

**Problems faced by 3PL Customers with 3PL Providers in Colombo, Sri Lanka:
An Exploratory Factor Analysis**

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Businesses are operating in more dynamic complex environment and customers are more knowledgeable and informative than before. Customers exert immense pressure to the businesses by requiring quality products at affordable prices. In this environment, businesses have to pay more attention to the production process to develop quality products at low prices to satisfy customers. As a result, most businesses outsource their non-core activities to third party service providers. Utilisation of state-of-the-art logistics management systems provides benefits to logistics companies in different aspects including improvements in customer satisfaction and competitiveness. This research addresses the research gap pertinent to the studies in identifying the problems faced by 3PL customers with 3PL providers in Colombo District, Sri Lanka. Snoran Sampling (Hybrid Sampling) method developed by the researcher was used for identifying the sampling frame and the sample for the current research. Analyses of the data were based on Thematic Analysis and Exploratory Factor analysis (EFA). Based on the analysis, a conceptual framework has been presented to depict the factors related to the problems faced by 3PL customers with 3PL providers in Colombo District. The research updates the knowledge of 3PL-shipper relationships and creates a platform to learn how both customers and suppliers are using these relationships to improve and enhance their supply chains and provides strategic recommendations for the future of the 3PL market in Sri Lanka and enables the market to deploy innovative Supply Chain business models in the future.

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