

PENETRATION OF RELOCATIONS BUSINESS

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Abstract

"Relocations," in a simple language is a moving or Relocating along with the House Hold Goods or Office effects, office furniture & Office equipment., from one place to another., though a very popular business in the European and Western countries, it is still in a condition of growth in the Indian Market, as the awareness of the industry is limited to the Institutions / Corporates, or to the employees who are employed in the Modern Corporate Sectors in India. The Business is still carried out by the local transporters in a cost effective way. There is an immense amount of potential exists in the market, based on the personal experience as many markets in India, including the major metro cities and upcountry town of the India, the shippers still have the tendency to dump the house hold goods into a three wheeler or into the Tempo Vehicles, and carry them to the destinations in the process , during the time of loading / unloading there could be a major damages may take place, and the shippers regret and repent later. The Shippers usually think from the point of saving Money or time but due to the improper handling of the goods, the damages would be at the top of the mind and many a times the replacement cost of the goods or repairs will be on the higher side when compared, with the services from the Relocating companies.

Keywords: Direct Sales, Corporate Sales, Acquisition, Strategies, Relocations Business.

Introduction

The theory always designed in a method and when it really comes to the practicality the sales man / Key Account Manager, of the Relocations companies will be always be in a dilemma or a confused state of mind as how the results are to be generated. The Key Account Manager may have the professional Qualification and must have read various management books during the course of study but the theoretical and practical way has a lot of difference when approached the Shippers (Client). The top Management in the Relocations or Moving Business Organization always views the results at a Macro Level, i.e., Number of Moves per Month / No. of files per Month multiplied by number of files.

With reference to the above ideology the Key Account Manager, is always is under amount tremendous amount of pressure at every given moment of the day/month/year, mentally and that does not allow him to think, to approach the market strategically. Moreover the Relocation business is direct contact business with Shipper (Client), hence the business may be understood as " Direct Selling", Besides, from the Organizations who employ their employees and transfers them to the other places, the organization either Reimburses the relocating cost, or the organization itself may provide the relocating services to the employees by engaging the Relocators. Thus, the business may be understood as "Corporate Sales".

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"Relocations" is a part of Logistics and logistics is concerned with products and services delivered, where they are needed when they are desired. (Logistics Management & world sea borne trade., pp: 1).

In the logistics Industry the shipments pertaining to the "Relocations" of House Hold goods are known as Personal Effects and office furniture's and office equipment are known as Office Effects.

In Relocations, there are various types:

- Inbound (Imports)
- Outbound (Exports)
- Intra country Moves (Domestic Relocations)
- Intra city moves (Local Shifts)
- Third country Moves
- Office Relocations

Inbound Relocations / Imports

The documents are received from the shipper such as Bill of Lading(B/L), packing List, Passport copy, ETA details, further after receiving the above documents, the documents are scrutinization takes place, later the B/L, should be as per the customs norms, e.g., Shipper details and consignee details should be one and the same, with which the customs department treats the same as used house hold goods for exemption of the customs duty.

- The Customs department procedures begin after the arrival of the shipper (Exemptions exist in different countries).
- Goods will be inspected by a customs officer.
- Duty calculation is done if applicable.
- On Payment of duty, Cargo will be released from the customs custody.
- Further the goods are loaded by the Relocators in the trucks / delivery vans and delivered to the shipper and later the goods are delivered and unpack the goods and they are placed in the respective locations at the shippers residence , finally the debris are removed.

Outbound (Exports)

Employment Movement or Individual Move or Agent Nominated Moves. The enquiry is received from the shipper to the "Relocations" Organization for the Relocating requirement. The Key account Manager performs the Survey (as most of the organization utilizes the Key account Manager for acquisitions and survey's), at the Residence of the Shipper in order to arrive for a specific Volume, which needs to be Packed for the Movement. The KAM., also Identifies the Sensitive / fragile goods, such as, Glassware, Artefacts, Crockery, etc., So that he/she also can suggest the packers for a extra Care in Packing, fragile goods, the Casing/Crating may be required for a damage free relocation, based on the volume of the shipment.

The Local movement of the goods from Shipper's residence to the Relocation Organization ware house cost, fumigation Cost (Methyl Bromide is the chemical used for the fumigation by IPCA certified pest controllers, exempted for few destinations/ Locations, performed exclusively for European countries) cost, Air/Ocean freight, Customs Clearance cost, finalization of the partner for Clearance & delivery at the destination cost, Delivery order charges(DO), Customs duty if applicable at the destination, Delivery & Unpacking charges,

for multi storied buildings extra charges are collected in the European, & Middle east countries, Based on these components a formal proposal / Quotation is prepared by the Relocators and submitted to the Shipper's, On acceptance of the proposal, the Packing job commences, In case the shipper is not ready with the accommodation at the destination, the storage facility is also provided by the Relocators.

Exemption of Taxes in Relocations:

- In Dubai & Middle east, goods are exempted from duty provided, the shipper holds the resident permit of UAE.
- In U.S.A. The shipper must possess the Employment Visa / Appointment letter or employer's certificate.
- Diplomat / Embassy Shippers are exempted from all kinds of Taxes and duties.
- Deceased baggage's are also exempted from taxes and duties globally.
- Pet Relocations: Quarantine is performed at the Origin Ports.

"Direct Marketing is evolving every day in some cases, it seems that we have come full circle, A few years ago, there was the rush to tele - marketing, and then came the rush for the Internet. Now Marketers, are starting to understand that all of these telephone, mail, internet, e-mail, so called new media' - are simply alternative channels that enable direct contact with a customer.

-Audrey Price - Dix. Assegai awards Chairman.

"Relocations is a Business of Mix - Marketing, of Direct Selling & Corporate Sales,

The attitude of the Sales Personnel / Key Account Manager play's a very vital and important role, in contacting the shipper (Client), and the business itself is a foot on street business. The KAM, must & should have the complete knowledge of the operations,

'A stranger lost his way and seeing a farmer plowing in a nearby field stopped and asked what road he was on"

"I dunno the farmer replied lackadaisically"

'Well, where does it lead to?' queried the stranger'

"I dunno the farmer repeated"

'What's the name of the nearest town?' the stranger again asked

"I dunno came the staccato reply"

' You certainly are dumb, aren't you, the inquirer said in exasperation.'

"Mebbe so, mused the farmer,

(Pg.7., The golden Books of Attitudes)

In the field of Sales / Selling, goods/services ., Attitude towards the shipper(client)., plays a vital and important role.,

When the Prospect is discovered by Sales Executive / KAM., he has to find out all the details, about the volume of the Shipment by doing the adequate survey looking carefully at the fragile items.

"Relocations is a personal touch business and the shipper, when handing over the entire house hold goods of his residence to a stranger has various doubts in his mind, especially safety of goods, price, shipment reaching destination in time, and carries a high degree of stress and anxiety, irrespective of Domestic / International Relocations.

A new KAM, tries to raise the ultimate price to the shipper by adding shipping cost, tariffs, taxes, large amount of Manpower costs, although the shipper may not be able to control the end price of his goods as closely as he would like to but he can choose an option to get the Quotations from other Relocators, Strategic approach designed to counteract the price differentials.

The Penetration into the Market is that the KAM, must always be opened for, his productive time on the field to be spent finding new prospects, the prospects would be the Individuals / Corporate Clients, Geographical Segmentation & vertical segmentation, has to be clear in mind of the KAM, in order to identify the real prospects, and also identify the corporate, which has the potentiality to give Export Relocations or outbound moves.

The Key Account Manager must place his pre - shipment surveys in the evening, in the presence of both husband and wife. In most cases, the duo will have the decision making power, but the spouse, is the the only one who gives the necessary instructions about the fragile goods, where in the KAM can make a special marks on his inventory list, which further can be noted as extra packing for those goods, and the same can be handed over to the packing supervisors. The KAM, must understand the emotional relationship and especially the possessive nature of the females towards the fragile goods, such as, artefacts, white goods, glassware & crockery.

Personal Experience:- During the delivery of the shipment, the glassware was broken for the shipper, though the compensation was made, but the corporate account was lost, as the shipper was from the Sr. Mgmnt cadre of telecom Company.

In the Relocations industry irrespective of having the insurance or collecting the premium, during the transit, which known as Marine transit insurance, the insurance can be claimed by the shipper but the damage caused to the goods, further, damages the emotions of the shipper, which is irreparable, and that could lead to a negative reference, the negative word of mouth may affect the reputation of the organization.

Taking the above points into Consideration the KAM, must give the necessary instructions and the operations Manager of the "Relocations" Organization, that there should & must deliver the damage free shipments. Reference of damage free shipments may lead to more clients/Shippers.

Personal Interview

Mr. Kannan Venu gopal - Asst. Mgr., Ops., P.M. Relocations Pvt. Ltd.

The Operations Manager in the "Relocations/Logistics" industry, if trained for sales, could be a very productive employee, where as the real sales personnel if trained for Operations will be a much more productive person, as the Sales person, knows the Intelligent selling techniques, to closure of the move, and has the ability for revenue generation, and building up the client base. But, both the sales and operations go hand - in - hand in the Relocations/Logistics industry.

Personal Interview

Mr. Dhaval Gandhi - Area Manager, Dachser India Pvt. Ltd.

Based on the above the KAM, must and should gain the adequate knowledge about operations, especially the nature of business, destinations, documentation, most importantly, humility, empathy and customer centric behaviour and the quick response time.

Today, most of the products / Services are sold through Digital Marketing (Web based selling, Telemarketing, or through Short messaging service), but in the Relocation these modes

can only be helpful in generating the enquiry, but not the movement as the surveyor, has to do the estimate of the shipment, physically and must arrive at a certain volume, and the personal assurance has to be given to the shipper, unless this is attained in the mind of the shipper, nothing can be accomplished.

Limitations and Scope

Based on the personal experiences, interviews, and also the references, through the literature, the interpretations and opinions are expressed, but there is a lot of scope in the area of Research in the Industry of Relocations, The future research can also be highlighted in the best practices, strategies, to acquire the clients, revenue generation, cross selling, and other services in the field of Relocations.

Notes

Due to anonymity, certain names and designations are disclosed.

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