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AN EMPIRICAL SURVEY ABOUT CUSTOMER SATISFACTION AND CUSTOMER LOYALTY WITH SPECIAL REFERENCE TOWARDS DHL

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Research Motivation

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 ex-changes, 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.

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 fromUS-$ 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

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customers.

An often proposed driver of logistics outsourcing is the need to develop and maintain competitive advantage, which customers of LSPs intend to achieve through concentrating on core competencies and re-engineering. Another important driver is the ongoing globalization, which several authors regard as the most important challenge that companies are facing. In this context, LSPs can play an important role as facilitators of global trade. Along with globalization, however, companies that outsource logistics activities increasingly try to consolidate the number of LSPs they use globally. Therefore, LSPs do not only have to devise sustain-able growth strategies, but also have to develop intercultural management competencies, a challenge hardly ad-dressed in LSP management literature.

While intercultural management deals with the influence of culture on management styles in different countries, it is also arguable whether a one best way management paradigm is applicable even within national confines. LSPs' customers are extremely diverse and similarly, relationships between LSPs and their customers can be expected to exhibit momentous differences. As such, it is a crucial management issue for LSPs to de-sign their customer loyalty efforts in a manner that accounts for both cultural context and different relationship characteristics.

Research goals

As outlined in the preceding section, LSPs are confronted with diverse management challenges that result from continuous growth, globalization, and customer diversity. The aim of the present study therefore is to identify determinants of customer loyalty in relationships between LSPs and their customers by explicitly considering different characteristics and cultural contexts of such relationships. In this sense, the present research is positioned at the interface of marketing and logistics and is intended to contribute not only to logistics research, but also to research in marketing, customer loyalty, and cultural studies.

In order to address the concept of customer loyalty, it is important to understand the mechanisms underlying loyalty in the logistics outsourcing context. For this reason, the starting point of the present research will be the study of Wallenburg, who studied customer loyalty within relationships between LSPs and their customers. On this basis, factors that can be surmised to determine customer loyalty in such relationships will be proposed and interdependencies between these factors will be identified. The resulting comprehensive explanatory model of customer loyalty will not only provide insights into the constitution of customer loyalty, but will also serve as the basis for subsequent analyses.

As stated previously, a globalizing marketplace and the need of LSPs to render logistics services on an international scale requires intercultural management competencies. Before being able to apply such management techniques, though, a thorough understanding of cultural differences between different countries is necessary. The present study will therefore provide a starting point for such analyses by investigating cultural differences between two important markets for logistics outsourcing, the USA and Germany. Particular differences between Germany and the USA will be identified and applied to the previously devised customer loyalty model. As a result, differences between the two countries with respect to the formation of customer loyalty can be inferred.

Finally, this study will investigate in how far different relationship conditions influence the development of customer loyalty. For this purpose, important relationship characteristics will

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be identified and their moderating influences on the customer loyalty model will be examined. This will provide information on the robustness of the customer loyalty model versus relational contingencies and will suggest if it is necessary to differentiate customer loyalty efforts accordingly.

RESEARCH METHODOLOGY

Objectives 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.

Scope of the study
- ° Scope of the study mainly to know the current level of customer satisfaction.
- ° Scope of the study mainly to know the loyalty of the customer towards the company.
- ° To give suggestions regarding improvement of performance standard of the Company
- ° To inform the management about current level.

Limitations of the Study
- ° Time limit restricts detailed survey work for this particular topic of research
- ° The survey is restricted to the customers of DHL Express I Pvt ltd who are involved in imports.
- ° Some customers have lack of time, so they may not communicate properly.

Research Design

The objective of the study has been achieved by using both Primary and Secondary Data. The data's obtained for the study was primarily from field investigation carried out among the customers of DHL.

Sampling

Sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for samples.

Samples are studied for the population who are the customers of DHL Express I Pvt. Ltd. Research design is needed because it facilitates the smooth railing of the various research operations thereby making research as effective as possible yielding maximal information with minimal expenditure of effort, time and money.

Sample Size

The Customers, to whom DHL provides service is taken into consideration. The sample size is 85.

Primary Data

Primary data was collected through Online Survey
http://dhl-customerloyalty.surveyconsole.com/

Survey Research:

Survey research as name suggests, is distinguished by the facts that the data are collected from the people who are thought to have the desired information, through questionnaire.

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       Questionnaire was posted over the internet and sent to the respective customers in order to collect information related to the topic. The questionnaires so designed for this purpose were structured.

Secondary Data

       Secondary data was collected through company websites and records. And analysis on various aspects has been done using different statistical techniques.

The methods followed for the analysis and interpretation of data are:
- Univariate Percentage Analysis
- Weighted average method

DATA ANALYSIS & INTERPRETATION

Customers overall experience to accessibility and responses of DHL representative through Telephone.

Table - 1

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
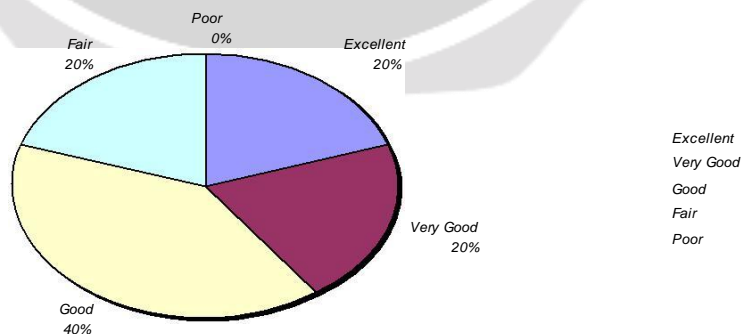

Figure - 2

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(Chart showing Customers overall experience to accessibility and responses of DHL representative through Telephone)

Customers overall experience to accessibility and responses of DHL representative through E-mail.

Table - 2

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 E-mail 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
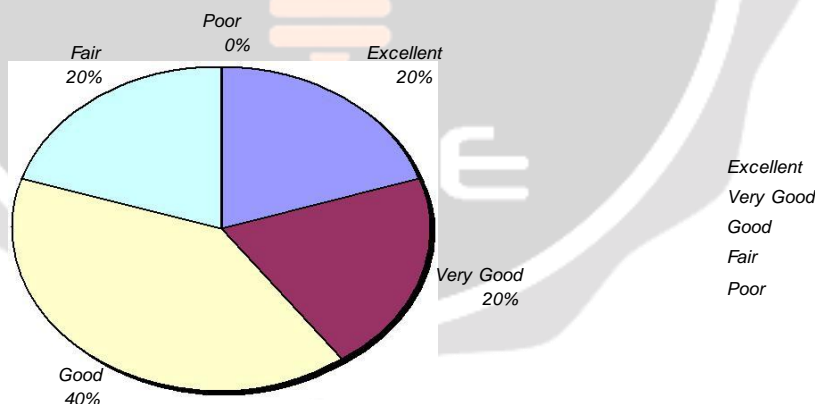

Figure - 3

(Chart showing Customers overall experience to accessibility and responses of DHL representative through E-mail)

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Clearance representative ability to help customer issue/need

Table - 3

Options	Respondents	Percentage
Excellent	15	19 %
Very Good	17	21 %
Good	22	28 %
Fair	19	24 %
Poor	7	9 %
Total	**80**	**100 %**

Interpretation:

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.
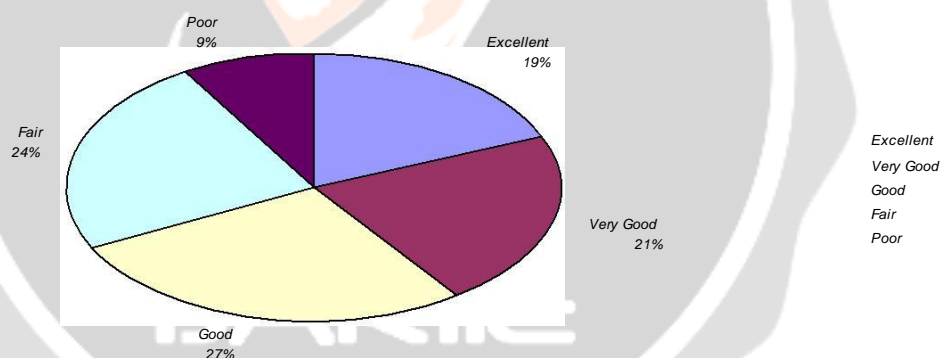

Figure - 4

(Chart Showing Clearance Representative Ability to Help Customer Issue/Need)

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Customers Overall experience with DHL Clearance Department

Table - 4

Options	Respondents	Percentage
Excellent	17	21%
Very Good	15	19%
Good	14	18%
Fair	30	38%
Poor	4	5%
Total	**80**	**100 %**

Interpretation:

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.
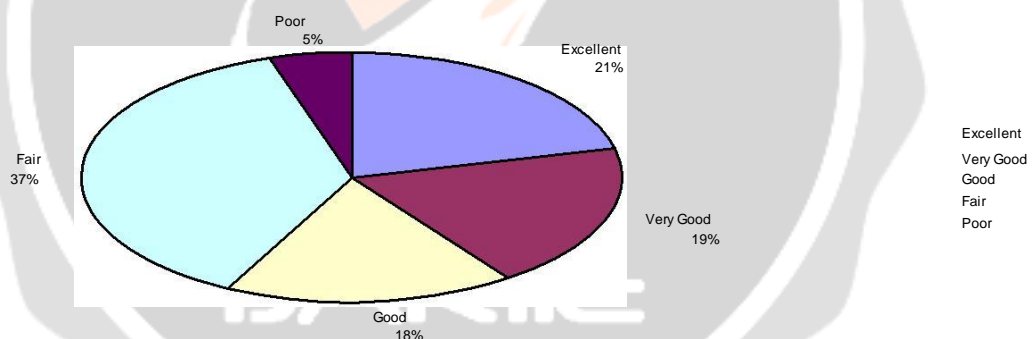

Figure - 5

(Chart showing Customers Overall experience with DHL Clearance Department)

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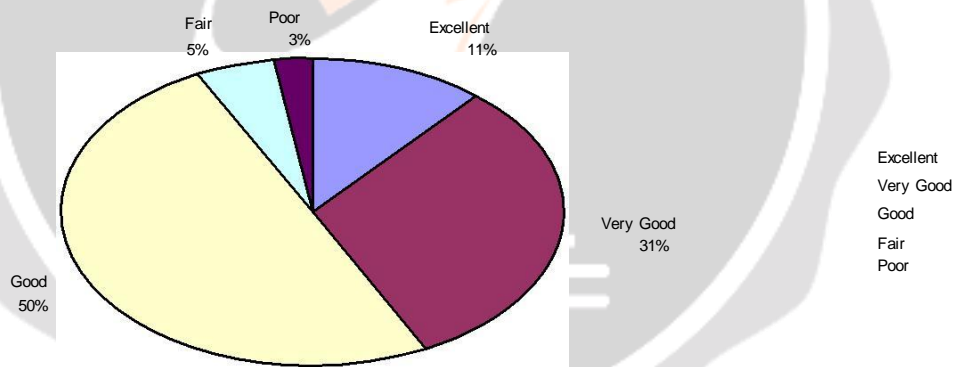
Customers Overall experience with DHL Shipment Delivery at doorstep

Table - 5

Options	Respondents	Percentage
Excellent	9	11%
Very Good	25	31%
Good	40	50%
Fair	4	5%
Poor	2	3%
Total	**80**	**100 %**

Interpretation:

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.

Figure - 6
(Chart showing Customers Overall experience with DHL Shipment Delivery at doorstep)

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Customer Satisfaction level with DHL Express I Pvt Ltd

Table - 6

Options	Respondents	Percentage
Extremely Satisfied	15	19%
Satisfied	20	25%
Neutral	22	28%
Dissatisfied	18	23%
Extremely Dissatisfied	5	6%
Total	**80**	**100 %**

Interpretation:

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 AND CONCLUSIONS

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. Go the extra distance and meet customer needs. Train the staff to do the same. Customers remember being treated well. 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. Train employees in the manner that you want them to interact with customers. Empower employees to make decisions that benefit the customer. Give customers a reason to return to your business. For instance, because children outgrow shoes quickly, the owner of a children's shoe store might offer a card that makes the tenth pair of shoes half price. Likewise, a dentist may give a free cleaning to anyone who has seen him regularly for five years. Know what your steady patrons purchase and keep these items in stock. Add other products and/or services that accompany or compliment the products that your regular customers buy regularly. And make sure that your staff understands everything they can about your products. If you say a purchase will arrive on Wednesday, deliver it on Wednesday. Be reliable. If something goes wrong, let customers know immediately and compensate them for their inconvenience. Try to solve customer problems or complaints to the best of your ability. Excuses — such as "That's our policy" — will lose more customers then setting the store on fire. The harder it is for a customer to speak to a human being when he or she has a problem, the less likely it is that you will see that customer again. Remember the theme song to the television show *Cheers*? Get to know the names of regular customers or at least recognize their faces.

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

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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.