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APPLIED BUSINESS RESEARCH

***THE EFFECTIVENESS OF INFORMATION TECHNOLOGY
INFRASTRUCTURE IN THE LOGISTICS SERVICES INDUSTRY:
AN EXPLORATORY CASE STUDY OF IPOH CARGO TERMINAL***

D2NG/neers



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ABSTRACT

The objectives of this study are to explore on how information technology (IT) has improved the organization's performance, customer loyalty and service efficiency, especially to Ipoh Cargo Terminal (ICT). The complexities of seaport activities and other support services means that ICT, as an inland port, needs a comprehensive and integrated management information system in order to be efficient and effective to be competitive in the logistic industry.

The researchers have defined the fundamental aspects or dimensions, which would have resulted from an effective IT implementation at ICT. In order to get an overview of the profile of respondents, segmentation was done to segregate the management and staff. The staffs were further segmented according to the length of service (less than 5 years, 6-10 years and above 10 years). To probe into the pattern on responses, the staffs were also segregated between those who feel they have acquired sufficient training on IT or otherwise.

The study was conducted by using questionnaires distributed to ICT management and staff. Additionally, the management was also interviewed to understand their individual perception of the IT infrastructure. All the data obtained in this study were gathered and analyzed using SPSS statistical software.

After the study, recommendations are also put forth to consolidate the IT infrastructure within the company, such as implementing the CRM, e-business / e-commerce and the like, to improve the overall effectiveness and efficiency of the company.

Table of Contents

CHAPTER 1

INTRODUCTION.....		1
1.0	Overview.....	1
1.1	Background of the Study.....	1
1.2	IT Implementation at ICT.....	6
1.3	Statement of the Problem.....	7
1.4	Research Objectives.....	8
1.5	Research Questions.....	8
1.6	Significance of the Study.....	8
1.7	Limitations of the Study.....	10
1.8	Definitions of Terms.....	11
1.8.1	Effectiveness.....	11
1.8.2	Logistics.....	11
1.8.3	Information Technology (IT).....	13
1.8.4	Containerization.....	13
1.8.5	Port.....	13
1.8.6	Inland Port.....	14
1.8.7	Customer Loyalty.....	14
1.9	Summary of Introduction.....	16

CHAPTER 1

INTRODUCTION

1.0 Overview

This chapter will discuss about the importance of information technology (IT) in conducting business in the logistics services industry, especially by port operators. Descriptions of the keywords, such as IT, effectiveness, logistics services, seaports and inland ports will be briefly mentioned.

The focus of the study is on the effectiveness of IT initiatives implemented by an inland port operator, Ipoh Cargo Terminal (ICT). The study will probe into the effectiveness of the company's current IT infrastructure on ICT performance, customer loyalty and services efficiency.

Thereafter, the statement of the problem, research objectives, research questions, significance of the study, limitations of the study, and definitions of significant terms will be described.

1.1 Background of the Study

Trade is crucial to the Malaysian economy where transportation and logistics play an important role in facilitating the trade for both multinational corporations (MNC) and small and medium-sized industries (SMI) (Nesathurai, 2003).

The logistics chain (import-export, customs clearing, forwarding, shipping, e-commerce etc) has become a universal approach to cost effectiveness, timely delivery and creation of growth oriented exchange system in goods and services (Tekeste-Berhan Habtu, 2001). Logistics play an important role in any supply chain management in various industries. Business organizations are increasingly realizing and appreciating that logistics can be used as a key strategic factor to achieve competitive advantage in current era of globalization (Tan, 2002).