



TRANSPORTATION SERVICE SATISFACTION – CASE STUDY OF SHIPPING CONTRACTOR OF “AGRO-FISH” COMPANY¹

Maria Parlińska, Aleksandra Górecka, Michał Misiejuk

Faculty of Economic Sciences, Warsaw University of Life Sciences

ABSTRACT

Enterprises operating in the logistics services market are forced to solve many difficulties concerning this type of trading. First of all, it is crucial for them to determine the strategic and operational objectives, to maintain a competitive market. From the strategic point of view, the most important is to offer service on the highest level which allows to have the maximum revenue. The aim of this paper is to determine the level of clients satisfaction with the services provided by individual shipping company: "Raben Group Poland" which is the main shipping contractor of "Agro-Fish" – family company which products fish meal, fish oil and fodder. In the paper there are also point out the factors influencing this satisfaction. The research problem relates to customer service satisfaction and support evaluation of the system as a whole. The research was taken by the employer of Agro-Fish company in order to write master thesis, however it was not founding by the company.

Key words: transportation service, client satisfaction, shipping, customer service

INTRODUCTION

More and more frequently modern companies that are active in logistics sectors place emphasis on corporate social responsibility in obtaining the defined targets. They underline the aspects concerning environment protection, follow national legal regulations and emphasize increasingly effective adaptation to European Union regulations (shipping, quality and ethical norms).

¹ The article based on Misiejuk M. (2011) Satisfakcja kontrahentów spółki „Agro-Fish” z usług transportowych zleconych „Grupie Raben” ("Satisfaction customers of the company "Agro-Fish" of transport services commissioned "Raben Group"), Master Thesis prepared under supervision of Maria Parlińska.

As a type of permanent activity which is performed, logistics has a large impact on management also in Polish companies and institutions. It gives them a lead position and influences their market share in different sectors. Logistic processes can be presented as a way of thinking that should advance permanently and productively with regards to effective flow of goods and consequently to the growth of Gross Domestic Product (Blaik 2010, Niziński 1998, Pfohl 1998). It should be mentioned that a company needs to get in a stock of materials from other suppliers in order to prosper. Moreover, the availability of raw materials and their quantities in the market are important factors. In order to make the flow of goods effective, there must also be good flow of information between the supplier and the place of destination (Pfohl 1998).

The aims and the methods

The main aim of this paper is to define the level of satisfaction with services rendered by Raben Group among the clients of Agro - Fish Ltd. The following research hypotheses have been formed:

1. The use of Raben Group carrier fully satisfies the clients of Agro – Fish.
2. The level of customer services fulfils clients' spending requirements.

In this article the authors present the quality evaluation of services rendered by Raben Group Polska, which distributes Agro-Fish products. The research method was based on diagnostic survey. The questionnaire was sent to 30 clients of Agro-Fish – fish farmers all over Poland. Most of the respondents run their own companies.

The questionnaire consisted of closed questions with an option to give own answers. It included a question concerning the rules of cooperation with Agro – Fish and Raben Group. The analysis was focused on five areas, which were scrutinised thoroughly, i.e.:

- the service and its total quality,
- customer care,
- promotion activities,
- the price and price level,
- company's credibility.

Definition of customer care in logistics

Searching through various definitions of customer care, it is difficult to define unambiguously the term as its elements stem from different area of marketing, logistics, finance and other areas of shipping activities. In most organizations the term defines the ability to fulfill potential clients' expectations, which frequently concern specific and innovative needs for transportation service. The process of customer care may concern the place and time of service, preferential financing of the undertaking or other clients' preferences.

Considering customer care, one should notice that the offered products are frequently equipped with elements that increase service attractiveness. These are so called added values, which the client takes into account while choosing the service provider. According to B. J. La Lond, customer care is all the logistic activities and standardization of services (La Lond 1985). Considering customer care as activities, it should be perceived as a logistic system which satisfies all sets of clients' needs which are considered important for the client.

It is important for the quality of services to be measured and analyzed at all stages in order to gain clients' loyalty reflected in company's market share. Another factor that influences customer care is the accessibility of products in stock, flexibility and completeness of deliveries and their frequency. According to D. Kempny, logistics customer care is concerned with completing interrelated activities in such a way that satisfies clients (Kempny 2001). Such service is understood as a range of solutions and the system that fulfils client's needs in efficient and reliable way. The most common ways of perceiving shipping services include:

- delivering orders with regards to the cycles of orders, including providing necessary information during shipment process;
- meeting customers' needs, i.e. implementing and developing certain standards of customer care;
- orientation on client which subordinates the whole organization to the requirements and processes of service rendering.

Client-oriented organizations take special care on clients' tastes, meeting the requirements that have not been addresses so far and optimal management of the resources. S. Abt notices the elements of the ability to satisfy customers' needs in customer care on the basis of the developed systems in logistics management and the function of the systems. In modern management there are three phases of customer care (Abt 1998):

- pre-transaction phase – concerns the chances to complete the service, delivery methods and carriers' declarations related to customer care,

- transaction phase – providing information about the current availability of goods, order placement facilities, the deadlines, shipping and payment methods, and supplementary deliveries,
- post-transaction phase – after-sales handling, servicing, offering spare parts, guarantees, repairs and potential complaints.

According to D. Kempny, customer care should be based on the rule of 6 R's, i.e. the products should be delivered in the right amount, in the right condition, in the right time, to the right place, at the right price and to the right client (Kempny 2001). This understanding of customer care constitutes the foundation of all the actions in shipping processes.

Shipping companies that operate in the market should aim at creating and organizing such shipping systems that will satisfy their clients. On every stage of contact, clients should be approached in such a way that they feel all their needs are satisfied and all their suggestions are taken into consideration. Frequently, it is the first impression after purchasing the service that decides if the service is recommended to other consumers and if the client uses the service again in the future.

The characteristics of Raben Group

Raben Group is a Dutch company with over 70 years of experience in Europe. It was established in 1931 and is active in such European countries as: Czech Republic, Estonia, Holland, Germany, Lithuania, Latvia, Slovakia, Ukraine and Hungary. The most significant brands that belong to Raben Group include: Raben, FreshLogistics, CJ International, BirkartSystemverkehre and Raben Sea & Air. With its potential, knowledge and resources, the company can maintain high position among their competitors.

Analyzing contract logistics, it is worth noting that the use of Raben Group know-how and their experience in the local market are of key importance. Contract logistics is continually supported by modern IT systems for transportation and storage management. Using a fleet of diversified cars, Raben Group can ship parcels of different size from the reception point to the place of delivery, in a system of both direct and package deliveries with an option of trans-shipment in Raben terminals. Raben Group handles food products, machinery, electronic equipment, chemicals, hazardous goods and spare parts for vehicles. Trans-shipment services are an additional type service that is characteristic for the company. Raben Polska specialises in the transportation of packaged loads, i.e. the transportation of loads on one or more pallets for individual and group clients.

THE RESEARCH RESULTS

The research concentrated on measuring clients' satisfaction and gave answers to a number of research questions, e.g. if the use of Raben Polska services increased the level of satisfaction among Agro-Fish clients.

Over 40% of the respondents cooperated with Agro-Fish for more than a year; similar group (33%) was made of clients that worked with Agro-Fish for 7 – 12 months. The smallest groups were the contractors that cooperated for less than three months (7%) and less than half a year (20%).

Shipping company must open a number of communication channels to make the information reach the client as fast as possible and encourage clients to stay in touch with the company (Fig. 1).

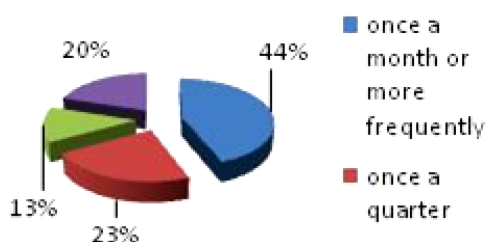


Figure 1. Frequency of contacts with Agro-Fish

About 44% of the respondents contact Agro-Fish once a month or more often. 23% make contact once a quarter and 13% – once a year.

Another important question that influences obtaining solutions to the problems was the question concerning the sources of information about the functioning of Agro-Fish. The analysis concerned such sources as the Internet, leaflets, folders, written offers, trainings, conferences, references from other consumers and other ways of obtaining information (Fig. 2).

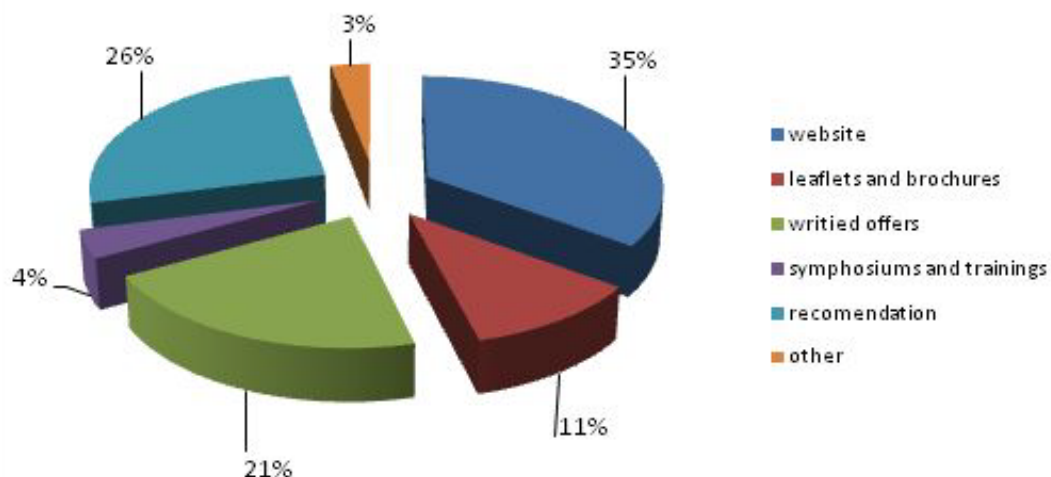


Figure 2. The source of information on Agro-Fish

The most important source of information is the website (35% of answers). Only 11% of the respondents pointed to leaflets and folders as a good source of information. For a lot of people the analysis of written offers had an important function (about 21%). Trainings and conferences were not a valuable source of information about the company (4%)

Considering the effects of challenges posed by market mechanisms in the last few years, one can see a constant growth of clients' expectations from the transportation services. A well developed service must contain a lot of elements to be attractive for potential clients. What is more, the expectations not only concern the movement of goods from the reception point to the point of delivery, but they also generate certain requirements related to the means of transportation, customer care and additional services. The company seeks other means to satisfy the clients and meet their most challenging expectations. The way of delivering goods is an important added value. Figure 5 presents clients' opinions on each issue.

The data from the survey implies that 77% of respondents think that the use of Raben Polska has significant influence on the increase of service quality offered by Agro-Fish. 20% of the respondents do not see any changes resulting from carrier change and as many as 3% do not have any opinion on the topic.

The evaluation of Agro-Fish client satisfaction is another problem considered by the authors. About 45% of the respondents perceived the level of customer care as very good. Over 28% of the examined stated that the services offered by the company are at a high level. Quite a significant population stated that the level of customer care is at average level. The lowest note for customer care was given by about 3% of the examined population, what suggests that not all requirements present at that time were fulfilled (Fig.3).

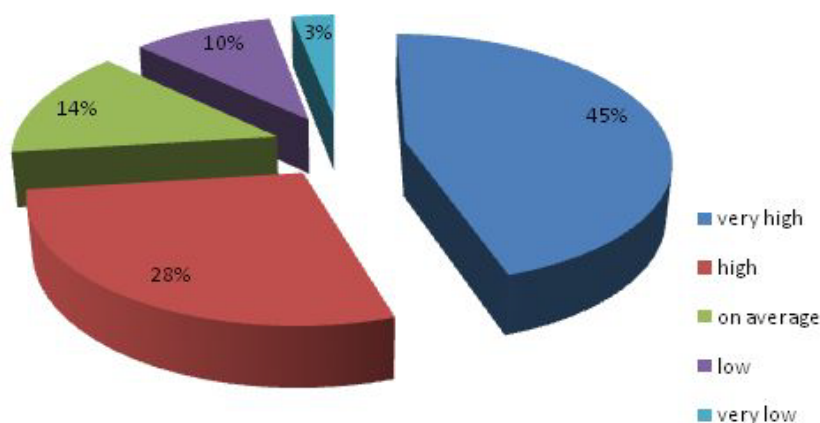


Figure 3. The level of Agro-Fish customer care

The time of completing the order depends on the availability of products in stock and on keeping the arranged terms, obligations and the time of delivery. People who take part in the survey evaluated the time of order completion in Agro-Fish as very good (34%) and good (23%). Quite a large number of respondents rated the time as average (20%) and the smallest number of respondents rated it as poor and very poor (7% each).

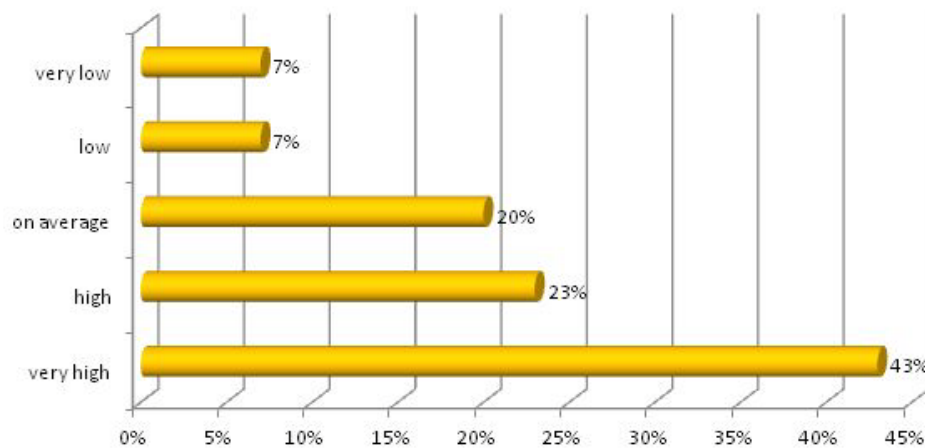


Figure 4. The evaluation of reaction and order completion time

37% of the contractors claimed that transportation services offered by Raben Group had only little delays. 27% of the respondents said that the services had considerable delays. Moreover, 3% of the clients quit cooperation due to previous delays (tab. 1).

Table 1. Are transportation services completed within the scheduled time?

Answers	%	number
yes	33	10
with a little delay	37	11
with a considerable delay	27	8
we quit cooperation due to delays	3	1

Well organized logistics department is primarily responsible for transaction elements in customer care. Therefore, it is necessary to invest continuously in the development and trainings of the staff that have direct contact with clients. It is important to use the tools available for in the market, i.e. trainings, qualification certificates, etc. in order to improve the level of customer care, and consequently increase the profit.

Most of the population (67%) is satisfied with cooperation with Agro-Fish. 23% of the clients was dissatisfied and 10% of the respondents evaluated the cooperation as average. The services rendered by Raben Group were rated very high by the respondents. Half of them evaluated it very high (50%), 13% rated the services as average and 7% as poor (Fig. 5)

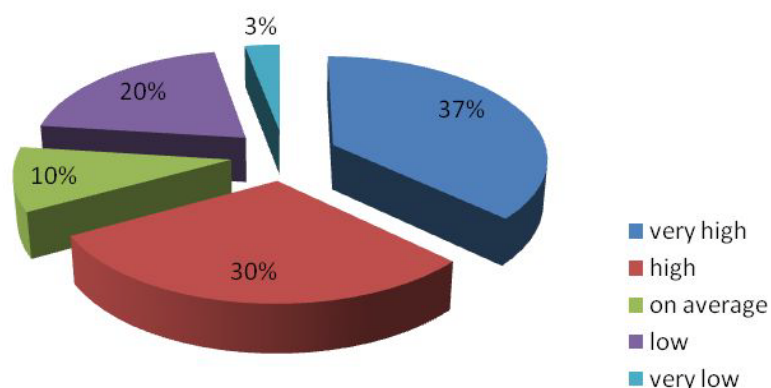






Figure 5. The evaluation of cooperation with Agro-Fish

Employees' competences and skills play a significant role in modern economy. Such traits as communication skills, team work, creativity and innovativeness are very important. Reliability and competences of the staff guarantee undisturbed cooperation. Agro-Fish is open to new ways of cooperation with clients. The company has new means of transportation, offers different services and reduces costs by maximizing the use of vehicles and having a wide range of services.

The competences of the staff responsible for transportation are rated as very high (27%), high – 46%, low – 17%. Unfortunately, as many as 19% of the respondents considered the staff as incompetent (tab. 2).

Table 2. Rating the competences of transportation staff?

answers		%	number
very high		27	8
high		46	14
low		17	5
incompetent		10	3

The contractors of shipping companies value reliable and on-time services. Transportation costs sum up to significant amounts in the total price of the product; therefore, price calculations that cover total costs of the service are so important.

The contractors of shipping companies value reliable and on-time services. Transportation costs sum up to significant amounts in the total price of the product; therefore, price calculations that cover total costs of the service are so important. In case of Agro-Fish contractors, 50% of them are not satisfied with shipping prices. Only 37% of them consider the price as satisfactory and would not like to change it. Surprisingly, the price for 13% of the respondents is too low (Fig. 6).

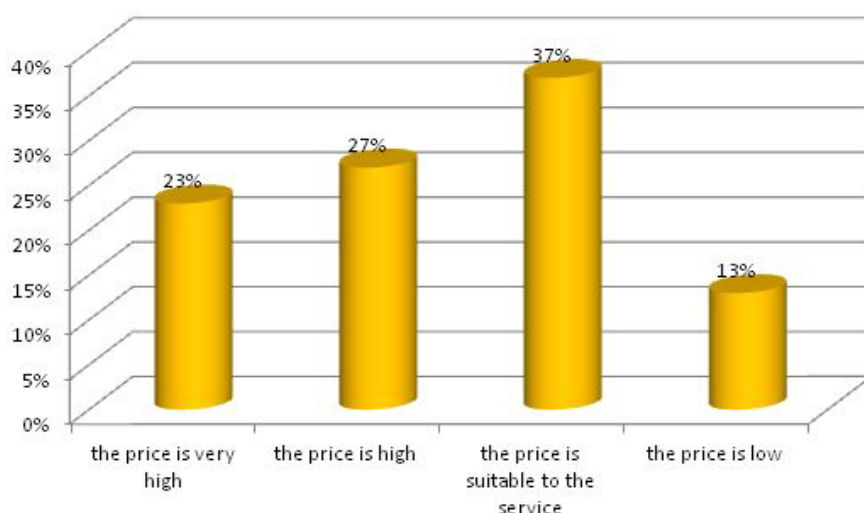


Figure 6. Satisfaction with shipping price

Straight majority of contractors (56%) emphasized that in comparison with the competitors the price has been at the same level for a number of years. 17% declared that the prices are lower, while 27% said that the price offered by Agro-Fish is too high. The price is usually considered in a situation when the supplier guarantees the quality of logistics service. In such a situation previous experience and cooperation with a recognizable and reliable brand gains importance (Fig. 7).

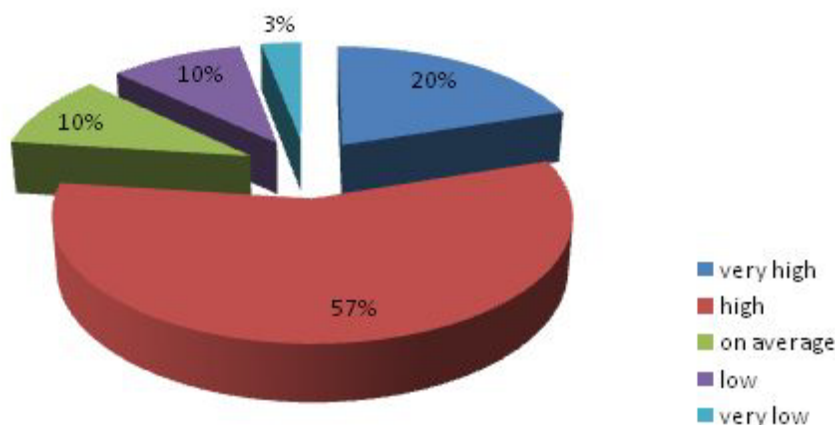


Figure 7. Service quality assessment

The most important criterion to choose a service provider is absolutely the quality. 57% of the examined population rated the quality of Agro-Fish services as high, 10% say that the quality is low and another 10% think that the services are at average level.

The researchers attempted to obtain information about the frequency of load damage. Most often, it is the carrier that bears responsibility for the shipped goods, from their reception until delivery to the addressee. The carrier is also responsible for damage caused by wrong choice of the means of transportation (Fig. 8).

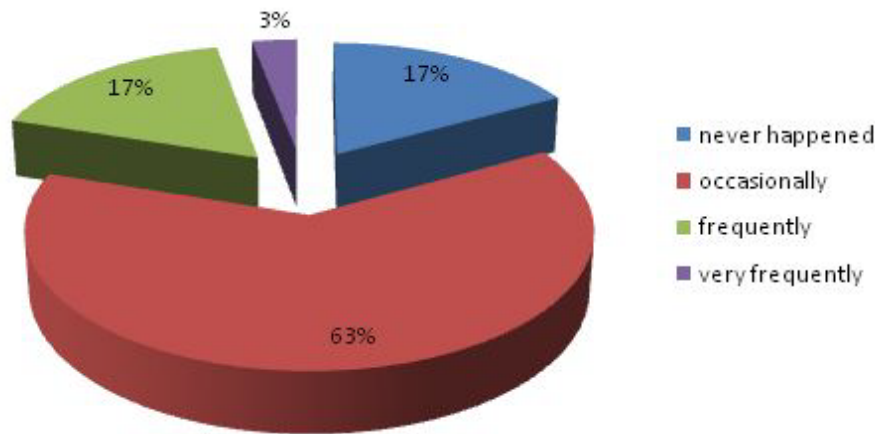


Figure 8. Frequency of load damage

In respondents' opinion load damage happens only incidentally in the shipments operated by Raben Group (63%). In the examined group there were 17% of respondents who have never experienced such a situation. 3% of the examined said that load damage happens very often (Fig 8). In such situations the client can make a complaint and demand the change or repair of goods, money return or a discount for the damaged goods. The issues concerning complaints are regulated in the Civil Code.

53% of the respondents thought that the reactions for complaints were satisfactory, 27% of the examined said that their complaints were processed in an average way.

A large number of the respondents declared that they will use Raben services in the future. Over 20% of the examined population said that they will not use their services. This may be caused by previous experience with mechanically damaged parcels or the offered prices.

Clients expect shipping and logistics companies to understand their needs and be advisors who explain the details of the offer and adapt the offer to client's financial capabilities. Shipment of goods is a demanding discipline of economic activities that is additionally burdened with unfavorable legal regulations which limit economic freedom of the companies. The researchers attempted to find out what clients' think about cooperation with Raben Group and how the cooperation influences the shipment of goods. The respondents were asked about their opinions on the issue.

The cooperation between Agro-Fish and Raben Group was rated high in the survey. As many as 60% of the respondents say that the cooperation is at very high level, therefore, it satisfies their needs. The cooperation level is evaluated as high by about 23% of the respondents. Quite a lot of clients think that the cooperation is at average level.

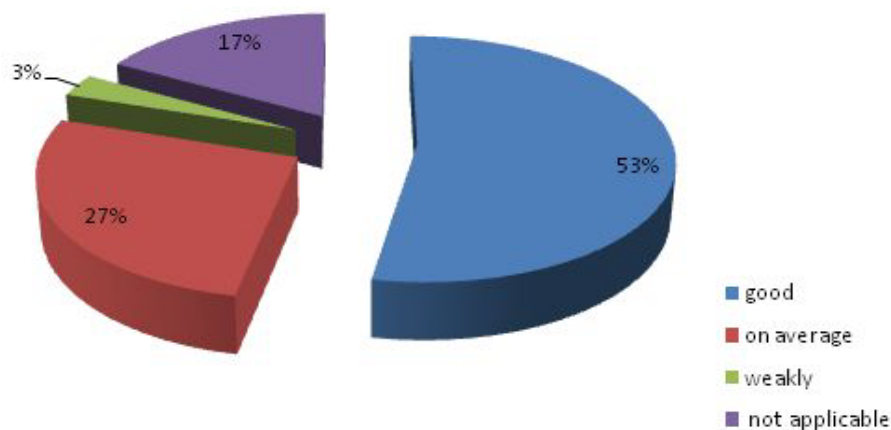


Figure 9. Evaluation of reactions for complaints

SUMMARY

The empirical research allowed for positive verification of the hypotheses. Over 45% of the respondents rated the level of customer care as very high. It results from proper organization policy of the company and appropriate choice of the staff. During the survey on the cooperation between Agro-Fish and Raben Group, the respondents answered that they are satisfied with the cooperation and rated the joint venture offer very high. About 60% of the population evaluated the cooperation level as very high and noted that the participation of the shipping company gives added value to the offered services, increases the number of clients and generates local returning clients who use the services a number of times.

The information obtained during the survey can be useful and may influence the future of the company in the market of logistics services. In the nearest future it may be used to broaden the offer and implement innovative solutions in order to render the highest quality of services.

LITERATURE

1. Abt S. (1998) Zarządzanie logistyczne w przedsiębiorstwie, PWE, Warszawa.
2. Blaik P. (2010) Logistyka. Koncepcja zintegrowanego zarządzania przedsiębiorstwem, Warszawa.
3. Kempny D. (2001) Logistyczna obsługa klienta, PWE, Warszawa.
4. KMPG: Raport firmy doradczej: Rynek transportu i logistyki w Polsce, maj 2007, Warszawa 2007.
5. La Londe B. J. (1985) Customer Service, The Distribution Handbook, The Free Press, New York, p. 132.
6. Misiejuk M. (2011) Satysfakcja kontrahentów spółki „Agro-Fish” z usług transportowych zleconych „Grupie Raben” ("Satisfaction customers of the company "Agro-Fish" of transport services commissioned "Raben Group"), Master Thesis prepared under supervision of Maria Parlińska.
7. MRR: Raport Polska 2011. Gospodarka - Społeczeństwo - Regiony, czerwiec 2011, Niziński S. (1998) Logistyka w systemach działania, Warszawa.
8. Pfohl H. Ch. (1998) Systemy logistyczne, Poznań.

Maria Parlińska
Faculty of Economic Sciences, Warsaw University of Life Sciences
e-mail: maria_parlinska@sggw.pl

Aleksandra Górecka
Faculty of Economic Sciences, Warsaw University of Life Sciences
e-mail: aleksandra_gorecka@sggw.pl

Michał Misiejuk
Faculty of Economic Sciences, Warsaw University of Life Sciences

Accepted for print: 31.12.2012