

Customer Service and Delivery Service Quality of Delivery Service Companies

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ABSTRACT

The development of goods delivery services could be seen from the growth of service companies' quantity domestically and abroad. People could determine which delivery services they will use based on their will and the service quality. Freight forwarding companies often experience difficulty in retaining delivery services' loyal customers. The purpose of the study is to analyze the influence of satisfaction, service quality, and customer's services on customer's loyalty of the freight forwarder company. The research technique used the Quantitative approach that the survey data was collected and processed using Structural Equation Modeling (SEM) method of AMOS 22 software. This research used 200 purposive sampling of the company's customers as respondents. The results show that there is direct and indirect influence of customer's satisfaction, service quality, and customer's service on customer's loyalty. Therefore, the role of service quality and customer's satisfaction has a significant impact on the business continuity of freight forwarding service companies. It means that the freight forwarding company should maintain the customer's loyalty optimally by increasing customer's satisfaction through the quality of service provided to customers in order to build the customer's loyalty.

Keywords: customer service, delivery service quality, customer satisfaction; customer loyalty, freight forwarder

A. Introduction

The Freight forwarder both domestic and international grows fast in service quality. People choose to utilize product delivery services to save time, as the demands of their daily lives increase. In the current era, competition for freight forwarding services is so intense that each company endeavors to accommodate the needs of the community (Chairul, 2021). Based on data from Indonesian Consumers Foundation that 3.2% of the total of 535 complaints during 2021 were complaints

about freight forwarder. The main problems complaints of freight forwarder companies are due to missing goods (41%), goods not arriving (18%), inappropriate shipping prices (12%), and damaged goods (6%) (Rizaty, 2022). Freight forwarder's customers often experience difficulty in retaining customers who have loyalty to delivery services. At this time, satisfaction becomes important for delivery service companies and requires a very strategic effort to maintain customer loyalty and add new customers (Tsana Zafira, 2021).

Several research problems in the field

can be found, including, problem of customer complaints regarding company customer service is something that needs to be improved. There are still customers who request compensation which has an impact on the level of customer satisfaction. Also, competition in express logistics services is increasing day by day, requiring companies to maintain customer loyalty. This research examines the perceptions of delivery service to customers at one of Indonesia's goods freight forwarding companies regarding satisfaction and service quality. The study conducted theories based on multiple hypotheses, including customer service, service quality, customer satisfaction, and customer loyalty. Customer service is the main factor that becomes consumer interest in purchasing (Putra et al., 2022). According to Metz et al., (2020), Customer service is an important factor for most businesses in retaining customers, maintaining high profits, and gaining new customers. Almost every freight forwarder company in the world has different services and procedures for handling customers. The growing demand for transport services has encouraged the forwarding sector to develop and thus face new challenges in the implementation of transport and logistics services both domestically and internationally (Skiba & Karas, 2022).

Delivery service quality is another factor that must be considered in order for consumer perceptions to influence purchasing decisions. The low level of consumer confidence in making purchases is a result of skepticism

regarding the quality of the product being purchased. Customers experience anxiety if the purchased items do not meet their expectations (Solihin, 2020). Delivery service quality is a key issue of the managerial goal of a business to pursue customer satisfaction (Huang et al., 2019). The Delivery service quality has a positive and significant effect on customer satisfaction in the Freight Forwarder company (Risnawati et al., 2019).

Customer satisfaction is considered an essential factor in shaping consumer desire and loyalty to repurchase a product in the future and can further increase company profits and sales (Afzal & Pakistan, 2013). According to (Sudaryono, 2016), customer service can increase the willingness of customers to buy or use products and services in the future. According to other studies, customer satisfaction is related to brand loyalty to a product (Javed et al., 2021). According to Alnawas & Hemsley-Brown, (2019), customer satisfaction is heavily influenced by service quality.

Customer loyalty is a behavior that develops from a loyal person's attitude (Dilla & Ngatno, 2020). Customer loyalty is the main part of business management commitment which can provide rewards for customers, especially in terms of product quality, and especially satisfactory service (Rosmadi & Romdonny, 2019). Customer loyalty is when customers reward a company with repeat business over time (Painter, 2023).

The aim of this research is to determine

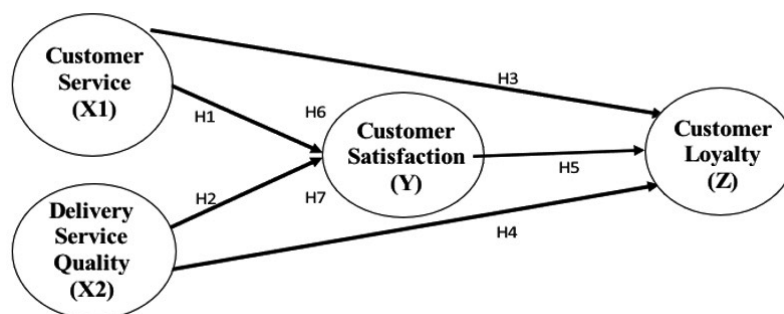


Figure 1 Conceptual Framework

the direct and indirect influence of customer service and the quality of goods delivery on customer loyalty which is mediated by customer satisfaction. Based on the theoretical basis and several relevant previous studies, a conceptual framework (Figure 1) and research hypotheses can be prepared.

Research Hypothesis

- H1: Customer service directly influence to customer satisfaction
- H2: Delivery service quality directly influence to customer satisfaction
- H3: Customer service directly influence to customer loyalty
- H4: Delivery service quality directly influence to customer loyalty
- H5: Customer satisfaction directly influence on to customer loyalty
- H6: Customer service indirectly influence to customer loyalty through customer satisfaction
- H7: Delivery service quality indirectly influence to customer loyalty through customer satisfaction

B. Research Method

The research was conducted at one of the freight forwarder companies in Indonesia, namely PT Si Cepat Ekspres Indonesia. The population in this study was around 850,000 PT customers SiCepat Express Indonesia. Meanwhile, the sample which is part of the population and is considered to be representative and a source of data in the research is 200 customers of PT. SiCepat Express Indonesia. The research technique uses a quantitative approach, where survey data is collected and processed using the Structural Equation Modeling (SEM) method with analysis using AMOS 22 software. While the data sources in the study are primary and secondary data. In this research conclude there are four types of variables such as, customer service, service quality, customer satisfaction, and customer loyalty. Customer service has three dimensions: information accessibility, service variety, and timeliness (Tian et al.,

2010). Service quality has four dimensions: reliability, regularity, flexibility, and continuous improvement (Parasuraman, 2009). Customer satisfaction has two dimensions: value and quality (Tjiptono & Chandra, 2016). Customer loyalty has four dimensions: recommendation, cost performance, quality product, and purchase decision (Kotler & Keller, 2016). A validity test is a test conducted to determine how well a research instrument can be used to measure research variables (Sireci & Doğan, 2017).

C. Results and Discussion

1. The Result of the Validity and Reliability Test

From the results of validity testing, the three statement items from the variable of customer service, service quality, customer satisfaction and customer loyalty variable are declared valid, because the factor loading value is greater than 0.40 (0,675-0,926), which means that each statement item used to measure the variable is declared correct. Based on reliability test results, Cronbach's Alpha for customer service (0,816), service quality (0,832), customer satisfaction (0,891), and customer loyalty (0,8431) ≥ 0.60 , meaning the reliability acceptance criteria. Thus, respondents' answers to the statements used to measure variables can be answered consistently by respondents. The results of the study are based on the data collected on customer service, service quality, customer satisfaction, and customer loyalty. The mean value shows the average respondent's assessment of the variables studied, while the standard deviation shows the variation in respondents' answers. There is no limit on the standard deviation value, but the standard deviation value shows the variation in respondents' answers.

2. Descriptive Statistics Results

The following is a descriptive statistical analysis explaining the mean and standard deviation (Table 1).

Based on descriptive statistical analysis

Table 1 Statistical Descriptive Analysis

Nos	Variable	Minimum Mean	Minimum Standard Deviation	Average Mean	Average Standard Deviation
1	Customer Service	4,400 – 4,490	0,490 – 0,563	4,483	0,462
2	Service Quality	4,210 – 4,420	0,499 – 0,500	4,415	0,441
3	Customer Satisfaction	4,330 – 4,350	0,491 – 0,494	4,375	0,489
4	Customer Loyalty	4,000 – 4,340	0,475 – 0,551	4,275	0,542

shows the average mean is higher than the mean value, which means that customers are agree and satisfied with the quality of service provided by PT Si Cepat Ekspres Indonesia. Most average standard deviation values are higher than minimum standard deviation, this indicates that the data collected tends to be centralized or it can be said that the data collected is good.

3. Goodness of Fit Test Results

Based on the results of the model fit test using AMOS software, the following data is generated (Table 2).

Based on the Goodness of Fit value from Table 2, it can be concluded that Probability approach is 0,000 (Poor of Fit), RMSEA 0,079, NFI 0,835, RFI 0,915, TLI 0,925, CFI 0,903, dan IFI 0,906. Thus, this model is suitable for use in research so that the theoretical hypothesis can be continued. The structural equation model of the research with data processing using AMOS software is described as follows (Figure 2).

After SEM processing, the basis for making hypothesis testing decisions is to compare the amount of $p_{\text{-value}}$ with the level of significance of 5% (error rate $\alpha = 0.05$). (a) If $p\text{-value} \leq \alpha 0.05$, then the null hypothesis (H_0) is rejected, (b) If $p_{\text{-value}} \geq \alpha 0.05$, then the null hypothesis (H_0) fails to be rejected.

4. Hypothesis Analysis Results

H1: Based on analytical calculations, the magnitude of the regression coefficient (β) is 0.648, which shows that the direction of the direct influence of customer service on customer satisfaction is positive. This is because the $p_{\text{-value}}$ is $0.000 \geq 0.05$ (error rate $\alpha = 5\%$). This means the first hypothesis is "accepted".

H2: Based on analytical calculations, the magnitude of the regression coefficient (β) is 0.892, which shows that the direction of the direct influence of customer service on customer satisfaction is positive. This is because

Table 2 Model Fit Test Results (Good of Fit Model)

Type of Measure	Measurement	Measurement Result	Criteria(Cut-off Value)	Decision
Absolute Fit Measures	Probability	0,000	$\geq 0,05$	poor fit
	RMSEA	0,079	$\leq 0,10$	Goodness of fit
	NFI	0,835	$\geq 0,90$	Marginal fit
Incremental Fit Measures	RFI	0,915	$\geq 0,90$	Goodness of fit
	TLI	0,925	$\geq 0,90$	Goodness of fit
	CFI	0,903	$\geq 0,90$	Goodness of fit
	IFI	0,906	$\geq 0,90$	Goodness of fit

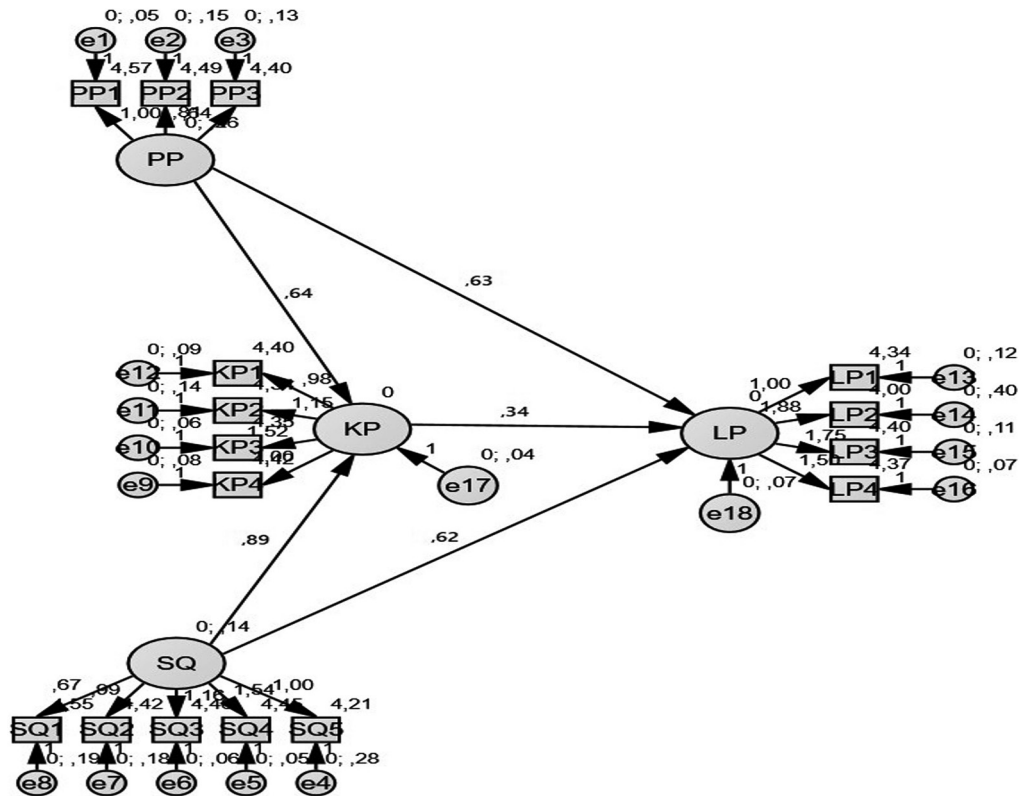


Figure 2 Structural Equation Model Output

the $p_{\text{-value}}$ is $0.001 \leq 0.05$ (error rate $\alpha = 5\%$). This means the Second hypothesis is "accepted".

- H3: Based on analytical calculations, the magnitude of the regression coefficient (β) is 0.635, which shows that the direction of the direct influence of customer service on customer loyalty is positive. This is because the $p_{\text{-value}}$ is $0.000 \leq 0.05$ (error rate $\alpha = 5\%$). This means the Third hypothesis is "accepted".
- H4: Based on analytical calculations, the magnitude of the regression coefficient (β) is 0.622, which shows that the direction of the direct influence of service quality on customer loyalty is positive. This is because the $p_{\text{-value}}$ is $0.000 \leq 0.05$ (error rate $\alpha = 5\%$). This means the fourth hypothesis is "accepted".
- H5: Based on analytical calculations, the magnitude of the regression coefficient

(β) is 0.345, which shows that the direction of direct influence from customer satisfaction on customer loyalty is positive. This is because the $p_{\text{-value}}$ is $0.013 \leq 0.05$ (error rate $\alpha = 5\%$). This means the fifth hypothesis is "accepted".

- H6: Based on analytical calculations, the magnitude of the regression coefficient (β) is 0.352, which shows that the direction of the indirectly influence of customer service on customer loyalty through customer satisfaction is positive. This is because the $p_{\text{-value}}$ is $0.000 \leq 0.05$ (error rate $\alpha = 5\%$). This means the sixth hypothesis is "accepted".
- H7: Based on analytical calculations, the magnitude of the regression coefficient (β) is 0.494, which shows that the direction of the indirectly influence of customer service on customer loyalty through customer satisfaction is positive.

Table 2 Results of Analysis of Hypothesis

Hipotesis	Coefficient Regression(β)	P _{-Value}	Decision
H1. Customer service - customer satisfaction	0,648	0,000	Accepted
H2. Service quality - customer satisfaction	0,892	0,000	Accepted
H3. Customer service customer loyalty	0,635	0,000	Accepted
H4. Service quality - customer loyalty	0,622	0,000	Accepted
H5. Customer satisfaction - customer loyalty	0,345	0,000	Accepted
H6. Customer service - customer loyalty through customer satisfaction	0,352	0,000	Accepted
H7. Service quality - customer loyalty through customer satisfaction	0,494	0,000	Accepted

This is because the p_{-value} is $0.000 \leq 0.05$ (error rate $\alpha = 5\%$). This means the seventh hypothesis is "accepted".

Thus, the findings of this research state that customer service, service quality, and customer satisfaction have a positive and significant effect on customer loyalty in the Freight Forwarder company. The findings of this research support several previous research results, such as research analysis conducted by Risnawati et al., (2019) which explains that the quality of company service will simultaneously have a positive and significant effect on customer satisfaction with Freight Forwarders. company. The results inline research by Putra et al., (2022) which states that customer service has a positive effect on loyalty customer. In general, the results of this research support the study by Nugroho, A. W., & Sudaryanto, (2013) and Menidjel et al., (2017), that customer satisfaction brings many sustainability benefits to companies and can increase and grow consumer loyalty in the long term. The results of this analysis are also in line with the study

of Rosmadi & Romdonny, (2019) who argue that simultaneously customer satisfaction and service quality have a positive effect on customer loyalty. The results of this research also support the study Dewi & Yosepha, (2020), which shows that service quality has a significant effect on customer loyalty of delivery service companies. The results of this research hypothesis test are in line with the study by Vásquez-Párraga et al., (2014), which shows that customer service and satisfaction will create customer loyalty among service consumers.

D. Conclusion

Based on the results of the study shows the level of significance of the influence between variables is high enough to see the influence caused by one variable with other variables. Variable customer service and service quality have a positive effect on customer satisfaction. Customer satisfaction has a positive effect on customer loyalty. Therefore, it can be concluded that PT Si Cepat Ekspres Indonesia's service

quality, customer service, and customer satisfaction are all of a good standard. To build customer loyalty, the role of service quality and customer satisfaction greatly impacts the business continuity of freight forwarding service companies and they need to maintain optimal customer loyalty by building consumer satisfaction through the quality of service provided to consumers. Compared to previous research by Nugroho & Sudaryanto, (2013), freight forwarding services were discovered to be the most important factor influencing customer loyalty. This research discovered that customer loyalty is not only influenced by service quality, and customer satisfaction but also influenced by the quality of delivery and company brands. Managers must consider many factors before deciding where to formulate their marketing strategy: provide attractive promos to customers, conduct regular surveys to all customers to find out their services, provide discounts to customer loyalty, and also enhance the company's brand.

The limitation of this research is that the point system has not yet been implemented which will provide rewards to employees, especially couriers in sending packages, therefore couriers can work optimally in sending packages to customers. In this research, the conceptual model uses intervening variables and for further research on marketing management, moderating variables can be added so that the research results will be more objective.

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