

IMPACT AND CRITICAL FACTORS PERSUADING CUSTOMER SATISFACTION IN SCOPE FREIGHT FORWARDERS: A CROSS-SECTIONAL STUDY

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ABSTRACT

Freight forwarders manage the movement of products from origin to destination. Freight forwarders connect buyers and sellers by efficiently delivering products. Freight forwarding companies are diversifying into fast-growing logistics and reinventing themselves. Ocean freight forwarding service quality variables must be examined to see if perceived service quality is lower than expected. This study investigates the critical factors influencing customer satisfaction in the freight forwarding industry, focusing on Scope Freight Forwarders. The research identifies timeliness, information quality, and order handling as primary determinants of customer satisfaction, analyzing their individual and collective impacts through descriptive and inferential statistical methods. Using a well-structured survey, the study examines the perspectives of 80 respondents, including exporters and small businesses, highlighting significant associations between service attributes and customer loyalty. Findings reveal that timeliness and order handling strongly correlate with satisfaction, while information quality significantly enhances service transparency and reliability. Businesses with long-term associations exhibited varying satisfaction levels, emphasizing the need for tailored strategies. Statistical tools like ANOVA, Chi-Square, and regression analysis were employed to confirm hypotheses about these relationships, ensuring robust insights. The results underscore the importance of integrating efficient logistics practices and customer-centric approaches to sustain competitive advantage. Recommendations include optimizing air freight services, enhancing communication strategies, and addressing the specific needs of exporters and long-term clients to foster enduring relationships and improved satisfaction.

Keywords: Customer Satisfaction, Timeliness, Information Quality, Order Handling

1. INTRODUCTION

The impact of client happiness on freight forwarders is an important research topic, especially since the logistics industry faces increased competition and changing customer expectations. According to research, service quality substantially influences consumer happiness and loyalty in this area. For example, reliability, responsiveness, and communication are essential indicators of client satisfaction in freight forwarding companies (Dias et al., 2018). Furthermore, Eminence Function Positioning has been found to effectively transform customer requirements into practical managerial strategies, improving service quality (Huang et al., 2013). According to studies, factors of logistics service quality, such as pricing and timing, significantly impact consumer perceptions and satisfaction levels. Furthermore, the link between logistics service quality and customer loyalty emphasizes the importance of freight forwarders prioritizing customer happiness to ensure long-term economic viability (Yoganandan et al., n.d.). These findings highlight the necessity of maintaining excellent service standards in the freight forwarding industry to create client loyalty (Rachmi et al., 2024).

2. LITERATURE REVIEW

In freight forwarding, customer satisfaction emphasizes how important logistics management and service quality are to boosting client happiness and loyalty. According to Rachmi et al., freight forwarding firms' client loyalty is greatly influenced by customer happiness and service quality, and enhancing these factors is crucial for business continuity (Rachmi et al., 2024). Using Quality Function Deployment (QFD), Huang et al. further investigate service quality and show how knowing customer needs and converting them into workable managerial strategies can increase customer satisfaction (Huang et al., 2013). Furthermore, Wibowo's analysis shows that customer satisfaction and complaint levels are strongly impacted by the quality of both products and services, which emphasizes the necessity for freight forwarders to pay attention to these factors (Wibowo, 2022). Ghourrassi and Egu emphasize that to satisfy customer expectations and ensure corporate sustainability, good logistics management integrates a variety of tasks (Ghourrassi & Egu, 2017). Together, these studies highlight how crucial logistics and service quality are to promoting client happiness in freight forwarding. Gunnarsson et al. (2008) found that synchronizing chopper and transport capacity reduces expenses and harvest time for biogas forage production. The study discovered that higher transport capacity doesn't always lower

costs because faster harvests don't offset more significant transport costs. The study recommends later harvests and environmental variables for cost-effective methane generation. Hasan (2020) examined logistics service quality variables and customer happiness. The study found substantial correlations between timeliness, order condition, personnel contact quality, information sharing, and customer satisfaction in logistics services. These results show that Timeliness and Order Condition, the top two elements of physical distribution service quality (Mentzer et al., 2001), remain essential in LSQ.

Mentzer et al. (2001) examined how logistics service quality—timeliness, order condition, personnel contact quality, and operational information sharing—affects customer satisfaction. The study indicated that operational information exchange improves contact quality and satisfaction, whereas order discrepancy handling mitigates timeliness. Understanding client needs improves service and builds long-term partnerships. According to Sang-Yoon (2015), port operations must be competitive by providing accurate and timely information about berthing schedules, loading and unloading periods, and costs. Strong communication and problem-solving with significant port users are essential. A robust terminal information system must comply with safety and security standards, including data protection and counter-terrorism for operational efficiency and user trust. These tactics are essential for port service customer satisfaction and efficiency. Lena Ellitan (2023) stresses the importance of Personnel Contact Quality, Information Quality, Order Quality, Timeliness, and Order Discrepancy Handling in customer happiness and loyalty. Knowledgeable and compassionate service staff, accurate and precise information, prompt delivery, and order resolution are crucial to customer happiness. Meeting these factors boosts client happiness and loyalty. The text also argues that freight forwarding companies must focus on these dimensions to establish long-term customer relationships.

3. STATEMENT OF THE RESEARCH PROBLEM

Customer satisfaction has emerged as a critical determinant of business success in the dynamic and competitive freight forwarding industry. Freight forwarders, such as Scope Freight Forwarders, play a pivotal role in global supply chains, ensuring timely and efficient transportation of goods. However, meeting and exceeding customer expectations in this complex domain is challenging, given the industry's dependency on multiple factors such as logistics efficiency, communication, service quality, and cost-effectiveness. Despite the vital importance of customer satisfaction, many freight forwarders struggle to identify and address the key factors influencing it. While some studies explore general customer satisfaction in logistics, there is a limited focus on understanding its critical determinants within the freight forwarding context, particularly for firms like Scope Freight Forwarders. This creates a pressing need to investigate how critical factors persuade customer satisfaction, allowing firms to develop strategies for improving service offerings and retaining clients in a competitive market.

4. OBJECTIVES OF THE STUDY

- To evaluate the significant difference between the firm's size regarding the factors inducing customer satisfaction in scope freight forwarders.
- To study the association between the collaboration of clients and the preferred mode of transport.
- To identify the most dominating factors influencing customer satisfaction in the scope of freight forwarders.

5. RESEARCH METHODOLOGY

This study aims to investigate the essential aspects influencing customer satisfaction in Scope Freight Forwarders by employing a quantitative research design emphasizing cross-sectional observations. The data is collected simultaneously, demonstrating the links between customer happiness, timely delivery, the quality of information, and handling all orders. This sample size of eighty was collected through the use of structured questionnaires that were meant to test particular characteristics connected to the level of satisfaction experienced by customers. The dependability of the survey instrument is demonstrated by Cronbach's alpha values, which range from 0.924 to 0.964. These values suggest a high level of internal consistency across all scales.

6. DATA ANALYSIS AND INTERPRETATION

One-Way ANOVA Test

H₀: There is no significant difference between the size of the firm and the factors inducing customer satisfaction in Scope Freight Forwarders.

ANOVA					
Satisfaction					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	627.464	3	209.155	36.925	.000

Within Groups	430.486	76	5.664		
Total	1057.950	79			

The accompanying table shows that different groups perceive timeliness differently. Between-groups total of squares (451.131) and within-groups sum of squares (354.069) show variation. There are 3 degrees of freedom (df) between groups, whereas within groups, there are 76, totaling 79. Between groups, the mean square is 150.377, and within groups, 4.659. The F-value of 32.278 is statistically significant with a p-value of 0.000, suggesting that timeliness affects consumer satisfaction across research groups. This implies that freight forwarder clients' satisfaction is strongly influenced by punctuality.

Chi-Square Test

H₀: There is no significant association between the collaboration of the clients and the type of mode of transport preferred

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.761 ^a	3	0.08
Likelihood Ratio	6.997	3	0.072
Fisher's Exact Test	6.607		
Linear-by-Linear Association	5.822 ^b	1	0.016
N of Valid Cases	80		

The Pearson Chi-Square (0.08) and Likelihood Ratio (0.072) p-values are over the significance level of 0.05, indicating that the categorical variables are not significantly associated. With a p-value of 0.016, the Linear-by-Linear Association shows a significant linear trend across variables. While there's no general link, the data may have a linear relationship.

Multiple Linear Regression Analysis

A multiple regression analysis evaluated whether timeliness, information quality, and order handling significantly affect customer satisfaction.

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.990 ^a	.980	.979	.528	.980	1238.475	3	76	.000	2.069

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.25	0.179		-1.396	0.167
	Timeliness (X1)	0.054	0.037	0.047	1.452	0.15
	Information Quality (X2)	0.377	0.081	0.368	4.655	0
	Order Handling (X3)	0.602	0.082	0.587	7.353	0

The regression analysis indicates that timeliness (X1), information quality (X2), and order handling (X3) were evaluated as predictors of the dependent variable. Order handling (X3) has the most enormous positive and statistically significant effect on the outcome ($\beta = 0.587$, $p < 0.001$). Information quality (X2) also has a significant positive impact ($\beta = 0.368$, $p < 0.001$). However, timeliness (X1) has a smaller, non-significant effect ($\beta = 0.047$, $p = 0.15$). The constant term is insignificant, suggesting these predictors primarily drive the model.

7. DISCUSSION AND CONCLUSION

The study highlighted numerous crucial points about respondents' businesses and interests. Nearly half of the enterprises (47.5%) have been in business for over 10 years, indicating longevity—many respondents (40%) export, with 77.5% dealing in raw leather materials. Most firms (31.3%) have been with the company for 3–5 years and export quarterly.

Most enterprises (30%) earn 1–5 lakhs annually, demonstrating their economic impact. Air transport was favored by 51.3% of respondents, indicating a need for faster logistical solutions, while 86% of firms chose this company for its reasonable cost. The research also found significant factor correlations. Customer happiness is substantially correlated with firm age, while association duration affects the choice of transport mode. The magnitude of a company's annual operations also affected transit preferences. When choosing a freight carrier, pricing, timeliness, and service quality were important to businesses. The product type also affected satisfaction, with timeliness, information quality, and order handling positively correlated. Timing was especially important, followed by information quality and order handling in improving customer happiness. These findings emphasize the Significance of prioritizing important service aspects to meet client expectations. Speed and reliability are crucial in freight services, especially for time-sensitive or high-value goods, as 51.3% choose air transit. However, 86% of firms choose freight services primarily on pricing, therefore, cost and quality must be balanced. Logistics suppliers must increase timeliness, information quality, and order management to satisfy price-sensitive clients. The link between firm size and preferred transport mode shows that smaller and larger enterprises have distinct logistical objectives, requiring a flexible approach to satisfy their needs. Customer happiness is strongly correlated with punctuality, order handling, and information quality; enhancing these areas would improve customer experiences. Finally, product type affects satisfaction, especially for fragile or expensive things. Scope Freight Forwarders should investigate how customized handling and faster delivery for these products might boost customer satisfaction and give them an edge in the business. Scope Freight Forwarders may streamline operations and develop long-term partnerships with reliable and responsive clients by investing in bespoke logistics solutions for different product categories.

8. REFERENCES

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