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Factors that Influence Container Inventory Management Strategies

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Abstract

This paper addresses an existing gap in the literature because majority of researchers have focused attention of smart container reposition rather than minimizing the cost of container shipping through effective and efficient container inventory management strategies. It initially discusses 6 common container inventory management strategies and investigates the factors that potentially influence carriers' container inventory management strategies. It explores 10 key factors that may impact the carriers' container inventory management strategies. Usually, the demand and supply of containers are not rightly balanced in a port. As a result, the carriers incur a substantial cost in managing their containers. Therefore, carriers need highly effective and efficient container inventory management system to minimize these costs. The carrier's resilience or Cost of Customers; Potential threats on Service sustainability; Loss of Revenue due to non-availability of containers; Slot Cost incur to carry empty containers; Port Handling costs for empty containers; Cost of Rent; Cost of Yard; return on investment of containers; Ware and Tare cost; and container idle time are considered to be significant while the impact on Brand name the vessel underutilization are found unrelated to current container management strategies. The paper appeals the carriers the need for a contemporary appraisal of container inventory management strategies and reduce the exorbitant cost that is incurred on empty container repositions globally.

Keywords: containers, inventory, management, shipping lines

Introduction

Containerisation