

# A Study on Client Preferences in Logistics Services in Coimbatore City

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**Abstract:** *This study explores the dynamics of service quality in logistics and its impact on customer satisfaction and company performance, focusing on Coimbatore City. It delves into the development and empirical validation of logistics service quality LSQ scales, integrating elements like information quality, ordering procedures, and personnel contact. It also examines green service quality GSQ in logistics, highlighting its role in enhancing logistics performance indices. A significant part of the research includes assessing customer perceptions on various aspects of logistics services, such as equipment quality, staff behavior, IT services, and payment schemes. The study utilizes various statistical tools like ANOVA and Chi - square tests to analyze data collected through surveys, revealing insights into customer preferences and the correlation between service quality and customer satisfaction. Ultimately, the study underscores the importance of sustainable and efficient logistics practices in fostering customer loyalty and competitive advantage in the logistics industry.*

**Keywords:** Logistics Service Quality, Customer Satisfaction, Green Service Quality, Sustainable Logistics, Service Quality Measurement

## 1. Introduction

The movement and storage of goods and services from the point of origin to the site of consumption is planned, carried out, and controlled by logistics. It involves the coordination of multiple activities, such as transportation, warehousing, inventory management, and information flow, to ensure that products are delivered to customers efficiently and cost - effectively. The goal of logistics is to create value for customers by providing them with the right products, in the right quantity, at the right time, and at the right place, while minimizing costs and maximizing profitability for the business.

Effective logistics management is critical for businesses to maintain a competitive edge in the market, improve customer satisfaction, and achieve sustainable growth. In general, client preferences towards logistic services are influenced by factors such as speed of delivery, reliability, cost - effectiveness, and the quality of customer service. Clients often prioritize timely delivery and accurate tracking of their shipments, while also expecting affordable pricing and responsive customer support. Logistics service providers can better understand client preferences by conducting market research through methods such as surveys, interviews, data analysis, and gathering customer feedback. This can help logistics service providers identify areas where they can improve their services and better meet the needs of their clients. Overall, understanding client preferences towards logistic services is crucial for logistics service providers to remain competitive in the market and retain their clients.

## 2. Literature Review

Lambey - Checchin, 2020 The crucial role of service quality has been confirmed for most industries and sectors such as

banking, hospitality, education, health, and logistics. Measured as the degree of difference between consumers' perceptions and expectations, service quality has a vital impact on business performance through reduced costs and increased customer satisfaction, customer loyalty, and profitability.

Jaafar (2006) Particularly in the logistics sector, service quality factors play an essential role; consequently, weaknesses in service quality factors will affect the company's performance and customer satisfaction. In this vein, developed a suitable and reliable scale for measuring the service quality of physical distribution services. Building on their work, extended the use of the service quality concept into the LSQ scale, covering the LSPs' customer perceptions by suggesting nine theoretical dimensions (information quality, ordering procedures, order release quantities, timeliness, order accuracy, order quality, order condition, order discrepancy handling, and personnel contact quality). They empirically validated their LSQ scale using a single large LSP firm in the United States, namely the Defense Logistics Agency.

Similarly, Stank et al. (1999) illustrated the use of the LSQ scale as an essential tool that makes a buying company more successful through its operational flexibility and improving the service level, which leads to competitive advantage. Moreover, applied model to study the effects of the technical and functional quality dimensions of LSQ on customer satisfaction and the effects of the relationship quality dimensions on customer loyalty for third - party relationships.

Lieb, 2010). In more recent years, buying companies have been making a considerable effort toward (environmental) sustainability to maintain a competitive advantage and reach new customer segments, particularly addressing the LSPs' sustainable service quality

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Chaisurayakarn et al. (2014), for instance, investigated the issues of green service quality (GSQ) and LSQ and their impact on the Thai government's logistics performance index (TLPI) for logistics providers in Thailand. The results of their study indicated that LSQ has a significant positive effect on TLPI, and the effect is more pronounced when GSQ measures are included.

Further, Gupta et al. (2018) proposed a framework to measure the LSPs' service quality and provided recommendations for LSPs to manage their operations and present a more sustainable service quality. Based on their case analysis, an LSP should implement sustainability practices to save resources as well as to recycle and reuse materials. In addition, the implementation of sustainable, tangible assets such as solar panels and rainwater collection should be fostered.

Chaisurayakarn et al. (2014) Higher customer satisfaction also leads to better financial performance by lowering customer switching, achieving loyalty and word of mouth, and improving the company's reputation.

Gruchmann et al., 2019. emphasized that customer satisfaction and service quality promise future research directions in the logistics field. Therefore, research has increasingly focused on customer satisfaction explanations, not only from suppliers' perspectives but also from customers' viewpoints

Ahmed Hussein Ali, Tim Gruchmann, Ani Melkonyan. "Assessing the impact of sustainable logistics service quality on relationship quality: Survey - based evidence in Egypt", Cleaner Logistics and Supply Chain, 2022

The main research gap

- Last - mile delivery
- Human factors in logistics
- Technology Adoption
- Collaboration and Coordination
- Logistics Outsourcing.

#### Objective of the study

- 1) To assess customer satisfaction with the logistics company's equipment, staff appearance, and organization layout.
- 2) To determine whether customers feel that the logistics company provides enough IT services.
- 3) To evaluate customer satisfaction with the logistics company's payment scheme, transparency around costs, and credit period.
- 4) To measure the logistics company's reliability in delivering services on time and without errors, as well as its responsiveness to customer needs and concerns.
- 5) To gauge customer perceptions of the logistics company's staff behaviour and knowledge, as well as the level of individual attention and empathy they receive.

#### Problem statement:

A product's logistics play a crucial role in its marketing, ensuring that the product is delivered to the intended clients at the proper time and place while maintaining its quality. This project is being undertaken to research the value of

logistics, identify the services of Logistic and problem in the Logistic, where High Transportation cost, Poor inventory management, Lack of Visibility and Transparency Poor communication and Collaboration. Lack of skilled workers

#### Scope of the study

The scope of study for logistics includes the planning, implementation, and control of the movement and storage of goods and services from the point of origin to the point of consumption. It involves managing activities such as transportation, warehousing, inventory management, and information flow. The scope of logistics also encompasses the use of technology and managing logistics risks to ensure the efficient and cost - effective delivery of products. The ultimate goal of logistics is to provide customers with the right products, at the right time and place, while minimizing costs and maximizing profitability for the business.

#### Limitation of the study

- Due to a shortage of time, the survey is conducted online using Google Forms.
- Through the lens of the buyer, the region can be further investigated and integrated.
- The study is not exempt from accuracy or temporal restrictions.
- To verify the validity of the current research, a larger sample size may be gathered.
- The respondents' responses are current as of this writing.

### 3. Research Methodology

**Sampling Design:** A Research design is one that makes the study overall structure and strategy simpler and speed up the collection and processing of data. Its is a blank blueprint that has been filled in after the study is finished.

**Method of Data Collection:** A Questionnaire was created as a survey tool to gather information about the study's goal and the participants pertinent personal information. This study has been based on convenience sampling method.

**Research Hypothesis:** H0: There is no significant correlation Between usage behavior and (Tangible cost, assurance, empathy)

H1: There is significant correlation between usage behavior and (Tangible cost, assurance, empathy)

**Research instrument:** The Goal of data analysis and interpretation is turn the gathered information into solid proof of the statistical data perspective that has been generated based on the investigation that has been done. Online data are collected through Microsoft excel and Google form are used to collect and analyze the data.

### 4. Analysis Part

#### 1) Reliability

Scale: All Variables

Reliability Statistics	
Cronbach's Alpha	N of Items
.834	28

Interpretation: Reliability analysis is the degree to which the values that make up the scale measure the same attribute. In addition, the most used measure of reliability is Cronbach's alpha coefficient. It is the average correlation between all values on a scale. In other words, the value of Cronbach's alpha coefficient is between 0 and 1, with a higher number indicating better reliability. Finally, Cronbach's alpha coefficient should be higher than 0.50; that scale has good internal validity and reliability. hence the obtained value from above table is Cronbach's alpha coefficient is 0.834 which is greater than 0.50 hence the answers are reliable and has good internal validity.

2) Frequencies

Table 1: Showing Respondents Gender

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	87	83.7	83.7	83.7
	Female	17	16.3	16.3	100.0
	Total	104	100.0	100.0	

Interpretation: From the table it is interpreted as 83.7% are male and 16.3% are female. Hence majority of the respondents are 83.7% are male.

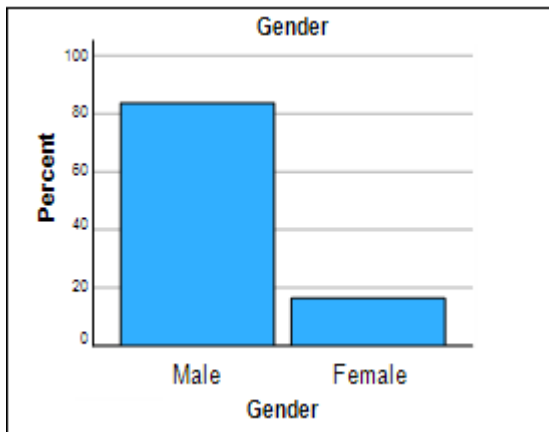


Chart 1: Showing Respondents Gender

Table 2: Showing Respondents Required Logistic Service

		How often do your organization required the Logistic service			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily basis	28	26.9	26.9	26.9
	Weekly basis	75	72.1	72.1	99.0
	Monthly basis	1	1.0	1.0	100.0
	Total	104	100.0	100.0	

Interpretation: From the table it is interpreted as 26.9% required logistics services are on daily basis, 72.1% required logistics services are on weekly basis, 1% on monthly basis. The majority of the respondents are 72.1% required logistics services are on weekly basis.

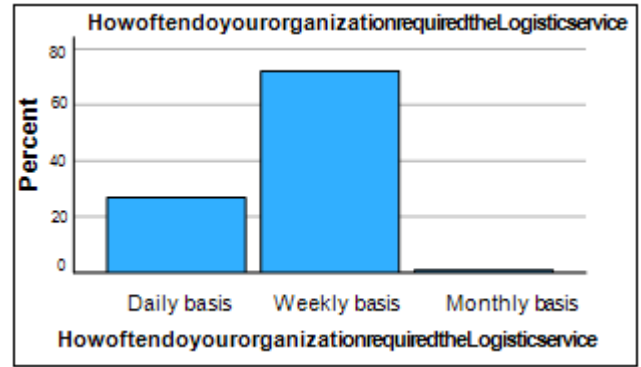


Chart 2: Showing Respondents Required Logistic Service

Table 3: Showing Respondents Delivery Schedule Set

		How was the delivery schedule set			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Before time	100	96.2	96.2	96.2
	On time	4	3.8	3.8	100.0
	Total	104	100.0	100.0	

Interpretation: From the table it is interpreted as 96.2% are before time and 3.8% are on time. Hence majority of the respondents are 96.2% are before time.

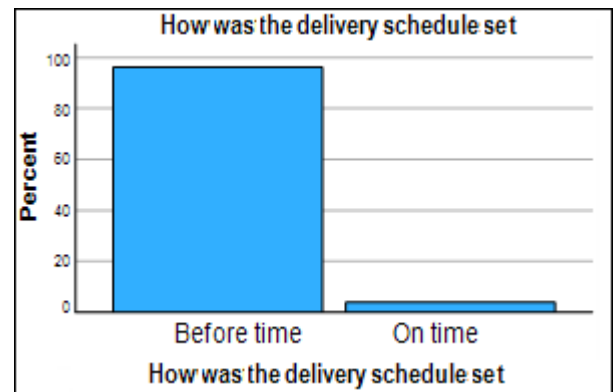


Chart 3: Showing Respondents Delivery Schedule Set

Table 4: Showing Respondents Manufacturing Product Get Damaged While Delivery

		Do the manufacturing product get damaged while delivery			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	2	1.9	1.9	1.9
	No	101	97.1	98.1	100.0
	Total	103	99.0	100.0	
Missing	System	1	1.0		
Total		104	100.0		

Interpretation: From the table it is interpreted as 1.9% are Yes and 97.1% are No. Hence majority of the respondents are 97.1% are No manufacturing product get damaged while delivery.

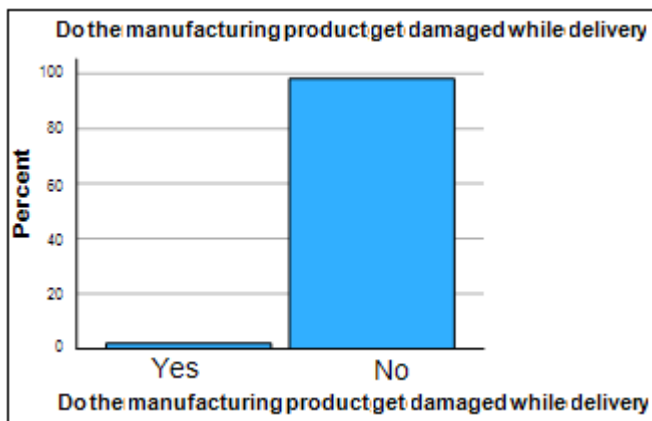


Chart 4: Showing Respondents Delivery Schedule Set

Table 5: Showing Respondents are you willing to Continue with Same Services

Are you willing to continue with same services					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	95	91.3	91.3	91.3
	No	9	8.7	8.7	100.0
	Total	104	100.0	100.0	

**Interpretation:** From the table it is interpreted as 91.3% are Yes and 8.7% are No. Hence majority of the respondents are 91.3% are Yes are you willing to continue with same services.

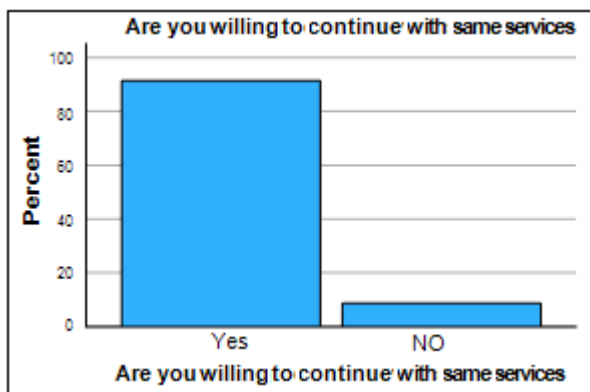


Chart 5: Showing respondents are you willing to continue with same services

**3) One Way ANOVA**

H0: There is no significant relationship between Logistic company have the Modern equipment and The organization insists on error free service, Costs Payment scheme offered by the organization is acceptable

H1: There is significant relationship between Logistic company have the Modern equipment and The organization insists on error free service, Costs Payment scheme offered by the organization is acceptable

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Reliability The organization insists on error free service	Between Groups	7.072	2	3.536	6.037	.003
	Within Groups	75.557	129	.586		
	Total	82.629	131			
Costs Payment	Between Groups	3.079	2	1.539	41.37	<.00

scheme offered by the organization is acceptable	Within Groups	4.800	129	.037	1	1
	Total	7.879	131			

**Interpretation:** We have a significant result. The value which reaches significance with a *p* - value of.003 The organization insists on error free service and *p* - value is 0.001 Costs Payment scheme offered by the organization is acceptable (which is greater than the.05 alpha level). This means there is a statistically significant relationship between Logistic company have the Modern equipment and The organization insists on error free service, Costs Payment scheme offered by the organization is acceptable

**One Way ANOVA**

H0: there is no significant relationship between Costs Payment scheme offered by the organization is acceptable and Are you willing to continue with same services

H1: there is significant relationship between Costs Payment scheme offered by the organization is acceptable and Are you willing to continue with same services

ANOVA					
Costs Payment scheme offered by the organization is acceptable					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.945	1	.945	17.727	<.001
Within Groups	6.933	130	.053		
Total	7.879	131			

**Interpretation:** We have a significant result. The value which reaches significance with a *p* - value of.001 Costs Payment scheme offered by the organization is acceptable (which is smaller than the.05 alpha level). This means there is a statistically significant relationship between Costs Payment scheme offered by the organization is acceptable and Are you willing to continue with same services

**T - TEST**

H0: There is no significant relationship between How often do your organization required the Logistic service and How was the delivery schedule set

H1: There is significant relationship between How often do your organization required the Logistic service and How was the delivery schedule set

One - Sample Test					
	Test Value = 0				
	t	df	Significance		Mean Difference
			One - Sided p	Two - Sided p	
How often do your organization required the Logistic service	43.330	131	<.001	<.001	1.735
How was the delivery schedule set	68.792	131	<.001	<.001	1.030

**Interpretation:** The *p* - value appears in the same row in the "Asymptotic Significance (2 - sided) " column (.001). The result is significant if this value is greater than the designated alpha level (normally.05). In this case, the *p* - value is greater than the standard alpha value, so we accept the null hypothesis that asserts the two variables are

independent of each other. There is significant relationship between How often do your organization required the Logistic service and How was the delivery schedule set

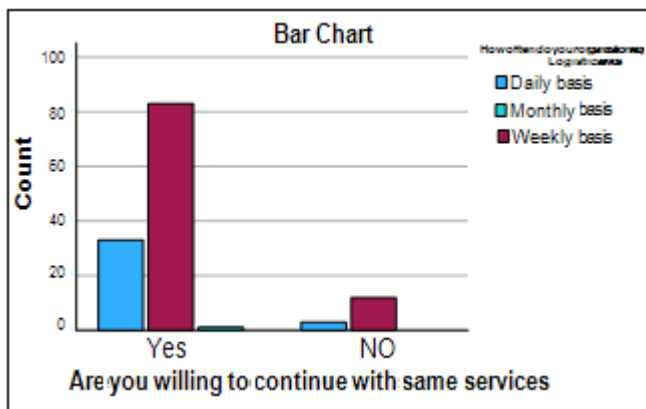
**Chi Square**

H0: There is no significant relationship between Are you willing to continue with same services and How often do your organization required the Logistic service

H1: There is significant relationship between Are you willing to continue with same services and How often do your organization required the Logistic service

Chi - Square Tests			
	Value	df	Asymptotic Significance (2 - sided)
Pearson Chi - Square	.608 <sup>a</sup>	2	.738
Likelihood Ratio	.746	2	.689
Linear - by - Linear Association	.339	1	.560
N of Valid Cases	132		

a.3 cells (50.0%) have expected count less than 5. The minimum expected count is .11.



**Interpretation:** The chi square statistic appears in the Value column of the Chi - Square Tests table immediately to the right of "Pearson Chi - Square". In this the value of the chi square statistic is .608. The *p* - value appears in the same row in the "Asymptotic Significance (2 - sided)" column (.738). The result is significant if this value is greater than the designated alpha level (normally .05). In this case, the *p* - value is greater than the standard alpha value, so we accept the null hypothesis that asserts the two variables are independent of each other. There is no significant relationship between Are you willing to continue with same services and How often do your organization required the Logistic service.

**5. Findings**

- 1) From the table it is interpreted as 83.7% are male and 16.3% are female. Hence majority of the respondents are 83.7% are male.
- 2) From the table it is interpreted as 26.9% required logistics services are on daily basis, 72.1% required logistics services are on weekly basis, 1% on monthly basis. The majority of the respondents are 72.1% required logistics services are on weekly basis.

- 3) From the table it is interpreted as 96.2% are before time and 3.8% are on time. Hence majority of the respondents are 96.2% are before time.
- 4) From the table it is interpreted as 1.9% are Yes and 97.1% are No. Hence majority of the respondents are 97.1% are No manufacturing product get damaged while delivery.
- 5) From the table it is interpreted as 91.3% are Yes and 8.7% are No. Hence majority of the respondents are 91.3% are Yes are you willing to continue with same services.
- 6) The KMO and Bartlett test evaluate all available data together. A KMO value obtained is 0.684 which is over 0.5 hence it is significant and a significance level for the Bartlett's test is 0.001 which is below 0.05 suggest there is substantial correlation in the data. Variable collinearity indicates how strongly a single variable is correlated with other variables
- 7) The *R* value represents the simple correlation and is 0.535 (the "**R**" Column), which indicates a high degree of correlation. The *R*<sup>2</sup> value (the "**R Square**" column) 0.287 indicates how much of the total variation in the dependent variable, can be explained by the independent variable,. In this case, 28.7% can be explained, which is very large indicates that the regression model predicts the dependent variable significantly well. This indicates the statistical significance of the regression model that was run. Here, *p* < 0.001, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i. e., it is a good fit for the data). There is significant relationship between Are you willing to continue with same services and Aspects of logistic services based upon Reliability When the organisation promises to do something, it did it, The organisation performs the service right the first time, When we have problems, the custom shows a genuine interest in solving them, The organization provides its services at the time it promises to do so, The organization insists on error - free service
- 8) The *p* - value appears in the same row in the "Asymptotic Significance (2 - sided)" column (.001). The result is significant if this value is greater than the designated alpha level (normally .05). In this case, the *p* - value is greater than the standard alpha value, so we accept the null hypothesis that asserts the two variables are independent of each other. There is significant relationship between How often do your organization required the Logistic service and How was the delivery schedule set
- 9) We have a significant result. The value which reaches significance with a *p* - value of .003 The organization insists on error free service and *p* - value is 0.001 Costs Payment scheme offered by the organization is acceptable (which is greater than the .05 alpha level). This means there is a statistically significant relationship between Logistic company have the Modern equipment and The organization insists on error free service, Costs Payment scheme offered by the organization is acceptable
- 10) We have a significant result. The value which reaches significance with a *p* - value of .001 Costs Payment

scheme offered by the organization is acceptable (which is smaller than the .05 alpha level). This means there is a statistically significant relationship between Costs Payment scheme offered by the organization is acceptable and Are you willing to continue with same services

- 11) The chi square statistic appears in the Value column of the Chi - Square Tests table immediately to the right of "Pearson Chi - Square". In this the value of the chi square statistic is .608. The  $p$  - value appears in the same row in the "Asymptotic Significance (2 - sided)" column (.738). The result is significant if this value is greater than the designated alpha level (normally .05). In this case, the  $p$  - value is greater than the standard alpha value, so we accept the null hypothesis that asserts the two variables are independent of each other. There is no significant relationship between Are you willing to continue with same services and How often do your organization required the Logistic service

## 6. Conclusion

The company is in a strong financial situation, according to the overall analysis of the business. In south India, one of the most well - known transportation firms is VR Express. Customers have a positive perception of the company's brand. Additionally, it markets its goods under the "VRL" brand. The staff at VR Express put forth a lot of effort and dedication. The company's profit and net worth are rising. As a result, the company has done well since it was founded. Every department in an organisation is essential. The overall analysis of this company's management reveals well - maintained and effective departments. Every portion is operating effectively. Each department's total capacity is well - organized.

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