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A Study on Customer Satisfaction towards Service Quality of Freight Forwading Logistics Provider

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ABSTRACT
A freight forwarder is a professional logistics provider. Freight forwarders are third parties and their objective is to dispatch shipments via asset-based carriers such as ships, airplanes or trucks. The ability to arrange cargo movement from one destination to another within a short period of time makes a forwarder competent and however customers' dependency remains constant on such forwarder. Freight forwarding companies have the expertise required to arrange all the activities related to the international shipping process. Shipping various products between countries and territories usually involves a multitude of carriers, requirements and legal documentation. The freight forwarding services is specialized in handling the great amount of logistics this intricate process requires, helping the client ship goods securely and quickly. Freight forwarding services are typically used by companies that deal with international import and export activities. The freight forwarding company is a third party – it doesn't ship the cargo itself. However, the freight forwarder acts as a professional intermediary between the client and the transportation service. Customer satisfaction is very important for logistics companies seeking competitive advantage, because they realize that if they do not satisfy the expectations of customers, their place will be taken by other companies whose activities will be more concentrated on customer expectations. Therefore, logistics companies must ensure every customer service-related aspect, no matter what it includes: acceptance of orders, their execution or the solution of problems. A client of a logistics company must be sure that the chosen company understands his needs. Considering this, the article presents the results of the research related to customer satisfaction with logistic services and their quality.

Keywords: *freight forwarding, export &import, documentation, transportation service*

I. INTRODUCTION

To move large quantities of goods across the country and around the world, Nations depend on their freight transportation system—a vast network of roads, bridges, rail tracks, airports, seaports, navigable waterways, pipelines, and equipment. A freight forwarder is an individual or Company that dispatches shipments via asset-based carriers and books or otherwise arranges space for those shipments. Common carrier types could include waterborne vessels, airplanes, trucks or railroads. The movement of international freight among nations relies on a complex array of long-distance transportation services. The process involves many participants, including shippers, commercial for-hire carriers, third-party logistics providers, and consignees. Moreover, global trade depends on seaport and airport services to move large volumes of merchandise over long distances via a variety of transportation modes. The interaction of these services and participants is vital to successful global trade. Freight forwarders typically arrange cargo movement to an international destination. Also referred to as international freight forwarders, they have the expertise that allows them to prepare and process the documentation and also perform related activities pertaining to international shipments. Some of the typical information reviewed by a freight forwarder is the commercial invoice, shipper's export declaration, bill of lading and other documents required by the carrier or country of export, import, or transshipment. Much of this information is now processed in a paperless environment. As an analogy, freight forwarders have been called travel agents for freight.

1.1Functions of Freight Forwarders:

- Best routing

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- Packing
- Customs Clearance
- Transport
- Insurance
- Warehousing & Distribution
- Rate and Contract Negotiations
- Findings alternatives
- Grouping & Consolidation.

1.2 Statement of Problem

Despite the increasing importance of freight forwarding logistics providers in the global trade industry, there is a lack of understanding of the factors that influence customer satisfaction with their services. Moreover, there is a growing concern that customers may not be getting the level of service quality they expect, leading to negative consequences for both the logistics provider and the customer. Therefore, the purpose of this study is to investigate the key drivers of customer satisfaction with the service quality of freight forwarding logistics providers and to identify areas for improvement in order to enhance customer satisfaction and loyalty.

1.3 OBJECTIVES OF STUDY

- To study about the freight forwarding services.
- To study about the broekman logistics and its services.
- To study about the customer satisfaction towards service quality of broekman logistics.
- To study about the relationship between customer satisfaction and service quality.
- To provide suggestions to improve customer satisfaction towards service quality of broekman logistics.

1.4 INDUSTRY PROFILE

Meaning of Logistics

A widespread idea prevails that logistics is the 'movement of goods' that is narrow concept. Logistics is much more and much wider than mere physical handling of goods. Logistics involves several other functions such as purchasing, plant location, plant layout, etc., and even the disposal of wastes. It covers astonishingly varied professional disciplines. They are:

- Facility location
- Forecasting and order management
- Planning
- Transportation: the mode and the route
- Inventory management: all inventories
- Warehousing
- Protective packaging

History of logistics

Logistics can be defined as providing the right type of products and/or services at the right price, time and in the right condition. A quick look at some logistics history may prove very enlightening. The birth of Logistics can be traced back to ancient war times of Greek and Roman empires when military officers titled as 'Logistics' were assigned the duties of providing services related to supply and distribution of resources. This was done to enable the soldiers to move from their base position to a new forward position efficiently, which could be a crucial factor in determining the outcome of wars. This also involved inflicting damage to the supply locations of the enemy and safeguarding one's own supply locations. Thus, lead to the development of a new system which can be related to the current day system of logistics management. Logistics has come to be kind of relief for many organizations that formerly looked upon it as a burden. Companies nowadays are hiring people with the requisite knowledge to deliver sustainable enhancements in the field of supply chain management. As has been the case throughout most of logistics history, the task of a logistics manager involves a clear vision and a drive within to deliver results under strict deadlines in addition to his usual responsibilities.

II. REVIEW OF RELATED LITERATURE

Zeithaml, Berry, & Parasuraman, 1993; Woodall, 2001; Chapman, Soo say, & Kandampully, 2003; Gorla, Somers, & Wong, 2010), expectations' manifestation depends on how customers perceive and interpret the environmental factors influencing the formation of expectations. Some factors may be controlled by a company, foreseen and be prepared for, but other factors depend on the clients in a larger extent (psychological, cultural, social), therefore logistics companies face a huge challenge to understand their customer, find out his needs and strive to meet customer expectations. Considering this, logistics companies need to keep in mind that seeking competitive advantage and customer circle's growth, they must immediately ensure the customer's acknowledgement as a service provided one time is remembered for a long time and the fact whether it was qualities or no further will determine the client's choice; and this means to the logistics company whether it was able to attract or retain a customer or not.

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Zairi (2000), analyzing customer satisfaction, indicates that customers comprise the aim of the company's activity, i.e., he focuses the fact that not service users and customers depend on the company, but the company's performance depends on its existing customers. Wirtz (2001) also stresses that customer satisfaction becomes the key element companies' focus on seeking to promote repeated business relationships and increase long- term profitability.

Panayides, 2007; Liu & Xie, 2013) that in the current competitive environment it is dangerous to be a non-customer-oriented company. Most of the companies are competitive, and in order to stay in the market, they must provide high-quality services that would make customers satisfied and loyal. It also should be considered that logistics service companies should know their customers because the company, having sufficient information and knowledge about its customers, has more opportunities to make right decisions on the needs of the client, which allows companies to develop new services that provide real value to customers as well as to assess quantitatively the values desired by customers.

Jaiswal (2008) generally defines customer satisfaction as a customer assessment in terms of whether the service meets the customer's needs and expectations. It is important to note that each client's expectations are (or may be) different. This may depend not only on the personal interests, butalso on the environment, area, the type of business in which those expectations are formed. Thus, companies' ability to be flexible and adapt may help to gain an advantage over other business entities. Examining logistics services, flexibility is a particularly important aspect. Flexibility in logistics is a possibility to a company to quickly and effectively respond to the changing needs of the client (Autry, Zacharia, & Lamb, 2008; Juga, Juntunen, & Grant, 2010).

Chee & Noorliza, 2010; Chen, Chang, & Lai, 2009; Huang & Huang, 2012; Jaiswal, 2008; Jayawardena, 2010; Juga, Juntunen, & Grant, 2010; Lu & Yang, 2007; Mentzer, Flint, & Kent, 1999; Mentzer, Flint, & Hult, 2001; Kilibarda, Zečcvic, & Vidovic, 2012; Panayides, 2007), satisfaction of customers' expectations regarding service quality affects business performance and encourages customer loyalty.

III. RESEARCH METHODOLOGY

In study the primary data collected by means of personal interview with the help of questionnaire.

3.1 RESEARCH DESIGN

A Research is the arrangement of condition for collection and analysis of data in manner that aims to combine relevance to the research purpose with economy in procedure. The study is descriptive in nature.

3.2 SAMPLING METHOD

To study the Project a Survey Method is adopted. The study depends on primary data.

3.3 POPULATION SIZE

Population size in the Brokeman logistics is 200 and according to my convenient collected questionnaire from 132 customers. Who have been transacted

3.4 SAMPLE SIZE

Sample of 132 employees were taken into study, and their data were collected. Samples for the purpose of the study are selected systematically.

3.6 STATISTICAL TOOLS

The following statistical tools are used in the study

- Correlation
- T-test

IV. ANALYSIS AND INTERPRETATION

4.1 CORRELATION TEST

HYPOTHESIS OF RESEARCH

Relationship between service quality and customer satisfaction

H_0 = There is no significant Relationship between service quality and customer satisfaction

H_A = There is significant Relationship between service quality and customer satisfaction

		Service Quality	Customer Satisfaction
Service Quality	Pearson Correlation	1	.792**
	Sig.(2-tailed)		.000
	N	132	132
Customer	Pearson Correlation		1

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Satisfaction	Sig.(2-tailed) N	.792** .000 132	132

INERPRETATION

The correlation of service quality and customer satisfaction was .792 p< .01. It was significant enough to show the correlation of the two variables. Because the correlation was positive, service quality and customer satisfaction are positively related, which means the better service quality was the higher customer satisfaction.

Relationship between age and customer satisfaction

H_0 = There is no significant Relationship between age and customer satisfaction

H_A = There is significant Relationship between age and customer satisfaction

		Service Quality	Customer Satisfaction
Service Quality	Pearson Correlation Sig. (2-tailed) N	1 132	-.029** .000 132
Customer Satisfaction	Pearson Correlation Sig. (2-tailed) N	-.029** .000 132	1 132

INTERPRETATION

The correlation of service quality and customer satisfaction was -.029. The correlation was negative, age and customer satisfaction are negatively related, which means the age will affect the customer satisfaction.

4.2 T-TEST

RELATIONSHIP BETWEEN GENDER AND CUSTOMER SATISFACTION

AIM:

To study the significant difference between gender and customer satisfaction.

NULL HYPOTHESIS (HO):

There is no significant difference between gender and customer satisfaction.

ALTERNATIVE HYPOTHESIS(H1):

There is significant difference between gender and customer satisfaction.

THE TABLE SHOWING THE RELATION SHIP BETWEEN GENDER AND CUSTOMER SATISFICATION

Independent Sample Test

	Levine's test for equality of variance			**t- test for equality of means**	
Customer Satisfaction	F	Sig	T	Df	Sig. (2- tailed)
Equal variance	.338	.562	-.344	173	.732
Equal variance not Assumed			-.339	114.916	.736

INTERPRETATION:

The p-value of Levine's test is .732 so we rejected the null of Levine's test and conclude that the variance in customer satisfaction is significantly different than that of gender.

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V. FINDINGS

- Majority of the 65% respondents said that they came to know Broekman through word of mouth
- Majority 58% of the respondents say strategic logistics planning and execution for the international movement of goods is necessary for logistics provider.
- Majority 50% respondents say that financial skill is necessary for a successful freight forward.
- Majority 78% of the respondents say that Broekman logistics ensure every customer related aspect.
- Majority of the 58% respondents say that Broekman logistics can improve customer satisfaction through training for employees.
- Majority39% of the respondents were satisfied with pricing strategy offered by Broekman.
- Majority 32 % of the respondents say that Broekman logistics can measure service quality and customer satisfaction through service quality surveys.
- Majority 92% of the respondents say that say that service quality affects customer satisfaction.

VI. SUGESSTIONS

Based on the above results, it is clear that Broekman Logistics need to improve their service quality to maintain their credibility and reputation, and to gain customers' trust. The domain of logistics services in South India is still immature, although significant changes have taken place in the last decade.

- Broekman Logistics should try to gain competitive advantages over others by providing high-quality services that distinguish them from others.
- Communication between the customer and employees is highly important during service delivery in terms of meeting customers' expectations.
- They should offer a variety of customer support mechanisms, such as instant messaging with chatbots to answer frequently asked questions, change the location details, or reschedule delivery dates.
- In addition, they should provide temperature-controlled vehicles and dry gel packs for fragile shipments in order to avoid damage to goods.

VII. CONCLUSION

I had studied the impacts of logistic service quality on customer satisfaction of broekman logistics Coimbatore. With sufficient respondents size the findings reveal that, service quality has a significant positive impact on customer satisfaction. This implies that, customer satisfaction is directly related to service quality dimensions discussed in the study. On the basis of the findings, the study would conclude that, Broekman Logistics should enhance the service quality in order to increase customer's satisfaction. All business-oriented business particularly focused on the service quality as it has depicted from the findings of the study that, as it increases customer satisfaction. The improvement in the service quality comes from distinct avenues by considering the convenience of the customers. The customer satisfaction is fundamentally the objective of logistic service providers which makes them to give maximum attention. These all paths aid the business to flourish and also have remarkable effect on the organization profitability

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