



A STUDY ON CUSTOMER SATISFACTION IN DHL

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Abstract

Creating customer values and satisfaction are at the heart of modern marketing thinking and practice. Marketing is the delivery of customer satisfaction at a profit this study identifies Customer Relationship Management CRM.

Keywords: *Quality, Pricing, Support, Customer, Complaint, Feedback etc.*

INTRODUCTION

A multitude of companies today has already identified the need to create a loyal customer base and acknowledges that maintaining existing customers and extending business with them is significantly less expensive than acquiring new customers. Empirical proof of the proliferation of such customer loyalty efforts in the business world is e.g. provided in the form of loyalty programs, which many companies have installed during the past years. By engaging in efforts aimed at creating customer loyalty, which in turn fosters financial success in monetary terms firms react to increasing competitive challenges.

Within research, the investigation of customer loyalty gained importance when the classic marketing paradigm with its instrumental and transactional orientation proved unsuitable in the context of longer-term business relationships. Instead, the relationship marketing approach, which is specifically concerned with the study of relational exchanges, gained importance within research, serving as a conceptual foundation for the majority of customer loyalty researchers

The question of how loyalty develops has been subject to an abundance of research, leading to an expansive body of literature on loyalty determinants. The extant literature exploring different factors and their constituent effects on loyalty, however, reveals a strong focus on consumer goods and industrial equipment settings, while industrial services have received relatively little attention so far. In addition, the majority of articles incorporates merely a few potential determinants and thus fails to draw a comprehensive picture of the mechanisms of customer loyalty formation.

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Just like other businesses, logistics service providers (LSPs) are faced with increasing competitive pressure that urges them to concentrate not only on operational business processes, but also on an efficient and effective customer management. In the US alone, LSPs' revenues grew from US-\$ 31 billion in 1995 to US-\$ 85 billion in 2004 and logistics outsourcing expenditures as a fraction of total logistics expenditures are at over 40% and expected to rise



even further. One way to meet this challenge of rapid growth and expansion, according to Langley et al. is to focus on establishing, maintaining, and developing relationships with customers.

REVIEW OF LITERATURE

Logistics

After having presented the necessary fundamentals of customer loyalty in the preceding section, this section will elaborate on the reference point of the research project, i.e. logistics. For that, the first section will present different views on logistics and lay the notional basis for the understanding of logistics embraced in this study. As relationships between logistics service providers and their customers are to be analyzed, the logistics outsourcing phenomenon will be detailed, before taxonomy of logistics service providers is provided.

Nature of Logistics

Logistics is an established discipline both in theory and in practice, yet there is no agreement on a universal definition of logistics. One widely accepted view stems from the Council of Supply Chain Management Professionals (CSCMP). In their latest definition (CSCMP 2005), logistics management is seen as “that part of Supply Chain Management that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers' requirements.” This view is clearly marked by the economic objectives of effectiveness and efficiency and regards logistics as part of supply chain management

Other definitions e.g. that of Weber and Kummer are broader and refer to logistics as a flow-oriented design of all value-creation processes. At the base of their understanding is the empirically backed assumption that there are different stages of maturity in logistics. While there are several researchers that also argue for stage models of logistics development, there is no unity as to how many stages such a model has. The model that will be briefly examined in this section stems from Weber, who identifies four maturity stages. These stages are determined by the level of logistics knowledge present in a firm and require path-dependent development from the lowest to the highest level of logistics knowledge:

Logistics Service Providers

If a company employs an outside provider to perform some or all of its logistics activities, this outside provider is termed a logistics service provider. These LSPs were originally only offering a very narrow spectrum of services, mainly consisting of transportation or warehousing services. In order to react to changing demands from their customers, as pointed out in the preceding sections, LSPs have started to offer integrated service portfolios that include a multitude of different services. According to, five types of LSPs can currently be distinguished: carriers, couriers & express & parcel/postal (CEP), freight forwarders, third-party LSPs (3PLs), and fourth-party LSPs (4PLs), which will be briefly described below.



Carriers are firms that own assets for transportation purposes. These as-sets are usually confined to road, sea, air, or rail transportation. In some cases, however, carriers own several of the aforementioned transportation assets. Management of capacity and load-factor optimization are at the core of the carrier business. CEP providers are also transportation providers. As opposed to carriers, CEP providers send parcels or mail through their networks, employing different transportation vehicles and incorporating handling at hubs. In this way, they can virtually supply door-to-door services anywhere in the world, without having to rely on any third parties. Core competencies of CEP providers are the operation and management of highly complex distribution networks.

Freight forwarders are intermediaries between suppliers and buyers of transportation services. In most cases, brokers carry out additional services, such as transportation planning and management, including the associated provision of information systems. In some cases, brokers also dispose of their own transportation assets. Bundling and coordination of demand for transportation services are the core competencies of brokers.

In contrast to the aforementioned LSPs, 3PLs or contract LSPs offer their customers logistics solutions that often include management capacities. These solutions most commonly include several services, such as warehousing and pick/pack operations that are carried out on a longer-term contractual basis. Sometimes, customers' value chains, such as fleet management, order handling, complaints management, call centers, or assembly services. A recent addition to the list of types of LSPs comes in the form of 4PLs. While there is no universal agreement on the definition of the 4PL, the current state of the debate establishes 4PLs as suppliers of complete logistics systems, without carrying out the services themselves. Instead, 4PLs sub-contract all operations from other LSPs and confine themselves to the management of logistics systems. Thus, they do not dispose of any logistical assets and are a neutral intermediary between businesses and asset-based LSPs.

As 3PLs form the point of reference for logistics outsourcing as dealt with in this study, the existing notional ambiguities in research have to be examined. Author to identify different types of 3PLs. To him, there are four distinct classes of 3PLs:

- (1) asset-based 3PLs use their own assets (e.g. trucks and warehouses) to offer dedicated logistics services;
- (2) management-based 3PLs supply logistics management through information systems or consulting;
- 3) Integrated 3PLs use their own assets to provide logistics services, but also subcontract from other vendors if necessary; and
- 4) administration-based 3PLs mainly offer administrative management (e.g. Freight payment).

Objective of the study

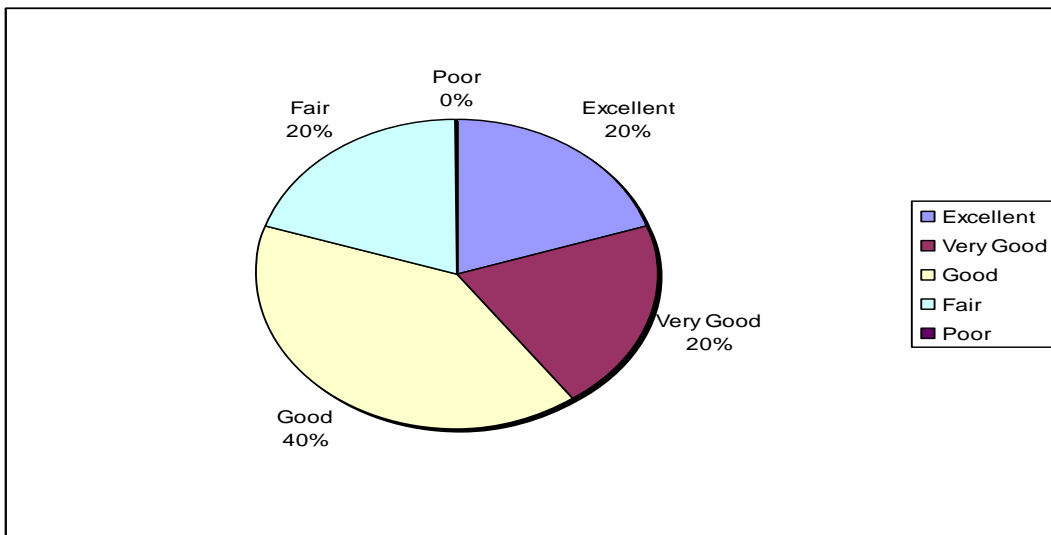
- A study on customer level of satisfaction in towards DHL Express (I) Pvt Ltd
- To identify the loyalty of customer towards DHL Express (I) Pvt. Ltd.
- To measure the specific reasons for satisfaction and dissatisfaction in with DHL Express.
- To identify the recommendations of DHL Express to others by existing loyal customers.
- To give suggestion regarding improvement of performance standard of the Company

RESEARCH METHODOLOGY

DATA ANALYSIS & INTERPRETATION

Table -1, Customers overall experience to accessibility and responses of DHL representative through Telephone

Options	Respondents	Percentage
Excellent	16	20 %
Very Good	16	20 %
Good	32	40 %
Fair	16	20 %
Poor	0	0 %
Total	80	100 %



Interpretation: 20% of the customers responded that their overall experience to accessibility and responses through Telephone is Excellent. Next 20 % says it is very good. Good being awarded by 40 % of the customer. Final 20 % is not so satisfied so they said that the service is fair



FINDINGS

- 20 % of the customers responded that their overall experience to accessibility and responses through Telephone is Excellent. Next 20 % says it is very good. Good being awarded by 40 % of the customer. Final 20 % is not so satisfied so they said that the service is fair
- 19 % of the customers responded that their overall experience to ability to help resolve issue or need is Excellent. Next 21 % says it is very good. Good being awarded by 28 % of the customer. 24 % is somewhat satisfied so they said that the service is fair. 9 % is not satisfied with the service.
- 21 % of the customers responded that their overall experience with DHL clearance department is Excellent. Next 19 % says it is very good. Good being awarded by 18 % of the customer. 38% is somewhat satisfied so they said that the service is fair. 5 % is not satisfied with the service.
- 11 % of the customers responded that their overall experience with DHL clearance department is Excellent. Next 31 % says it is very good. Good being awarded by 50 % of the customer. 5 % is somewhat satisfied so they said that the service is fair. 3 % is not satisfied with the service.
- 19 % of the customers responded they are Extremely Satisfied with the service. Next 25 % they are satisfied. Neutral is 22 % of the customer. 23 % is somewhat satisfied so they said that the service is fair. 3 % is not satisfied with the service.

SUGGESTIONS

- Communicate. Whether it is an email newsletter, monthly flier, a reminder card for a tune up, or a holiday greeting card, reach out to your steady customers.
- Customer Service. Go the extra distance and meet customer needs. Train the staff to do the same. Customers remember being treated well.
- Employee Loyalty. Loyalty works from the top down. If you are loyal to your employees, they will feel positively about their jobs and pass that loyalty along to your customers.

CONCLUSIONS

In addition to suggestions and findings, this study also provides several scopes for further research, which will be addressed in the following paragraphs:

While the customer loyalty model validated in this study possesses good power for explaining repurchase intentions and referral behavior, only partial explanation of the construct of additional purchase intentions is achieved. As stated before, factors not contained in the model such as strategic outsourcing considerations can be assumed to affect the intention of customers to outsource additional logistics activities to the currently most important LSP. For this reason,



future studies should explore additional determinants of this loyalty dimension. Measurement model assessment revealed that the operationalization of fairness in this study does not achieve sufficient discriminance from other constructs, especially from trust and relational satisfaction. As there is a strong theoretical indication that fairness is important in customer loyalty considerations, further studies should modify fair-ness' measurement model, e.g. by more strongly recurring to the concept of inequity.

Within this study, four relational characteristics were examined. In addition, analyses were conducted for a multitude of other contingency factors that are not included in the present study. Overall, however, no conclusive moderations were identified. Nevertheless, it may be assumed that customer diversity still has moderating effects on the formation of customer loyalty. The determinants contained in this study, however, capture rather general evaluations of relationships between LSPs and their customers, which may be too broad to be subject to moderating effects. For this reason, it would be sensible to examine antecedents of the employed determinants, as moderating effects could surface when this level of detail is added to the analyses.

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