q: Do you believe that sustainability is a way to improve your company's reputation ?

Final question of the research is again about sustainability and aims to find out how sustainability can become a strategic item for companies. Figure 13 shows the results as below :

Figure 13: Sustainability as a strategic item



Q: According to you, how can sustainability become an aspect of a strategic item ?

According to the finding, 38,37 % of the respondents said that sustainability should be set as a priority by the final customer. 37,21 % of them mentioned that sustainability is taken to the top of the shipper's company values. Finally, 33,72 % of them said that sustainability should be enforced by government regulation.

4. CONCLUSION

In this research, perceptions regarding performances, expectations and sustainability in logistics industry aimed to be explored in one of the largest logistics congress of the world, in FIATA 2014 Congress. International Federation of Freight Forwarders Association (FIATA) is world of the largest and diversified organization with 40,000 Transport Organizers and Logistics Firms from 150 countries, and it organizes congress every year in different countries of the world. This year, FIATA 2014 is held in Istanbul between the dates 13-18 October, 2014. This research aims to measure the perceptions of logistics professionals from all over the world regarding their performances for the year 2014. Then it aims to understand their expectations toward growth for the year of 2015. Lastly, it investigates the subject of sustainability. As indicated in the findings, performance of the companies seems profitable, sales are increased, and number of customers is increased in 2014. For the year 2015, most of the companies expect growth in the world, in their own region and specifically in logistics industry. Finally, respondents of the research seems to believe in sustainability, but also, most of them believe that it should be enforced by the customer, and also the shipper's put sustainability as a priority in their companies.