An Analysis on Service Quality and its Impact on Consumer Satisfaction with Reference to VRL Logistics Hubli Karnataka.

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Abstract

This study explores the impact of service quality on consumer satisfaction, focusing on VRL Logistics, a leading logistics provider. Employing the SERVQUAL model, it examines dimensions such as reliability, responsiveness, assurance, empathy, and tangibles to assess their role in shaping consumer satisfaction. The findings reveal that superior service quality significantly enhances consumer satisfaction, fostering customer retention and loyalty.

Operational efficiency is identified as a critical link between service quality and long-term consumer relationships, emphasizing the importance of effective logistics management practices. The study highlights the need for VRL Logistics to adopt customer-centric strategies and continuously improve service delivery to maintain a competitive advantage in the dynamic logistics industry. To analyse the research used a primary data like questionnaire and secondary data are taken from company and research papers and **Chi-square** as a statistical tool.

These insights offer practical implications for VRL Logistics and provide a foundation for further research on integrating emerging technologies and innovative practices to enhance service quality in the logistics sector.

Keywords: Service Quality, Consumer Satisfaction, Customer Retention, Operational Efficiency, Logistics Management.

1.   Introduction

In today's dynamic and competitive business environment, the logistics industry has become a critical enabler of global trade and economic development. Logistics services ensure the efficient movement of goods and materials from suppliers to consumers, acting as the backbone of supply chains. With the rapid evolution of consumer expectations and technological advancements, service quality has emerged as a key differentiator in the logistics sector. Companies are increasingly recognizing that delivering superior service quality not only attracts customers but also ensures their long-term satisfaction and loyalty.

VRL Logistics, one of India's leading logistics service providers, has been at the forefront of the industry, offering a range of transportation and logistics solutions. Established with the mission to provide reliable and efficient services, VRL Logistics has grown to become a trusted name in the market. However, as customer expectations rise, the need to continuously assess and enhance service quality becomes imperative.

Service quality in logistics encompasses various dimensions, including reliability, responsiveness, assurance, empathy, and tangibles. These factors collectively influence consumer satisfaction, which is a measure of how well a company

meets or exceeds customer expectations. High levels of consumer satisfaction not only lead to increased customer retention but also contribute to positive word-of-mouth promotion and a stronger brand reputation.

Operational efficiency is another critical aspect of the logistics industry, directly impacting service quality and customer satisfaction. Efficient processes, timely deliveries, and effective problem-solving mechanisms play a pivotal role in ensuring a seamless customer experience.

2.   Research methodology

The investigation will use an Descriptive research design, which will involve collecting data through a questionnaire survey. The questionnaire will be developed based on the SERVQUAL model, which identifies the five dimensions of service quality, namely, assurance, reliability, empathy, tangibility & responsiveness. Statistical methods like the Chi-square test will be employed to analyze the gathered data.

2.1 Objectives:

The main aims of the study are as follows.

- To assess the degree of service quality provided by VRL Logistics Ltd.

- To assess how service quality influences consumers satisfaction.

- To identify the different areas of improvement in the service quality of VRL Logistics Ltd.

2.3 Hypotheses:

The following hypotheses will be tested in the study:

- H1: There is a positive relationship among service quality & customer satisfaction.

- H2: There is no positive relationship among service quality & customer satisfaction.

2.4 Review of literature

1.   **Ilyas Masudin, Yulyetha Kurnia Putri Hanifah, Shanty Kusuma Dewi, Dian Palupi Restuputri and Dwi Iryaning Handayani 2022. :**

The success of e-commerce largely depends on the quality of the logistics services provided. The integration of the SIPA method and Kano Modification can help to prioritize and improve service quality. SIPA identifies the worth of service attributes & compares the performance of different logistics services. Kano Modification expands opportunities for determining managerial strategies based on dynamic cycles of service traits. The outcomes can provide insights into the main strategies that must be carried out on attributes considered important to maintain quality and be superior to competitors.

2.   **Wenqiang Dong and Panida Chamchang 2021. :** Existing literature on consumers satisfaction in e-commerce logistics is limited, particularly as regards using the CCSI model to develop a consumer satisfaction framework that is specific to e-commerce logistics and distribution services. In addition, Preceding studies have not inquired into the significance of communication and convenience quality on consumer satisfaction in the e-commerce logistics industry. Thus, this study aims to fill this research gap by proposing a customer satisfaction model for e-commerce logistics and distribution services that incorporates the dimensions of communication and convenience quality.

3.   **Irfan Nur Toufik and Ika Nurul Qamari 2020. :** previous research has shown that particular systems can improve SCM and enhance customer satisfaction. However, few investigations have inquired into the connection between information systems and supply chain relationships, particularly in the surroundings of LSQ as a mediator. This investigation fills this research gap by exploring the incidental effect of information systems on supply chain relationships through logistics service quality.

4.   **Mingxing li, Cybele Djuikui Souffo, Koffi Aka Lucien, Francis T. Dongmo Temgoua, Jiang Yulong, Yang Yang (2019). :** previous studies have displays that service quality has a remarkable impact on consumers satisfaction

in various industries. However, there is a scarcity of research on the significance of service quality on consumers satisfaction in the context of JUMIA/KAYMU online shopping in Cameroon. Therefore, this study fills the research gap by examining the connection among service quality and consumer satisfaction in the context of JUMIA/KAYMU online shopping in Cameroon.

5.   **Daniel Winter Fernandes, Roberto Giro Moori and Valdir Antonio Vitorino Filho (2018). :** A variety of studies have explored the connection between logistics services quality, logistics capabilities, and consumers satisfaction. However, there is a research gap regarding the mediating effect of logistics services quality on the connection (relationship) between logistics capabilities and consumer satisfaction in the Brazilian market of lubricant oil. This study aims to fill this gap by investigating the part of logistics services quality as a mediator in the connection between logistics capabilities and consumer satisfaction. Future studies should also be direct in other market segments to contrast the outcomes and generalize the findings.

3. DATA ANALYSIS AND INTERPRETATION

3.1 Showing the responses regarding the respondent's Gender

Sources	No of respondents	Percentage of respondents
Male	83	87%
Female	17	13%
Others	0	0
Total	100	100%

Interpretation :

The table indicates that the majority of respondents (87%) are male, while only 13% are female, and no responses were recorded under the "Others" category. This highlights a significant gender disparity in the respondent group, which could reflect biases in sampling, participation trends, or gender representation within the context of the study.

Table 3.2 Showing the responses regarding customer Overall, how satisfied are you with the value for money offered by VRL Logistics Ltd.

PARTICULAR	RESPONSE	PERCENTAGE
Very Satisfied	25	25%
Satisfied	53	53%
Neutral	19	19%
Unsatisfied	3	3%
Very unsatisfied	0	0%
Total	100	100%

Interpretation :

The table shows that 78% of respondents (25% very satisfied and 53% satisfied) are happy with the value for money provided by VRL Logistics Ltd., indicating a positive customer perception. Only 3% are unsatisfied, and no respondents are very unsatisfied, suggesting minimal dissatisfaction. However, 19% remain neutral, which could point to opportunities for the company to further enhance its offerings or address specific customer expectations to convert neutrality into satisfaction.

Table 3.3 Showing the responses regarding customer How likely are you to recommend VRL Logistics Ltd. to others.

PARTICULAR	RESPONSE	PERCENTAGE
Very Likely	25	25%
Likely	53	53%
Neutral	15	15%
Unlikely	3	3%
Very unlikely	0	0%
Total	100	100%

Interpretation :

The table indicates that 78% of respondents (25% very likely and 53% likely) are inclined to recommend VRL Logistics Ltd. to others, showing a strong positive sentiment towards the company. Only 3% are unlikely to recommend, and no respondents selected "very unlikely," highlighting minimal dissatisfaction. The 15% neutral responses could indicate a segment of customers with mixed or moderate experiences, suggesting an area for potential improvement to convert neutral opinions into positive advocacy.

Table 3.4 Showing the Service Quality and Overall service quality provided by VRL Logistics ltd.

OBSERVED FREQUENCY	Very satisfied	Satisfied	Neutral	Unsatisfied	Very unsatisfied	TOTAL
Service Quality	42	28	21	4	5	100
Overall service Quality provided	53	28	5	10	4	100
TOTAL	95	56	26	14	9	200

Interpretation :

The table compares the responses for "Service Quality" and "Overall Service Quality" provided by VRL Logistics Ltd. For service quality, most respondents are very satisfied (42%), while for overall service quality, the majority are also very satisfied (53%), showing a slight improvement in overall satisfaction. However, dissatisfaction is slightly higher for overall service quality (10%) compared to service quality (9%). This could indicate that while specific services are appreciated, there might be gaps in broader service aspects or customer expectations.

Table 3.4 Showing the Service Quality and Overall service quality provided by VRL Logistics ltd.
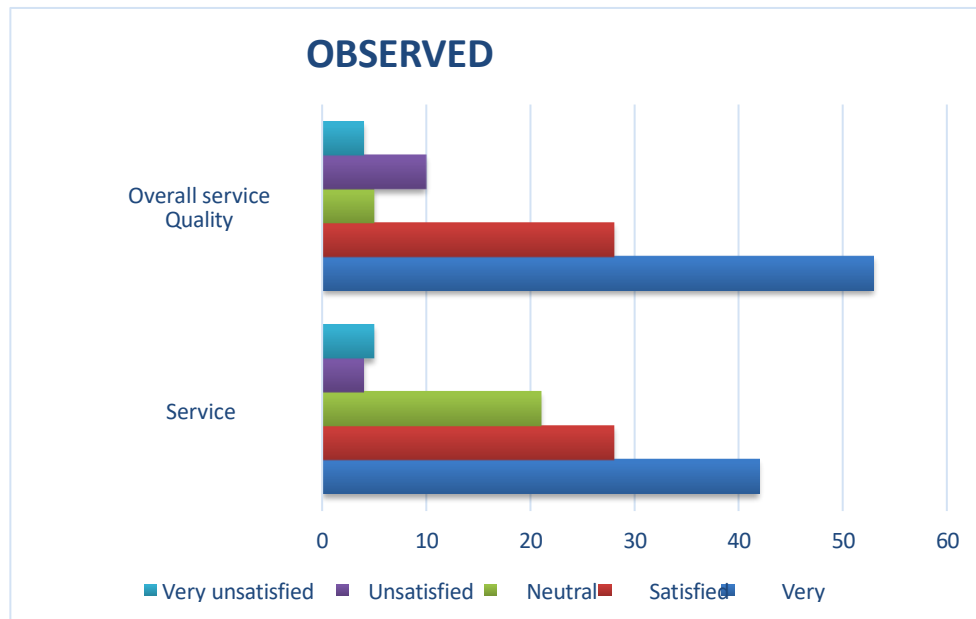
OBSERVED

Marketing strategies evaluation: Service quality and Overall service quality provided.

O = Observed

Frequency E = Expected Frequency

Expected frequency = Row Total * Column Total / Grand Total

O	E	(O-E)	$(O-E)^2$	$(O-E)^2/E$
42	47.50	-5.50	30.25	0.64
28	28.00	0.00	0.00	0.00
21	13.00	8.00	64.00	4.92
4	7.00	-3.00	9.00	1.29
5	4.50	0.50	0.25	0.06
53	47.50	5.50	30.25	0.64
28	28.00	0.00	0.00	0.00
5	13.00	-8.00	64.00	4.92
10	7.00	3.00	9.00	1.29
4	4.50	-0.50	0.25	0.06
			TOTAL	13.80

The significance level is 0.05

Degree of freedom (2-1) *(5-1) = 4.

Chi-square = sum$(O-E)2/E$
The Chi-square statistic is 13.80

Interpretation:

The p-value is < 0.007953. The result is significant at p<0.05 Hence, based on the provided information, since the p-value (0.007953) is less than the significance level (p < 0.05), the result is considered statistically significant. This means you can reject the null hypothesis (H2: There is no positive relationship among service quality & customer satisfaction.) and conclude that there is a positive connection between service quality and customer satisfaction (H1: There is a positive relationship among service quality & customer satisfaction).

4. Findings and suggestions

- The table displays that the VRL logistics ltd. The facts collected regards the respondent's age, were majority of respondents around 85% are between 18 to 24 years.
- The table displays that 78% of respondents expressing satisfaction with the value of money offered by VRL logistics ltd.
- The table displays that the 78% of respondents are inclined to recommend VRL logistics ltd.
- VRL logistics maintains most respondents are satisfied with VRL Logistics Ltd.'s service quality, though a small segment highlights room for improvement.

Suggestions

- Company needs to understand the respondents between 18 to 24 years old. Based on that company needs to maintain the marketing and communication strategies to effectively engage with this age group.
- Company needs to provide verity of delivery option in order to attract more customers.
- Company needs to encourage satisfied customers to spread the word and consider implementing a referral program.
- VRL Logistics Ltd. should focus on addressing the concerns of the dissatisfied customers by enhancing service efficiency, responsiveness, and customer support to improve overall satisfaction.

CONCLUSION In conclusion, the findings from the provided data highlight several key aspects regarding customer satisfaction and preferences for VRL Logistics Ltd. The majority of respondents, especially those aged 18 to 24, show a positive inclination towards the company's services. Ultimately, there are areas for improvement, notably in addressing the concerns of those who rarely or never used the services. Enhancing service quality, effective customer engagement, and transparent issue resolution are crucial to maintaining a satisfied customer base. The findings suggest that customers greatly value timely updates on shipment status and favorable interactions with professional employees. To foster loyalty, the company should focus on loyalty programs and varied delivery options. With a strong commitment to quality, communication, and value for money, VRL Logistics Ltd. can ensure customer satisfaction, encourage repeat business, and benefit from positive recommendations in the market.

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