

The Factors that Influence the Collaborative Behaviour of Shipping Lines with Respect to Container Interchange

Edirisinghe, L., Dalian Maritime University, China; CINEC Campus, Sri Lanka

Jin, Z., Dalian Maritime University, China

Wijeratne, A.W., Sabaragamuwa University, Sri Lanka

Abstract

Container shipping plays a key role in transportation of goods, but containerization has its own limitation and inherent logistical issues. Container inventory imbalance is one of the key issues that adds a substantial cost to carriers. It is believed that effective management may optimize the utilization and reduce container idling and empty container reposition from where they are excess to where there and demanded. Many researches have been conducted on minimizing the empty container reposition but hardly any researches on other methods such as container exchange between carriers in each port or location. This research underpins the fact that collaboration between carriers may help resolve the container inventory imbalance problem. Accordingly, it focuses on the factors that influence carriers exchange containers among them and reduce the need for empty container reposition. These factors include, Marketing rational of organization and competitor tactics; Business culture and external environment Organizational structure; task; and policies; Complexity of inventory management and control; Stakeholders' interests; Legal implications and industry practices; and Attitudes and values of people. It was identified that complying with the legal procedures will be an additional burden to exchange containers. Since the carriers represent various countries, the research investigates whether the presence of international politics will be a barrier in implementing the exchange concept. Usually, carriers have tailor-made Container tracking systems. It was identified that availability of common tracking system will be very complicated and there is a reluctance due to this reason. There will be a mismatch on organizational level support and the level of freedom to take decisions independently for container exchange between the principal and the agent. The research reveals that decision-making level of the organization is also a barrier in implementation. The level of container inventory of the company has an impact on container exchange. Incorporation of empty reposition cost when offering freight rates have an impact on agents to agree to container exchange. The agent and principal is usually guided by the business culture towards container sharing and there is an impact of organizational marketing rational towards container sharing of the carrier may influence the container exchange.

Keywords: Container, Shipping, Inventory Management, Collaboration, Exchange