

SERVICE QUALITY AND CUSTOMER RELATIONSHIP MANAGEMENT IN THE LOGISTICS INDUSTRY

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Purpose: The aim of this article is to present a modern approach to optimising service quality management and customer relationship building in the logistics industry. The text addresses issues related to the ability of logistics systems to meet the expectations of customers in terms of the reliability and timing of deliveries, marketing communication with customers and the convenience of purchasing logistics services. These issues are important for transportation company managers because a thorough knowledge of customers' preferences and behaviours as well as industry trends should be the starting point for developing and implementing a customer service strategy.

Design/methodology/approach: The paper is based on a review of the literature and internet sources. The analyses conducted cover the years 2000-2023.

Findings: The article discusses selected elements included in the process of customer service management in logistics companies. Customer service was broadly defined as the adopted concept of business activity which serves the formation of long-term relationships with customers. Special attention was paid to such attributes of customer service as delivery reliability, responsiveness to market needs, and staff empathy.

Research limitations/implications: It would undoubtedly be advisable to carry out representative surveys among both actual and potential customers of logistics operators in the future to empirically verify the importance of selected elements of the logistics service offered to customers in improving the competitive position of companies and their market success. Among others, the Servqual method for measuring customer satisfaction described in this article can be used for this purpose.

Practical implications: Effective customer relationship management is essential for the managers of logistics companies. The paper discusses selected elements of logistical and transactional customer service, including the indicators and metrics used for evaluating contractors operating in the TSL industry.

Originality/value: The findings of the analyses have cognitive value. The article describes the role of customer service in increasing the competitiveness of companies operating in the logistics sector.

Keywords: Logistics customer service, logistics.

Category of the paper: General review.

1. Introduction

Quality is one of the most important attributes that determine the extent to which a product or service is worth its price and customers' attention. It is a concept that has accompanied mankind since the dawn of time. It is assumed that the concept of quality was invented by Plato (427÷347 BC), who called it *poiotes*. Already in ancient times efforts were made to establish technical standards relating to the quality of goods. The earliest references, concerning the quality of linen cloth come from Egypt before 2000 BC. Around 1200 BC, during the reign of Ramses III, so-called commodity lists containing the requirements that goods should meet were compiled.

In the literature, the following division of the characteristics of quality into four groups can be found (Jazdon, 2002):

1. Technical features (geometrical dimensions, surface condition, physico-chemical properties, parameters relating to the product's function such as speed, efficiency, power, etc., depending on the intended use of the product);
2. Performance features (reliability, durability, safety, serviceability, accessibility, ergonomics, etc.);
3. Aesthetic features (external appearance, proportions, colour, conformity to fashion trends, workmanship, etc.);
4. Economic features (social cost of production, operating costs, etc.).

As regards services, an excellent classification of the basic criteria for assessing their quality has been proposed by A. Parasurman, V.A. Zeithaml and L.L. Berry. This classification includes the following (Jazdon, 2022):

- accessibility of the service, understood as the convenience of the location of service facilities, the most suitable opening times, as well as short waiting times;
- competence and courtesy of staff;
- information about the services offered, which should be precise, transparent and understandable;
- trust and reliability: the service company and its employees should be reliable as regards looking after the interests of its clients, and the service should be provided accurately and conscientiously;
- safety: in the process of providing a service, any risks both for the service provider and the contractor are eliminated;
- accountability: it is the duty of a service provider to act efficiently and competently, taking into account customers' preferences and requirements;
- infrastructure: the material environment in which the services are provided that ensures adequate and professional service provision;
- awareness of the needs of current and prospective customers.

It is worth noting that the above proposal regarding the classification of the criteria for assessing service quality should not be regarded as final. In each case, an individual set of criteria can be developed for a specific service, e.g. logistics, taking into account its specific and characteristic attributes.

2. Logistical and transactional customer service

Customer service is not uniformly understood and has a number of definitions. This is because it may be viewed differently by suppliers, sellers and manufacturers, and differently still by customers. Marketing and logistics professionals may also have different approaches to understanding customer service. From a logistics perspective, customer service is the ability or capacity to meet customer requirements, primarily in terms of the time and place of requested deliveries, using all the available forms of logistics activity, namely transport, storage, inventory management, information and packaging. Marketing experts, on the other hand, see it as something that the company provides in addition to the purchase, thus providing additional benefits for customers. Here, service is perceived as an element of the extended product that creates additional value for the buyer, differentiating the company's offering from that of its competitors. Despite the differences in defining and interpreting customer service, it can be said that the common element in all the definitions is the relationship that occurs between the seller and the buyer during the sales process. Customer service can therefore be understood as a set of activities in which both the seller and the customer participate (Petrykowska, 2009).

Customer service is not clearly understood and there are many definitions of this concept (Ciechomski, Strojny, 2022a). Despite appearances, it represents a very complex process. Dynamic and turbulent markets require quick reactions and a reorganisation or change of the processes that are implemented and applied in a given enterprise.

In logistics, customer service is defined as the ability of the logistics system to come up to customer expectations in terms of time, certainty, communication and convenience. In other words, this concept should be understood as a specific approach to relationship formation, as well as a set of values within the company to which integrated marketing processes should be subordinated. In professionally implemented logistics customer service, the needs of the customers are of paramount importance to the service company. Furthermore, flexibility in customer service means the ability of the logistics system to respond efficiently to non-standard orders (Baker, 2006).

Customer service is an important carrier of the value offered to customers and it should equate with the following (Kuraś, 2013):

- an established business concept that serves to shape customer relationships;
- a system of direct and indirect contacts with the customer;
- a set of established functions and activities within a company;
- a set of decisions that determine the utility of the place as well as the time of purchasing a product;
- a system of flowing streams not only of goods, but also of information and capital;
- part of the distribution system;
- integrated marketing and logistics processes.

Thus, it should be assumed that customer service is a process that takes place on many levels, consisting not only of customer satisfaction, but also of the company's actions that contribute to it.

When managing the customer service process, the primary focus should be on the needs of buyers (Sulkowski, Morawski, 2014). Hence, it is very important to implement in every company service standards that will cover all the levels and areas of the company's operations. It is crucial to meet customers' needs as well as adapting to their requirements. Such an approach contributes to the formation of a strong bond between the customer and the company. Among the many customer service standards, those related to the issues listed below need to be developed and clearly communicated to the service staff:

- guaranteeing the customer that they are buying an undamaged, working product;
- returns or exchanges are possible;
- access to information about the product, its price and features (Olhager, 2012);
- after-sales services such as warranty, installation, transport etc. (Ciechomski, 2010);
- loyalty programmes (e.g. collecting points for purchases, mobile applications);
- interpersonal service (e.g. speaking the language of benefits, smiling, kindness);
- the staff recommending to customers products and services currently being promoted;
- standardised staff uniforms;
- standardised point of sale design;
- a unified product and service offering at all points of sale in a given chain.

The transport, shipment and logistics services provided by companies mean that customers demand a high level of performance from logistics operators regarding four key parameters:

- high quality of services;
- extensive range of services;
- efficient customer service;
- low prices (Rosa, 2006).

Furthermore, customer relationship management is extremely important in the logistics sector as it allows companies to build positive relationships, which leads to increased loyalty and higher sales volumes. According to research, a company that increases customer satisfaction by 5% can increase its sales by 25-95% (Skorupska, 2021). The key to building lasting relationships is ensuring excellent service to customers, which includes providing quick and effective responses to their queries or complaints as well as offering them valuable knowledge and advice.

G. Biesok believes that the management of the customer service process cannot be analysed solely in the dimension of customer relationship. According to the researcher, this process consists of the entirety of activities in a company, in particular the following (Biesok, 2019):

- focusing on the needs of the external customer;
- striving to utilise human resources as well as meeting the needs of the internal customer, i.e. attention must also be paid to staff teams;
- reducing unnecessary hierarchical levels;
- simplifying processes as well as making organisational structures more flexible;
- ensuring not only self-monitoring, but also paying attention to incentive systems;
- highlighting the significant role of supervisors in the company culture;
- caring for the environment and stakeholder relations.

It should be pointed out that, according to G. Biesok, customer service management is a multifaceted process that covers all areas of a company's operations. Moreover, the quality of the services provided, including their reliability, comprehensiveness and timeliness, is increasingly becoming one of the most important elements determining a company's advantage on the market. If a business wants to be active on the market, it has to ensure that the services that it offers, e.g. logistics, represent an acceptable level of quality, defined by the requirements of its customers (Oniszczyk-Jarząbek, 2017).

A. Bajdak, on the other hand, highlights the role of customer service in conducting marketing activities. He notes that customer service involves maintaining relationships with customers not only before the sale and during the transaction, but also after the sale. According to this author, after-sales customer service is becoming an increasingly important tool in attracting or retaining loyal customers (Bajdak, 2003).

A different approach is presented by P. Cheverton, who considers customer service to be a key determinant of the brand prestige of a commercial organisation. According to this author, adjusting the type of interaction with customers to their preferences, needs and expectations is a key factor in brand formation (Cheverton, 2002). This author takes the view that the sum total of customer interactions determines the level of service and customer satisfaction. The more satisfactory and meaningful the overall customer experience is, the greater the brand value becomes.

As a recap of the discussion of logistical and transactional customer service, it is worth noting some examples of factors that can reduce and improve the quality of this service:

- a) factors that reduce the quality of customer service;
 - poor or no communication within the company and with customers;
 - failure to comply with the terms of the contract;
 - faults and latent defects in the product or service;
 - increased number of complaints;
 - unpleasant atmosphere in the company;
 - negative opinions about the company;
 - inadequate company management.
- b) factors that improve the quality of customer service:
 - an increase in customers' business, which enables the provision of a comprehensive service;
 - customer satisfaction and loyalty;
 - designing the quality system according to the needs of the customers rather than the needs of the company and its sales staff;
 - employee loyalty and identification with the company providing the service;
 - an internally consistent system for monitoring the quality of customer service;
 - updating service quality standards;
 - linking service quality to staff remuneration and motivation system;
 - training for all groups of employees, not just those dealing directly with customers.

Analysing the above factors, it is clear that companies should have a monitoring system in place that will identify any elements in need of improvement. This is a prerequisite for both a successful implementation of quality standards as well as for taking any necessary corrective action.

3. Indicators and metrics used in logistics customer service

A metric is an economic and logistical category that is expressed in appropriate units of measurement. It reflects economic facts and events in the company and its environment. Metrics are usually used in the decision-making process. They are used with regard to natural, techno-economic or value measures, which measure quantitative phenomena and events. They are denominated numbers, relating to a reference base, which are used to assess quantitative phenomena. The old maxim on efficient management says that "if you can't measure it, you can't manage it". It is therefore necessary to first define precisely what is to be measured and the reasons for measuring it.

An indicator, in turn, is a tool that is used to compare and evaluate certain values or processes. It can be an absolute number, a percentage, a ratio or any other parameter that indicates a certain state or trend. Indicators are commonly used in various fields such as economics, finance, statistics, marketing, logistics and many others. Indicators are used for assessing performance, monitoring changes, identifying trends and, most importantly, managerial decision-making. It is also worth noting that in everyday language the two terms are very often used interchangeably, though such a use is sometimes erroneous as it equates two different categories.

Referring to the metrics and indicators used in logistics customer service, M. Jakubczyk emphasises that there are three areas of their application (Jakubczyk, 2023). These include the evaluation of the standard of service, i.e. they make it possible to measure on the one hand employee performance and, on the other hand, customer satisfaction. The first area is service performance and quality indicators. These refer to interactions with customers, as customers expect not only easy but, above all, fast contact. The indicators implemented in this sphere of a company's activity include the following:

- Service Level (SLV), an indicator of operational performance, for example in a contact centre. It refers to the percentage of calls answered in a specific period of time;
- First contact resolution rate (FCR), which relates directly to the outcome of a customer's contact with the company and denotes the percentage of cases that are resolved during a customer's first contact with the company;
- Call abandonment rate, which shows how many calls were abandoned by customers before being connected with an agent;
- Average time on hold, which refers to the average time a customer is made to wait on hold, for example when the staff are consulting on a problem with their superiors.

The second area is team and consultant performance measures. This primarily concerns efficiency, service quality and customer service. Key features here are the efficiency, quality and reliability of customer service:

- Call Scoring, i.e. the monitoring of interactions between the customer service department and customers. The following aspects are assessed: firstly, the contact practices adopted in the organisation; secondly, the factual correctness of the information provided; and thirdly, the optimal forms of communication;
- Agent turnover rate, which relates to the employee turnover indicators in a company.

The third area relates to customer experience. This indicator is crucial, as it reflects not only the strategy, but above all the technologies implemented in the customer service process. The most important metric in this area refers to the subjective perception of communication, and it is this metric that determines the final score given for logistics customer service. In this area, the following are indicated:

- Customer Satisfaction (CSI) is used to determine the level of customer satisfaction not only with the products but also with the services offered by the company;
- Net Promote Score (NPS), which refers to the measurement of customer loyalty.

In conclusion, there are a number of indicators and metrics available for assessing logistics customer service. It is crucial to point out that each logistics company can tailor a given set of metrics and indicators to its needs and prevailing industry standards.

4. The Servqual method of measuring customer satisfaction with service quality

An interesting aspect of analyses devoted to assessing the level of logistics customer service is the use of the Servqual method. This is a method of measuring customer satisfaction which originated in the United States and was developed by A. Parasuraman, V. Zeithaml and L. Barry (Sidor, 2000). This instrument is based on a standardised questionnaire as a measurement tool. It consists of 22 statements divided into five areas (Wozniak, 2017). The first area refers to the so-called tangibles of customer service. Here, attention is directed to the following elements:

- the company's ownership of modern equipment;
- the dress code and the aesthetic appearance of the company's employees;
- a visually appealing physical environment for the company;
- the visual attractiveness of the materials that relate to the service provided.

The second area is reliability, which includes the following categories:

- keeping a promise, i.e. the company promises to provide a particular service and does so;
- keeping to the schedule, i.e. the company provides the service within the promised time;
- correct performance of the service by the company from the very first contract;
- providing comprehensive solutions to actual and potential customer problems, based on a full understanding of their needs;
- keeping accurate and up-to-date records.

Area three is empathy. In this area of logistics customer service evaluation, attention is focused on the following elements:

- the company ensures individualised treatment of each client;
- the company's staff devote appropriate attention to customers;
- the company's operation hours are convenient for all its customers;
- the interests of its clients are the company's primary objective;
- the company's employees understand the specific needs of their clients.

The fourth area is assurance, which includes the following parameters:

- the behaviour of the company's employees, which, above all, should inspire confidence;
- customers should feel secure when dealing with the company;
- the company's staff must always be courteous towards their customers;
- the company's employees must have up-to-date knowledge to be able to provide specific answers.

The final, fifth area is responsiveness. The key issues in this area include the following:

- the company employees are always ready to assist their customers;
- the staff never ignore customer enquiries or attempts to contact the company;
- the company's employees are obliged to inform their clients of the precise date on which the service will be provided;
- the company's staff ensure that customers receive prompt service.

The statements in each area are rated by respondents; usually on a seven-point Likert scale where '1' means '*completely disagree*' and '7' means '*completely agree*' (Wolniak, Skotnicka, 2009; Woźniak, 2017). The most important element of the Servqual method is the aforementioned survey for assessing the relevance of service quality dimensions. In conclusion, it should be pointed out that the Servqual method is one of the most accurate methods for measuring customer satisfaction with the service received compared to the service that was expected.

5. The importance of service quality in customer acquisition and retention

The liberalisation of markets, the dynamic development of ICT, as well as quick and easy access to information contribute to the emergence of many difficulties in terms of maintaining a competitive advantage in the logistics services market. Therefore, companies are increasingly focusing on exploring and analysing sources that could contribute to maintaining their market leadership (Szymanik, 2016). Customer retention is related to the quality of service that customers receive, and it is measured by their level of satisfaction with the degree to which their needs are met. Three areas are of key importance here (Kramarz, 2014):

- the quality of service, which is understood as the degree to which the specified parameters are met, which in turn must comply with general service standards;
- customer satisfaction, i.e. the customer should be satisfied with the service offered, which must, above all, meet their expectations and preferences;
- customer loyalty, i.e. the company should make every effort for the sake of the customer so that the customer will want to maintain further cooperation in the future and, above all, will not be tempted to use the services of competitors.

M. Giemza is of the opinion that quality should be regarded as a fundamental element in creating lasting relationships between an organisation and its customers. In practice, this means that when creating a customer relationship management system, a company must not only correctly understand the concept of quality but, most importantly, it must realise its value for customers (Giemza, 2006).

In turn, when analysing the role of service quality in gaining and maintaining customers, M. Kadłubek points to the 7R principle, which broadly covers such variables as service quality, customer acquisition and customer retention (Kadłubek, 2012). The 7R rule stands for offering the right product, to the right customer, in the right quantity, at the right price, at the right time, in the right place and at the right cost.

6. Conclusions

In logistics companies effective customer relationship management is crucial for maintaining their competitiveness. To achieve success, such companies use a variety of methods to help customise their offering and improve the quality of service. One of the most important service strategies is personalisation, which involves tailoring the offering to individual customer needs. To achieve this, companies use various techniques such as product recommendations based on previous purchases or dedicated promotions. This provides customers with a more effective and attractive offering, leading to increased repeat purchases and greater customer satisfaction.

Finally, it is also important to mention automation, which allows companies to quickly and efficiently respond to customer needs. By automating such business processes as handling orders or complaints companies can increase their business efficiency, which translates into improved service quality. To this end, Customer Relationship Management (CRM) systems are used, which make it possible to track customer interaction history and manage marketing activities.

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