

## The Research of Forwarder Market Bottleneck and Countermeasures of Development in Qingdao

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**Abstract.** In recent years, with the development of economic, trades between countries become more frequent. So, the status of international freight forwarders becomes more and more important in terms of international trade. The economic globalization promotes the reintegration of international freight forwarding industry. Qingdao is a large port city of China, how to seize the opportunity and reintegration when fully open in the freight forwarding agent in China market to get the status in the international market. In this paper, we puts forward some development strategy for future development for Qingdao area forwarding market development bottleneck problems.

In recent years, Because of the important geographical location and import & export trade with the rapid economic development, Qingdao region forwarder has sprung up. So far there are about more than 3000 freight enterprise in Qingdao, it presents prosperity. But on the other hand, forwarding industry expansion makes the enterprise competition more and more fierce with the obvious development bottleneck. Therefore, this paper studies the development bottleneck first, then puts forward the development strategy of Qingdao forwarder market[1].

### The Development Bottleneck in Qingdao Forwarder Area Market.

**Market Structure is not Reasonable.** Qingdao forwarder market service level is not high and unbalanced development. Most of the freight representative company is small size, and integration degree is low, and has not yet formed matching network of international service. Their service scope is limited to the customs declaration, inspection declaration, booking, transshipment, intermediary services, etc. The companies often only can provide part of the traditional business links and not to provide comprehensive logistics services. Therefore, they are lack of the system's ability to service, the main source of income is still commissions and spreads, Most of the small and medium-sized freight enterprise is a pure forwarding agents, and plays the role of a consultant and soliciting. So a lot of forwarder company are unable to provide comprehensive services, its core competitiveness is not strong[2].

**Management way is behind.** First, agent means is single. A lot of freight enterprise' service content is simple, their service scope is small, so they are difficult to attract customers and provide value-added services, the ability of using the computers' processing information is more badly. Second, profit method is not reasonable. Our traditional forwarders rely mainly on price and booking commission for revenue. Today, The shipping companies meet most cargo directly, so freight becomes transparent, and forwarder company is hard to make profit in this way. The third, "The third profit source" consciousness is weak. Modern society is lack of the concept of "the third profit source" generally, forwarder is not as strengthening market management and optimizing the main factors of enterprise production process in logistics market. Forwarder activity is in the attached, and most companies put transportation, loading and unloading handling, purchasing, distribution, storage, packaging and other scattered in various departments. They are not on the operation management and system planning.

**Information Technology is Behind.** Modern society is the information society, and business activity also cannot leave the information and network services. At present, almost no freight enterprise has a global network services in Qingdao region, so a lot of Qingdao area foreign trade business in FOB specified goods fell in the hands of foreign freight forwarders, because they have global network advantage. Part of the freight enterprises can deal with information in Qingdao area, but is confined to use office automation software to send and receive email and form, and only a handful of forwarding businesses use network to network management and carry out overseas freight forwarders and electrical business activities of the business contact. This makes the enterprise not only loss a lot of business opportunities, but also greatly hinders the late development of the enterprise[3].

**Business Performance Evaluation System of Values is Poor.** There is only relatively rough business performance evaluation system in the area of Qingdao forwarder market, And only for internal evaluation of the industry. The feedback and correction for forwarding industry development are not scientific and effective.

According to the survey of the industry, a handful of freight enterprise in Qingdao has an operating internal and external performance and evaluation system. Even if the enterprise has the business performance evaluation system but poor executive effect. Most of the enterprise scale is small and has not business performance evaluation system and don't give importance to it. Although freight enterprise should set up relevant evaluation indexes, but companies did not attach enough importance to evaluation index. This makes the evaluation index in the situation is not ideal for the implementation of the enterprise, and to a certain extent, there are the barriers to trade development[4].

### **Qingdao Area Forwarding Market are Lack of High-quality Talents.**

Modern international logistics is strong comprehensive, high starting point and new technology, but personnel quality is not high in Qingdao area forwarding market, and comprehensive talent is less. It is reported that Qingdao forwarder professionals with formal training are rare and Logistics system of vocational education in China is also imperfect. At present, more than 80% forwarder enterprises are lack of forwarder for IT in Qingdao. Modern logistics needs high-quality skilled logistics personnel, and management personnel with excellent foreign language to build international supply chain To improve the added value, while these are relatively lack in Qingdao freight market.

From what has been discussed above, Qingdao area freight market also affected by the different degree and faced with many development bottleneck, with affecting by the global economic development environment. It is badly in need of our proposed solution.

### **The Development Strategy of Qingdao Area Freight Market.**

Since China's accession to the WTO, a wholly foreign owned freight enterprise is allowed, The minimum requirements of the registered capital is the implementation of national treatment. This means that foreign investment in China can be independent operating freight forwarders [5].Qingdao forwarder market how to seize the opportunities and restructure, how to break through the obstacles for self development in the case of the external pressure and internal competition, so that the freight market in Qingdao area development in the long-term. To solve these problems, the following recommendations are put forward.

### **Enhance the Core Competitiveness Through Service Innovation.**

Forwarder service innovation of the market is particularly important, the development of the international freight market will reverse transmission innovation and service innovation of Chinese traditional freight forwarders. Due to customer need the diversity of logistics services, Qingdao area forwarding market must response timely and make adjustment, expand the business scope, outstand

service features, provide personalized service, make efforts to develop diversified service. With the acceleration of global economic integration, if the forwarder company combines trade development together, it will innovative logistics service mode and create a new profit growth point. It will enhance the core competitiveness of the enterprise itself ,and its development prospects will be very broad.

### **Make Efforts to Develop the Third Party Logistics.**

In this regard, Qingdao area freight market should develop step by step. On the one hand,, develop the logistics infrastructure services and value-added services with the aid of Qingdao region resources and geographical advantages, and occupy logistics market first. On the other hand, Develop comprehensive high-tech multi-functional logistics services, make forwarder in Qingdao area into the international market. In an age of "Wolf", if you want to live, to perfect the third party logistics enterprise is forwarder in Qingdao region market priority.

### **The Means of Innovative Logistics Company Operating.**

Information lead to logistics service networked, and networked is the inevitable trend of information development.

First, perfect network construction.

Logistics network service system is indispensable. Forwarder activities between two points on the network should remain consistent, and decentralized logistics monomer should form a network.

The construction and management of network in Qingdao area forwarding market may be carried out from three aspects: first, perfect the tangible and intangible network construction at home and abroad. Second, the unified management of enterprise resources of various outlets should carry out with "a profit center, multiple cost center" mode of operation, thus to pursuit the economies of scale benefits. Third, information networking, transmission network may use advanced network connection, such as EDI, the Internet, etc, at last form a convenient and efficient information system[6].

Second, improve the information construction.

The performance of the information includes: the transmission of real-time and standardization of the logistics information、code of the logistics information collection、electronic data interchange、Rapid response and effective customer response、database technology etc.

Qingdao region should focus on the construction of logistics information management platform, expand the existing enterprise network, expand abroad the Internet and wan, set up and perfect electronic booking online、electronic inspection、electronic declaration、processing management、cargo tracking and customer resource management system etc., at last we may establish isolation characteristics of logistics management system By electricity and network technology. Implement the strategy of scale oriented virtual logistics enterprise: Put the consultation, technology and information network together, implement virtual logistics, so we may strengthen the logistics entities.

### **Government and Industry Association Should Carry Out the Business Performance Evaluation Management.**

Qingdao regional industry association and the government should actively develop the financing policy both in domestically and internationally, to speed up the freight forwarder of assets, so we may effective scientific maintenance the forwarding industry sustainable development. Rely on the industry association to create Qingdao international freight forwarding enterprise credit management, at the same time combines with the government's punishment and monitoring mechanism, so as to gradually improve the competitive power of area of Qingdao forwarder

enterprises at home and abroad. In the end, Qingdao area freight market will greatly enhance performance of business naturally[7].

### **Attach Great Importance to the Talent Training and Introduction.**

Modern logistics need a senior team of logistics professionals and highly qualified management personnel to support. It will also people-oriented in Qingdao area freight market, and cultivate a group of professional senior logistics personnel. First, colleges and universities in Qingdao should learn from some economically developed countries such as America, and actively strengthen the logistics professional construction, and establish a multi-level logistics training education system, and deliver personnel conveying both practical operation ability and proficient in a foreign language information technology development personnel and high-quality management personnel for the society. Second, our country logistics association and related logistics organizations should establish a standardized qualification authentication system and the logistics personnel training system, organize regular assessment of new practical position, warehousing engineers, distribution engineers and so on, at last they will delivery forwarder personnel for our market continuously[8].

Under the new situation, opportunities and challenges exist side by side in Qingdao area freight market. For forwarding market development bottleneck breakthrough in Qingdao area, freight enterprise must analyze the current market carefully and choose to suit himself development strategy to promote the rapid healthy and orderly development of Qingdao area freight market,

### **Conclusions.**

In a word, under the background of economic globalization, this paper analyzes the freight market in Qingdao area of the external environment and the development bottleneck, and put forward the reasonable and effective solution, In order to make Qingdao forwarder to deal with the complex economic and political situation at home and abroad, Ensure it is on the international market and sustainable development, and it serves for the world in the end in the long run.

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