ANALYSIS OF CARGO CONSOLIDATION MECHANISM AND PERFORMANCE

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ABSTRACT

Cargo consolidation is the process of collecting items from several shipments of goods from a shipper for a consignee that is packed in a single unit. The implementation of the consolidation process can be done in the depot or in the warehouse. The consolidation process can provide a separate impact for the relevant parties.

The positive impacts of cargo consolidation include: for shipper that is a low tariff, for the shipping line is not necessary to handle LCL goods, and for the forwader get difference in freight from consolidation services. While the negative impact of the cargo consolidation when the forwarder still has a lot of empty space in the container. Due to the negative impact it will cause additional expenses to related parties if took the wrong decision when making a delivery.

Delaying delivery is an alternative that should be selected by forwarder / expedition if he has a problem cannot full the optimal container capacity. Where the load factor 80% is the minimum that can be said efficient consolidation, both in terms of time and cost. During peak seasons, the selected alternative is delay delivery, but during off season to join alternative other forwarder is the best alternative because it will not adverse the shipper.

Keywords: Cargo consolidation, consolidation mechanism, impact of consolidation, consolidation alternative