

CUSTOMER RETENTION IN LOGISTICS INDUSTRY IN INDIA

by

Ranjusha K, MBA

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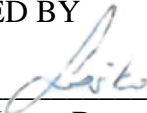
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RANJUSHA K

APPROVED BY

  
\_\_\_\_\_  
<Chair's Name, Degree>, Chair

  
\_\_\_\_\_  
<Member's Name, Degree>, Committee Member

  
\_\_\_\_\_  
<Member's Name, Degree>, Committee Member

RECEIVED/APPROVED BY:

\_\_\_\_\_  
SSBM Representative

## **Dedication**

This research is dedicated to all the people who are passionate about contributing to logistics industry. This research also gives a clarity to those who wish to start a new logistics business and even to those who are currently running a logistics business. Special mention to Riyan Global Solutions Pvt Ltd for giving me a platform to do this research and help the logistics Industry.

## **Acknowledgements**

There have been a lot of people in my life who have come and gone and a few who have stayed through the high and lows. This research would not have been possible without a lot of great people guiding and supporting me through the years. I would like to acknowledge my DBA mentor, DR. Velimir Srica who has been a constant source of guidance and inspiration without whom I would never achieve this.

My family is my biggest strength: my husband Mr Vinayak kumar who is also a Director at Riyan Global solutions Pvt Ltd who helped sharing his experience and knowledge from the industry and my son Master Riyansh who gives me a reason to continue my passion and push myself to be at my best.

To my parents, Dad Mr Rajan & Mom Mrs. Pankajavally who gave me freedom to choose my path very early on, let me deal with challenges and consequences, while still always having my back when I needed them.

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To my colleagues & friends who have been pushing me to complete this and constantly believed in during all phases of my research.

To all the customers & industry experts who actively participated in the study and gave open feedbacks for the betterment of the organisation and the study which helps the industry practitioners.

To everyone else who have been helping me realize the good and bad parts of life. Thank you. I feel blessed. This would not have been possible without any of them.

ABSTRACT  
CUSTOMER RETENTION IN LOGISTICS INDUSTRY IN INDIA

RANJUSHA K  
2023

Dissertation Chair: <Chair's Name>  
Co-Chair: <If applicable. Co-Chair's Name>

The logistics industry plays a critical role in global supply chains, ensuring the timely movement of goods and services across various sectors. In recent years, increasing globalization, technological advancements, and growing environmental concerns have posed significant challenges and opportunities for the logistics sector. This thesis aims to explore and propose strategies to enhance efficiency and sustainability within the logistics industry.

This research begins by analyzing the current state of the logistics industry, examining its key components, such as customer behaviour, mindsets, fluctuation of rates, services, customer satisfaction, customer retention & sustainability. By conducting an in-depth review of existing literature and industry reports, the study identifies the major inefficiencies, bottlenecks associated with conventional logistics practices.

Furthermore, the thesis investigates emerging trends that have the potential to revolutionize the logistics sector. It explores sustainable logistics practices that encompass environmental, social, and economic dimensions. It investigates the implementation of strategies, such as lowering rates, 24/7 support, better services, increasing trust, personalized services, timely delivery and post service follow ups. The study also examines the role of collaboration and partnerships among stakeholders, including government bodies, industry players, and consumers, in promoting sustainable logistics practices.

In addition to operational and collaborative aspects, the thesis delves into the importance of sustainability in the logistics industry. It analyzes the environmental impact of logistics activities and explores strategies to minimize service lapses, losses for the new startups, customer dissatisfaction, promote single window service and enhance overall sustainability in logistics operations.

To validate the proposed strategies, the research employs a combination of qualitative & questionnaire methods. This includes case studies, interviews with industry experts, and data analysis. The findings highlight the potential benefits of adopting efficient and sustainable logistics practices, including cost savings, improved customer satisfaction, and enhanced competitiveness by retention of customers.

Finally, the thesis concludes by providing a comprehensive framework for enhancing efficiency and sustainability within the logistics industry. This framework integrates the identified technologies, practices, and collaborative approaches, offering a roadmap for logistics companies to transform their operations and contribute to a more sustainable

future. This framework serves as a guide for logistics companies, policymakers, and industry stakeholders to navigate the evolving landscape and achieve sustainable growth and success.

## TABLE OF CONTENTS

List of Tables .....	7
List of Figures .....	8
CHAPTER I: INTRODUCTION.....	9
1.1 Introduction .....	9
1.2 Research Problem .....	11
1.3 Purpose of Research.....	13
1.4 Significance of the Study .....	14
1.5 Research Aim and Design.....	15
1.6 Structure of the Thesis .....	16
CHAPTER II: REVIEW OF LITERATURE .....	18
2.1 Theoretical Framework.....	18
2.2 Theory of Reasoned Action .....	31
2.3 Cultural importance to Technology/Change management .....	33
2.4 Usage and segmentation & customer value approach .....	36
2.5 Summary .....	38
CHAPTER III: METHODOLOGY .....	39
3.1 Overview of the Research Problem .....	39
3.2 Operationalization of Theoretical Constructs .....	40
3.3 Research Purpose and Questions .....	41
3.4 Research Design.....	42
3.5 Population and Sample .....	43
3.6 Participant Selection .....	43
3.7 Instrumentation .....	43
3.8 Data Collection Procedures.....	44
3.9 Data Analysis .....	45
3.10 Research Design Limitations .....	45
3.11 Conclusion .....	47
CHAPTER IV: RESULTS.....	49
4.1 Research Question One.....	49
4.2 Research Question Two .....	50
4.3 Research Question Three .....	51
4.4 Research Question Four .....	52
4.5 Research Question Five .....	53



4.6 Research Question Six .....	56
4.7 Research Question Seven.....	57
4.8 Research Question Eight.....	61
4.9 Research Question Nine.....	64
4.10 Research Question Ten .....	65
4.11 Research Question Eleven .....	66
4.12 Research Question Twelve .....	66
4.13 Summary of Findings from Questionnaire .....	66
4.14 Summary of Findings from Interview.....	70
4.14 Real time Case studies .....	76
4.15 Conclusion .....	91
CHAPTER V: DISCUSSION.....	100
5.1 Discussion of Results.....	100
CHAPTER VI: SUMMARY, IMPLICATIONS, AND RECOMMENDATIONS.....	105
6.1 Summary .....	105
6.2 Implications.....	107
6.3 Recommendations for Future Research .....	109
6.4 Conclusion .....	114
APPENDIX A SURVEY COVER LETTER .....	118
APPENDIX B SCREENER SURVEY.....	121
APPENDIX C SCREENER SURVEY RESULTS .....	124
APPENDIX D INTERVIEW QUESTIONS .....	127
APPENDIX E INFORMED CONSENT .....	129
APPENDIX F INTERVIEW GUIDE.....	132
APPENDIX G PERSONAL EXPERIENCE & GROWTH.....	135
REFERENCES .....	1377

## LIST OF TABLES

Table 2.1 Usage Segmentation categorizations .....	36
Table 3.1 Overall survey big picture.....	45
Table 4.1 Summary of Questions in the research .....	123
Table 5.1 Summary of participants in the research .....	126

## LIST OF FIGURES

Figure 1.1 Logistics Chain Link .....	12
Figure 1.2 Behavioural Parameters .....	15
Figure 2.1 Logistics Industry market forecast .....	21
Figure 2.2 Logistics Cost as a percentage to GDP.....	24
Figure 2.3 Theory of Planned behaviour and action.....	33
Figure 2.4 Customer retention value model.....	37
Figure 4.1 Breakdown of survey takers .....	50
Figure 4.2 Respondent category .....	51
Figure 4.3 Satisfaction rating of the respondents.....	52
Figure 4.4 Logistics service user experience .....	57
Figure 4.5 Factors influencing customer retention .....	64
Figure 4.6 Factors influencing the customer to choose the service provider.....	65
Figure 4.7 Mix of customer for satisfactory rating .....	67
Figure 4.8 Customer satisfactory rating.....	67
Figure 4.9 Factors contributing to customer satisfaction ratings.....	68
Figure 4.10 Customer preference for choosing same service provider .....	69
Figure 4.11 Key influencers for continued relationship .....	70

CHAPTER I:  
INTRODUCTION

**1.1 Introduction of the study**

The logistics industry is a field of business that involves the planning, management, and coordination of the movement of goods and services from their point of origin to their destination. The industry is an essential part of the global economy, enabling the efficient movement of goods and materials across different regions and countries.

The logistics industry encompasses a broad range of activities, including transportation, warehousing, inventory management, packaging, and distribution. Logistics companies work with businesses of all sizes to provide customized solutions that help them move their products most efficient and cost-effectively.

The growth of e-commerce has significantly impacted the logistics industry, as more and more consumers are shopping online and expecting faster delivery times. This has influenced in increased demand for services such as same-day delivery, which has prompted logistics companies to adopt new technologies and innovative solutions to meet the needs of their customers.

The logistics industry also plays a critical role in sustainability and environmental stewardship. The recent concern is about climate change that continue to grow, many logistics companies are adopting more environmentally friendly practices, such as

switching to electric vehicles use and renewable energy sources, to reduce their carbon footprint.

Overall, the logistics industry is an essential and dynamic sector that is constantly evolving to meet the changing needs of the global economy.

Logistics Industry focuses on managing how resources are acquired stored and transported to their destination in proper condition at the right time to the right customers. There are various services under the umbrella of Logistics however one of the main services is freight forwarding & Customs clearance. Freight forwarding is a term wherein any exporter or an importer appoints a freight broker to move their goods or to book a space with a shipping line or airlines. For a long time, freight forwarding companies have seen challenges in the way they have been run. One of the greatest challenges is to retain customers. There is great competition in the industry where the customers negotiate rates with multiple carriers, and bargain for the best service. Sadly, it seems that in the mode of retaining a customer, there are companies who provide at cost and the best service with no profit, yet they are lagging in retaining the customer.

This brings me to the question of whether it is the cost or service is a factor that plays an important role in retaining customers in India. If it is not either what is, then the deciding factor to retain a customer and how can it be done?

I have always believed in going back to basics when things go wrong. Maybe it is the little things that need tweaking, rather than trying to find sophisticated solutions to problems. It could be as small as giving a personal touch to handle the work, building

trust, or even a healthy relationship with customers which are all clubbed generally under the umbrella of “services” but have not got enough attention needed.

As per the current industry trend, bigger companies focus a lot on attracting new corporate customers than retaining the existing ones, but there are few small-scale companies who in turn look for retaining the existing customer as they cannot compete in the bigger market. Similarly, from the customer perspective, it doesn't matter if the servicing company is small or big but the rates & services matter to them. This trend shows a disconnect between what a company Vs a customer is focusing on. Keeping this in mind let us discuss in detail as to what are the factors that contribute to customer satisfaction & retention in India.

## **1.2 Research Problem**

In a fast-developing country like India where the government encourages the “make in India” concept to have a good increase in foreign direct investment similarly, there has been an import liberalization and focus on increasing exports from India. With such economic conditions & government regulations, there are a lot of new logistic / freight forwarding companies emerging as a startup and competing at par with the old players in the market. Today in the logistics industry we see that multiple players are focusing to get new customers and retain existing customers to sustain and mark their existence in the industry. With this competition emerging there comes the problem of customer retention. Today customers have a wide option to choose from their service provider by comparing prices, service levels, etc. This means there is cut-throat competition in the market because

of which no matter how much ever you give the best rate or service, the customers are not satisfied. This has created a lot of confusion and conflicts in this field which are inevitable. Today new logistics startups are becoming more and more competitive, which exposes the real existing cost to the end customer. Also, some startups are willing to give the services at a much lower cost than in the past.

Like cost being one of the parameters many such links play a significant role in determining the faith of the logistics company. If any one of the links is weak the whole supply chain activity gets affected which in turn affects the company & the industry.



"A chain is as strong as its weakest link"

*Thomas Reid, 1786*

*Figure 1.1*  
*Logistics Chain link*

Hence there is a need for a better understanding between the customer & the logistics service provider. The service provider needs to mainly understand the customer profile & behaviors which will help to determine how to satisfy the customers and retain them for future assignments. This is possible with a structured approach to identifying and modeling constraints to ensure an acceptable work plan. More specifically, the following research questions need to be addressed:

1. What are the typical constraints found in affecting customer satisfaction?

2. How many are likely to take the same service provider for future services?
3. How to classify these constraints for easier identification and modeling?
4. Additional inputs from the respondents from the industry
5. What are the current industry practice as well as research advancements in resolving this issue?

### **1.3 Purpose of Research**

The long-term goal of this research is to identify the current prevailing issues in the logistics industry and to develop a constraint management system to help the logistics service providers. Constraint management is defined as a process of identifying, classifying, modeling, and resolving the constraints known. The objective of the current study is to provide a detailed review of literature available and industry practices concerning constraint analysis and outline a conceptual framework for constraint management. Particularly, the study has the following sub-objectives:

1. To analyze and provide a detailed review of sources and their characteristics of constraints typically that are found in the logistic industry
2. To develop a constraint classification method for easier constraint identification
3. To review current industry practices and research regarding constraint modeling.
4. To determine a conceptual framework for constraint management study.

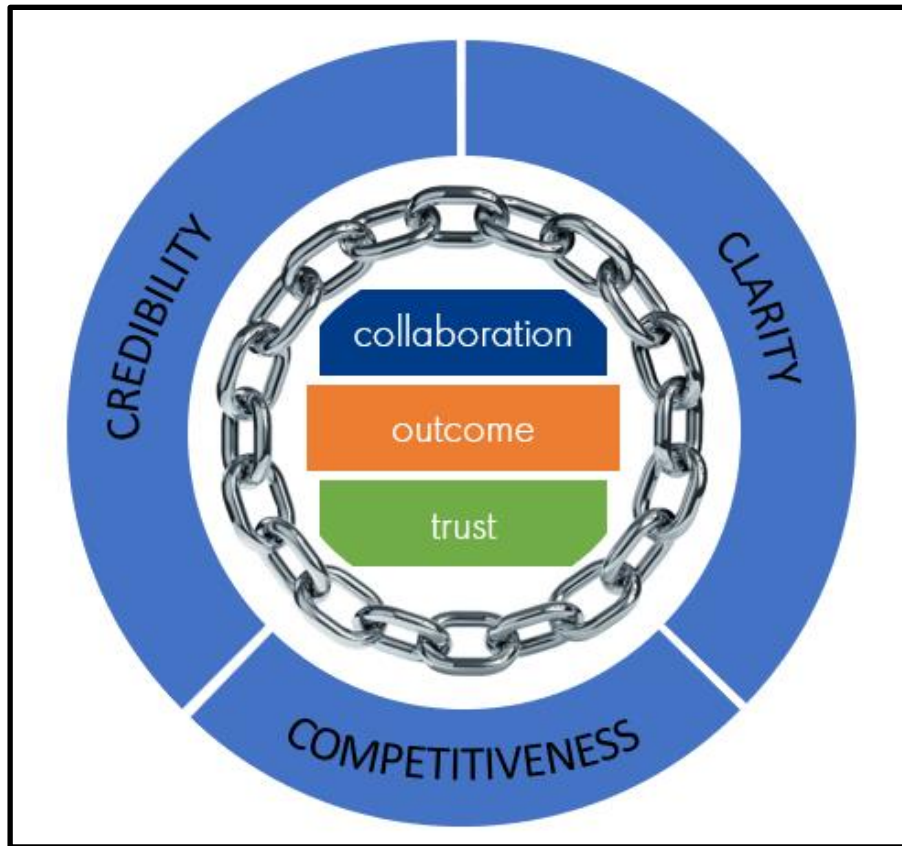
The result of this study will be valuable to the logistics industry practitioners as well as related consumers which will help in developing a better experience and satisfaction.



#### **1.4 Significance of the Study**

The findings from this study will help to outline a framework for logistic companies to maintain a good standard operating procedure. Considering the growth of the Indian economy logistics sector contributes more than 14% of India's GDP since 2022. This is one such industry that is rapidly growing and is expected to grow at a compound annual growth rate (CAGR) of approx. 15.5% according to the market research.

Considering this economic growth these insights will be valuable to all the logistics industry practitioners as well as related consumers which will help in developing a better user experience and customer satisfaction. As shown in the below picture the study will enable the users to bring back or maintain the credibility of the company. It will also help in improving their quality of services by providing a better clarity as to what the customer wants and expects which will enable them to be competitive in the market. To achieve these main goals, it is important for us to also focus on collaboration with service providers & mainly customers. It is important to have an outcome-driven mindset with trust being a basic behavioral parameter.



*Figure 1.2*  
*Behavioral parameters*

### **1.5 Research Aim and Design**

The purpose of this study is to reflect the current challenges prevailing in the industry mainly in customer satisfaction & retention areas. This study further collects data from specific related users/consumers of logistic services. The data mainly comprises market feedback taken via Face to face discussions & Questionnaires. The data collection method took over 4 months in reaching various stakeholders. Meanwhile, the other section of people who couldn't be directly reached were approached via questionnaire & telephonic conversations.

This data collection helped us to deeply study the customer perspectives and will enable help us to meet their demand and also support all the Industry practitioners to stay competitive and survive.

The questions asked during the meetings and Questionnaires are as below :

- The types of services they used
- What was their best experience so far from the transactions & what was their rating
- Also what were the worst experiences & if they had any suggestions to improve
- Took input as to what in their opinion a logistics service provider should focus on to gain new customers & retain the existing customers
- What makes you choose the same service provider repeatedly
- What is the focus a service provider should be given to gain the customer delight
- Would they choose the same service provider for the next transaction (if Yes & No with detailed reason)
- What is that they look forward from the companies which are uncompromisable
- How does pricing & customer service play their importance in the transaction

## **1.6 Structure of the Thesis**

The This thesis is divided into Six (6) major chapters as explained below.

**Chapter One** involves introduction to the research problem, dwells into the purpose of the study and explains the scope, background, and nature of the study. This chapter further defines the objectives, significance aims and design of the study.

**Chapter Two** is a summary of the theoretical framework and review of literature that the researcher studied as part of the research process. This section identifies major works that are relevant, highlights significant research. This chapter highlights the major approaches in the service industry and most importantly identifies the gap in existing literature. This research will try to reduce or close that gap.

**Chapter Three** deals with the approach taken for this research. It will cover the various theories of qualitative research and data gathering used in this research. The section will also throw insights into how the various methods of interviews were conducted and the data were collected. This chapter highlights the feedbacks and the structured interview face to face interview questions and their detailed analysis. This chapter calls out the limitations of the study too.

**Chapter Four** lays out the high-level findings of the research and what were the results of each question that was asked and the analysis. This section also provides insight on the face-to-face interviews and several case studies from the director's experience.

**Chapter Five** provides the discussion of the results and analysis of the questions and its interpretation to the readers.

**Chapter Six** provides the conclusion of this research. It contains the final findings, the caveats of the study, its limitations, practical applications, and recommendations for further research.

## CHAPTER II: REVIEW OF LITERATURE

### **2.1 Theoretical Framework**

Customer retention is a critical factor for success in the logistics industry. As the industry becomes increasingly competitive, logistics companies recognize the importance of retaining customers and building long-term relationships. This literature review aims to examine the key factors influencing customer retention in the logistics industry, identify the strategies companies adopt to enhance customer retention and highlight the role of technology in improving customer retention efforts.

Factors Influencing Customer Retention:

1. **Service Quality:** Several studies emphasize the significance of service quality in customer retention within the logistics industry. Factors such as on-time delivery, accuracy, responsiveness, and reliability play a vital role in meeting customer expectations and building trust.
2. **Relationship Quality:** The strength of the relationship between logistics providers and their customers is a crucial determinant of customer retention. Trust, communication, personalized service, and effective problem-solving contribute to relationship quality and influence customers' decisions to continue using the services of a particular logistics provider.
3. **Cost Competitiveness:** Pricing and cost competitiveness are important considerations for customers when choosing logistics providers. Companies that

- offer competitive pricing and value-added services can enhance customer retention by providing cost-effective solutions and maintaining affordability.
4. **Customization and Flexibility:** Logistics companies that demonstrate flexibility in meeting unique customer requirements and offer customized solutions are more likely to retain customers. Tailored services, flexible delivery options, and the ability to adapt to changing customer needs contribute to customer satisfaction and loyalty.
  5. **Better credit facility:** The customers always look for a better credit period which comes an extra benefit to utilize their organizational fun. Many times, better credit period attracts customers to stick to the service providers.

#### Strategies for Enhancing Customer Retention:

1. **Relationship Management:** Effective relationship management practices involve proactive communication, understanding customer preferences, and offering personalized solutions. Regular interaction, feedback collection, and addressing customer concerns promptly can significantly contribute to customer retention efforts.
2. **Value-added Services:** Providing additional services beyond the core logistics functions can differentiate a company from its competitors and enhance customer retention. Services such as order tracking, real-time visibility and inventory management can improve customer satisfaction and loyalty.

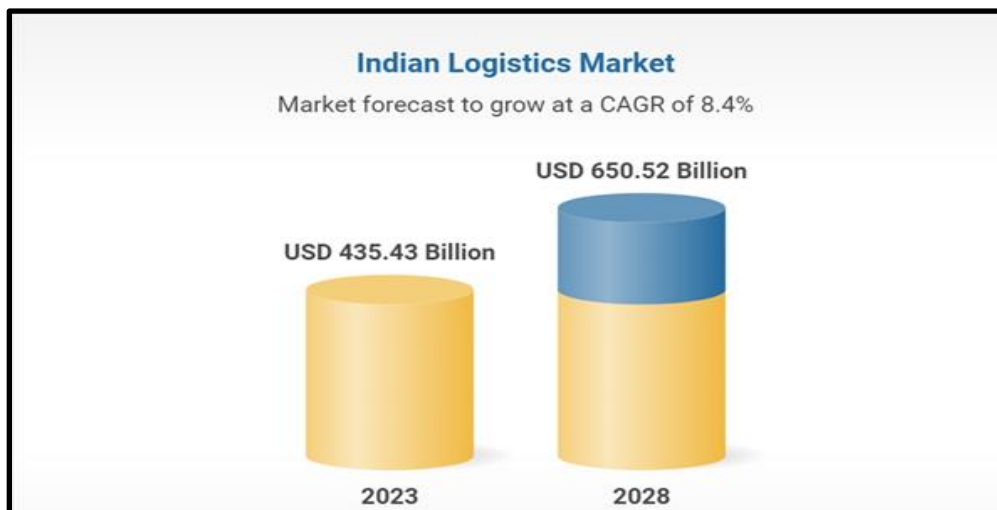
3. Continuous Improvement: Continuous improvement initiatives, such as process optimization, operational efficiency, and quality management systems, are vital for enhancing customer retention. Logistics companies that invest in improving their operations and performance can deliver consistent value to customers, leading to higher retention rates.
4. Loyalty Programs: Loyalty programs and incentives can incentivize customers to continue using logistics services from a particular provider. Offering discounts, rewards, and exclusive benefits to loyal customers can strengthen the bond and increase customer retention.
5. Physical presence: During crucial dispatches having a physical presence & providing personal attention helps customer feel valued and eased which in turn helps in building a better relationship.
6. Credit facility: This is an important factor for the customer to choose a service provider which will help them to do the business with better financial aid.

However, business owners understand their requirement and the contributors to their business's success. In this the customers play a major role. Part of that process is not just attracting them but making them choose your services & keeping them returning for your business. To do this, we must first and foremost understand our target market and their specific needs, wants, likes, and dislikes. We need to take the time to know what is that our customers expect from our company over our competition.

Certainly! Here are some additional studies and research papers that contribute to the literature on customer retention in the logistics industry:

From the latest reports of “Research and Markets” published by Infogence Global Research in Jan2023, India's Logistics Market is estimated to be USD 435.43 Bn in 2023 and is expected to reach USD 650.52 Bn by 2028, growing at a CAGR of 8.36%.

- The India’s Logistics Market is segmented based on Transport, Logistic Type, Customer Type, and End-Users.
- By Transport, the market is classified into Roadways, Airways, Waterways, and Railways Oil Cooler.
- By Logistic Type, the market is classified into First, Second Party &Third Party.
- By Customer Type, the market is classified into B2C and B2B.
- By End-Users, the market is classified into Manufacturing, Retail, Government, Banking & Financial Services, Aerospace, Healthcare, Media & Entertainment, and Trade & Transport.



*Figure 2.1*  
*Study of Logistics Industry Market forecast*



This report has done a SWOT analysis on the industry and industry players, The analyst has devised suitable strategies for market growth.

From the News of India Briefing published on 11<sup>th</sup> May 2023 it was said that “The logistics industry in India is benefitting from technological advancements, policy initiatives, and infrastructure capex in 2023. Logistics is integral to economic growth and any improvements in the country’s logistics ecosystem has business positive outcomes – ranging from operational efficiency to expanding supplier networks to boosting last-mile-reach to meet market demand. Further, applied tech innovation and data-driven insights can allow companies to optimize their supply chains, allocate resources more effectively, and deliver exceptional customer experiences”.

India’s logistics industry has achieved remarkable progress, highlighted by the country’s rise of six spots in the World Bank’s Logistics Performance Index (LPI). This improvement is credited to various factors, such as technology innovation, data-driven decision-making, and policy initiatives aimed at facilitating world-class infrastructure.

Earlier in the year, the government increased the Union Budget allocation for capital investment by 33 percent, amounting to INR 10 trillion, for 2023-24. This development has been warmly welcomed by the logistics industry as it is expected to bolster India’s position in the global supply chain by prioritizing infrastructure development.

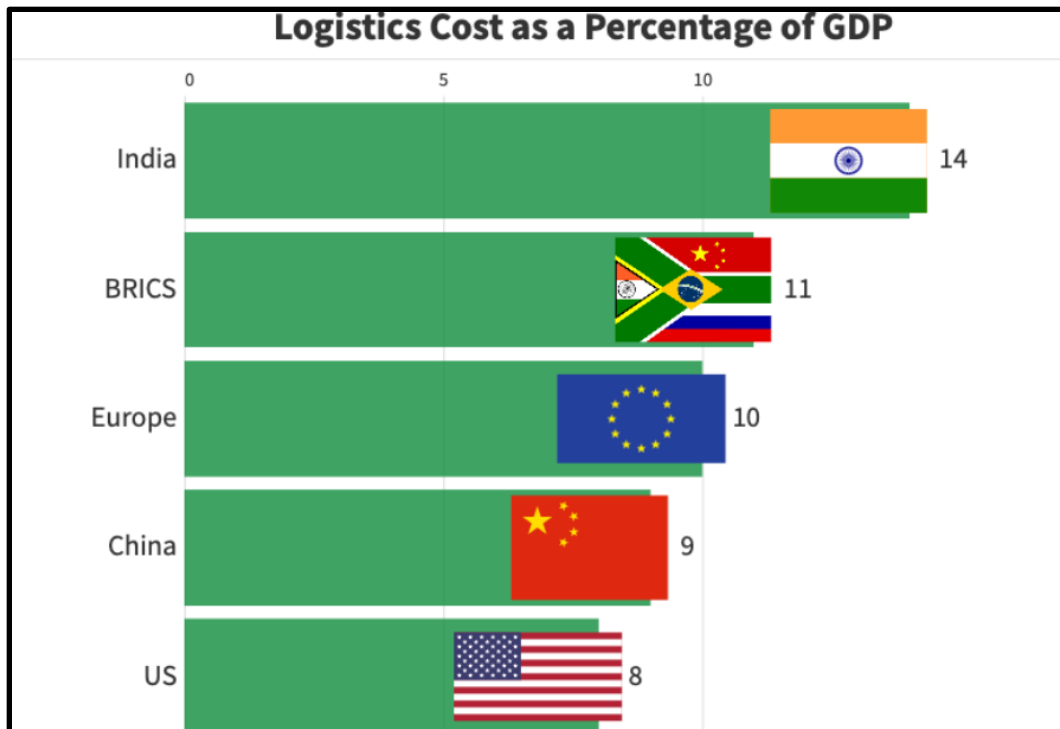
Improving logistics performance can be a crucial factor in a country’s economic growth, enabling businesses to enhance their trade competitiveness, reduce expenses, and increase supply chain efficiency. This not only boosts productivity and customer satisfaction but

also attracts foreign investment by creating a favorable environment for companies to operate in.

India has moved up six places to reach the 38th rank out of 139 countries on the Logistics Performance Index. The LPI index measures countries on six aspects of logistics performance, including infrastructure quality, customs efficiency, logistics services quality, international shipment arrangements, on-time delivery frequency, and shipment tracking.

India's transportation and logistics industry is set to play a pivotal role in supporting the country's ambitious growth aspirations. According to a recent EY report titled "India@100: realizing the potential of a US\$26 trillion economy," India is expected to reach a staggering US\$26 trillion by FY 2048. As the nation gears up to achieve this milestone over the next 25 years, the transportation and logistics industry will be a key enabler.

The logistics and supply chain industries in India are currently experiencing a significant transformation, driven by various government led initiatives which are aimed at boosting the sector. Currently India ranks 38 among 139 countries in the logistics performance. Below chart shows the significance of Logistics industry in the India's Gross domestic products (GDP) where we see India contributes 14% of the logistics cost to the GDP when compared to other countries. This growth can facilitate India becoming a \$26 trillion economy.



*Figure 2.2*  
*Logistics cost as a Percentage of GDP*

From the libraries researchgate.net (2016) The quality of service in service industry is highly contributed by the interaction between customers and service employees. Customer orientation of service employees plays a significant role in the success of service firms such as logistics service providers. Using data from 272 logistics service provider firms, this research tests the relationship of customer orientation practices and customer satisfaction, customer commitment and retention. The results indicate that high customer orientation of service employee has a positive direct relationship with customer satisfaction and commitment but does not directly relate to customer retention.

Samuel, Sesilya & Togar (2020) in their abstract says good quality logistic services from

the company can make customers feel satisfied and make purchases back to the company. The study investigates the service quality of logistic providers that are hired by the rice producers in distributing rice to rice retailers. The samples in this study are 36 rice retailers who have used logistic services at least two times. Data obtained from the questionnaire are processed using partial least square (PLS). The results of this study provide evidence that logistic service quality affects customer retention and customer satisfaction. Further results show that dissatisfied customers will significantly reduce customer retention. Intervening results in this study indicate that there is an influence between logistic service quality on customer retention through customer satisfaction.

Another angle to look for customer retention is understanding the flexibility of logistics service providers. Since the degree of competition in the industry have significantly increased over years, the logistics service providers (LSP) must find a way to achieve competitive advantage, here the role of flexibility is important.

From the Hartmann, E., de Grahl, A. (2011). The study on Flexibility of Logistics Service Providers and its following Impact on the customer Loyalty. In, the results reveal that LSP flexibility is a strong driver of all core dimensions of customer loyalty (i.e., retention, extension, and referrals) and thus a source of competitive advantage for LSPs. Further, collaboration positively influences LSP flexibility and the loyalty dimensions, supporting its significant role in a supply chain relationship. Finally, knowledge resources have a positive effect on LSP flexibility as well as on collaboration, indicating the importance of such resources in facilitating crucial capabilities.

As per Premkumar G and J Rajan on the Customer Retention in Mobile Telecom Service

Market in India: During 1990s the customer acquisition was the focus of most of the organizations. But now the scenario has been totally changed. Retaining the existing customers has become the secret behind the success of any organization. It is not possible and was not possible to be successful in the long run without the customer retention. Research reveal that the cost of customer retention is very less than that of customer acquisition. Through the wide usage of internet, the customers are more informed regarding the products/services. Customers expect to be treated on a more personal basis. The inability to meet the customer expectations may lead to the closure of relationships. In saturated markets the customer retention initiatives are very important than the customer acquisition initiatives. This study in the mobile telecom service industry was a relevant reference to our topic which summarizes “If you want to retain your company, you need to retain your customers”.

Laura Lake (2008) proposes that approximately 80% of the sales come from 20% of the total customers and hence customer retention is not only a cost effective and profitable strategy but also the necessity of today’s business world. Om Kumar Jha (2011) proposes that running behind new customers is a blind race and is without appropriate business sense and ROI justifications. There is no assurance that these customers are going to continue with the organization at least for a shorter duration.

Mirjana Radovic-Markovic Imani Silver Kyaruzi Zorana Nikitovic (2016) mentions that the development of customer retention strategy is very much needed for a company who wishes for long term achievement, it must adopt a strategy to build solid customer relationships. They should focus on retention of existing customer rather than chasing

new customers and fleeing to competitors. Retaining existing customers also cost less than winning over the new ones. CRM comes into play where it's a constant effort required to win over the customer and establish trust and loyalty in turn learn the customers like we learn the competitors. This results in customers being satisfied and loyal.

Saharon Rosset Einat Neumann Uri Eick Nurit Vatnik Amdocs Ltd. In their study tackled the practical uses of analytical models for estimating the effect of retention measures on the customer lifetime values. the researchers presented the LTV approach (Customer lifetime value) in the communication industry was not the best approach and they summarized that practical solution is necessary for practical problems

As per the Edward Aspinall, Henry Stewart Publications 0967-3237 (2001) Vol. 10, 1, 79-87 Journal of Targeting, Measurement and Analysis for Marketing 79 it is very important to put the concepts and theories into practice. companies who focus on customer retention need to be serious about define it clearly as what they want and should be serious enough to be improving customer retention

From the journal S Ouf, Y Helmy, M Ashraf - International Journal of e-Collaboration says In e-commerce industry , retaining customers on the web is a difficult task that needs a good understanding of customer's behavior to be able to predict their needs and interests. The study is specific to Web mining techniques to improve business by understanding customers behaviour on web. The limitation of the study was lack of understanding customer satisfaction in highly competitive market. the proposed framework of merging technique achieves its objectives that resulting in increased

customer retention. The proposed framework empirically demonstrated the feasibility of understanding customers' behaviors through tracking their history on the commercial website and providing high-quality and accurate recommendations that match their preferences and interests by merging clustering, classification, association rule, and sequential discovery techniques.

From the International Journal of Intelligent systems and Applications in engineering, Customer Churn Detection for insurance data using Blended Logistic Regression Decision Tree Algorithm (BLRDT) Nagaraju Jajam, Dr. Nagendra Panini Challa<sup>2</sup> Journal Relying on a blended logistic regression decision tree, the proposed scheme shows a statistical survival evaluation technique for predicting client turnover. According to the presented model, machine learning approaches could be a promising alternative for client attrition control. The ideal churn model isn't the one with the highest statistical precision; it's the one that gives you the most insights into how to avoid churn. It would be simple to construct retention policies as well as strategies to keep clients using the obtained results, which use blended logistic regression decision tree, because these methodologies offer quickly deducible descriptions of the purposes for churning as well as a list of clients with a high possibility of churning. As stated earlier, the main objective of this study was to demonstrate how innovative machine learning approaches could aid both practitioners and researchers in collecting and analyzing the data more efficiently and precisely. Consumers are, without a doubt, the most asset, regardless of the sector or the size of the company. From a managerial standpoint, it is critical to create an accurate method for predicting customer turnover in order to have success. As a result, businesses

must always give particular attention to identifying consumers with a high chance of churn. It can stop the destruction of company assets by detecting churn candidates ahead. It is suggested that data on customer churn from domestic businesses be used to continue this investigation and broaden the findings. It is also suggested to simply apply specific algorithms like various forms of decision trees with interpretable findings in order to perform a precise evaluation of customer turnover factors and determine the most critical elements impacting consumer churn. This issue may reduce the accuracy of the outcome, yet it can provide a proper understanding of customer turnover factors. This research also suggested that future experiments could combine more than two methods by bagging or stacking them together.

Saeed, A., Abdallah, A. B., & Mustafa, H. (2019). The impact of customer retention strategies on customer satisfaction: An empirical study in the logistics service industry. *International Journal of Logistics Systems and Management study*, 33(1), 35-56. This study investigates the impact of customer retention strategies on customer satisfaction in the logistics service industry. It explores various strategies, including service quality, relationship management, value-added services, customization, and their influence on customer satisfaction and loyalty.

Lopes, I. R., Azevedo, S. G., & Ferreira, J. J. (2017). The total impact of relationship marketing on customer loyalty in the logistics services industry. In the *International Journal of Information Systems and Supply Chain Management study*, 10(1), 1-19. This research examines the influence of relationship marketing practices on customer loyalty in the logistics services industry. It highlights the importance of trust, commitment,



communication, and customer satisfaction in building long-term relationships and enhancing customer retention.

Gong, Y., Zhang, X., Zhao, H., & Yu, Y. (2018). The role of service innovation in customer retention in the logistics industry. *International Journal of Logistics Research and Applications* study, 21(6), 625-639. This study explores the role of service innovation in customer retention within the logistics industry. It investigates how innovative service offerings, such as new delivery models, technology-driven solutions, and value-added services, influence customer satisfaction, loyalty, and retention.

Liu, C., & Wei, J. (2020). The overall effect of logistics service quality & impact on customer satisfaction and loyalty. The moderating role of service innovation capability. *International Journal of Logistics Management*, 31(3), 777-797. This research examines the relationship between logistics service quality, customer satisfaction, loyalty, and the moderating role of service innovation capability. It highlights the importance of service quality in driving customer satisfaction and loyalty and emphasizes the role of service innovation in enhancing customer retention.

Jiang, M., & Liu, Y. (2019). Antecedents of customer loyalty in the logistics industry: The study on role of service quality, customer satisfaction, and trust. *Sustainability*, 11(4), 1153. This study investigates the antecedents of customer loyalty in the logistics industry, focusing on the roles of service quality, customer satisfaction, and trust. It highlights the significant influence of these factors on customer loyalty and retention, emphasizing the need for logistics companies to prioritize these aspects.

These studies contribute to the understanding of customer retention in the logistics industry by examining various factors, strategies, and influences on customer satisfaction and loyalty. They provide valuable insights for logistics companies seeking to enhance customer retention efforts and build long-lasting customer relationships.

Thus, Customer retention is crucial for sustainable growth and success in the logistics industry. This literature review highlights the factors influencing customer retention, including service quality, relationship quality, cost competitiveness, and customization. Moreover, it emphasizes the importance of relationship management, value-added services, continuous improvement, and loyalty programs as strategies to enhance customer retention. Additionally, technology, such as CRM systems, supply chain visibility, and data analytics, plays a vital role in improving customer retention efforts. By understanding these factors and adopting appropriate strategies, logistics companies can build strong customer relationships, enhance the customer satisfaction, and increase customer loyalty and retention.

## **2.2 Theory of Reasoned Action**

From other sources, The Theory of Reasoned Action (TRA) was developed by Fishbein and Ajzen who explained the attitude and behaviors within human action. From this theory we can predict an individual's behavior based on their attitudes or intentions. Fishbein's theory suggested that there was a connection between attitude and behaviors however as per the critic's attitude can be good indicators for a human behavior and there are multiple other factors.

According to the theory, the strength of the relationship between attitude, subjective norms, and behavioral intention is determined by the importance of the behavior to the individual and their level of control over the behavior. In other words, the more important a behavior is to an individual and the more control they have over it, the stronger the relationship between their attitude, subjective norms, and their intention to perform the behavior.

The Theory of Reasoned Action has been widely applied in various fields, including health psychology, communication studies, and marketing research. It has also been expanded upon and modified over time, leading to the development of related theories e.g., like one of the Theory of Planned Behavior and the perception of the Integrated Behavioral Model.

In simple terms as per Hale, Jerold; Householder, Brian; Greene, Kathryn (2002) TRA can be expressed as

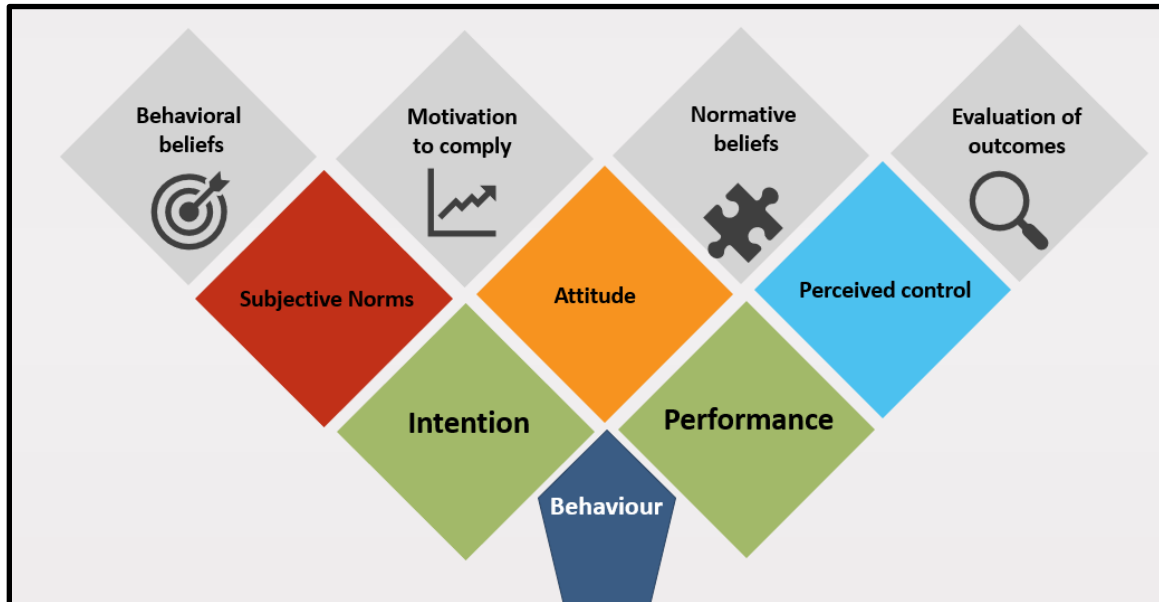
$$BI = (AB)W_1 + (SN)W_2$$

where:

- $BI$  = behavioral intention
- $(AB)$  = one's attitude toward performing the behavior
- $W$  = empirically derived weights
- $SN$  = one's subjective norm related to performing the behavior

According to the professor Fishbein's and social psychologist Ajzen's original (1967) formulation of TRA, the behavioral prediction is applicable to any voluntary act and cannot

be fully read if the intent changes prior to action. The model of TRA has been challenged by studies determined to examine its limitation and inadequacy.



*Figure 2.3  
Theory of Planned behaviour and action*

### **2.3 Cultural importance to Technology / Change Management**

There are always new customers adding to the service market in India, hence In India, technology cannot be fully used to study the attitude towards customer behavior in logistic Industry as the customers are subject to behave as per the present conditions/ problems of the individual/ company. Also, when a person performs a behavior in routine it becomes then habit which in turn affects their behavior directly.

Culture plays a significant role in the adoption of technology in the logistics industry. Here are several key points highlighting the importance of culture in technology adoption / change management:

1. Mindset and openness: The organizational culture within the logistics industry shapes the mindset and openness towards technological advancements. A culture that promotes innovation, adaptability, and openness to change is more likely to embrace and adopt new technologies or ways of working.
2. Change management: The logistics industry often consists of established practices and processes that have been ingrained over time. A culture that is resistant to change can hinder the adoption of new methods. Effective change management strategies that address cultural barriers and promote a positive attitude towards change are crucial for successful implementation.
3. Collaboration and communication: The logistics industry relies heavily on collaboration and communication between various stakeholders, including suppliers, partners, and customers. A culture that values collaboration and effective communication can facilitate the adoption of new ways of working by encouraging knowledge sharing, cross-functional cooperation, and the implementation of digital communication platforms.
4. Risk tolerance: new methods or Technology adoption often involves some level of risk, including financial investment, operational disruptions, and potential resistance from employees. A culture that encourages calculated risk-taking and embraces a mindset of experimentation and learning from failures can foster a more favorable environment for change.
5. Training and skill development: Adopting new technologies in logistics requires employees to acquire new skills and competencies. A culture that values continuous

- learning, professional development, and invests in training programs can create an environment where employees are motivated and prepared to embrace technology and adapt to its implementation.
6. Leadership and top-down support: Strong leadership and top-down support are critical in shaping the culture and driving change within the logistics industry. When leaders prioritize technology initiatives, communicate their importance, and actively participate in the adoption process, it sets a positive example for employees and helps create a culture that embraces technology.
  7. Customer-centric focus: Logistics companies that prioritize a customer-centric culture understand the importance of technology in delivering enhanced customer experiences. A culture that values customer satisfaction and seeks innovative solutions to meet evolving customer expectations is more likely to embrace technology that enables better service delivery and operational efficiency.
  8. Industry collaboration and benchmarks: Industry collaboration and benchmarking initiatives can influence the culture of change in logistics. When companies see their competitors or industry leaders successfully implementing technology, it can inspire and motivate them to adopt similar solutions to stay competitive and meet industry standards.

In summary, culture plays a crucial role in technology adoption / change management within the logistics industry. By fostering a culture of openness, collaboration, learning, and adaptability, logistics companies can create an environment conducive to embracing

and leveraging technology for improved operational efficiency, customer satisfaction, customer retention and overall business success.

## 2.4 Usage and segmentation & customer value approach

From the Journal of Targeting, Measurement and Analysis for Marketing Vol. 10, 3, 259–268 The below is the detailed segregation that needs to be worked on data analysis by the management. Segmenting markets by consumption patterns approach can be quite insightful for Organisations to understand the customer mix.

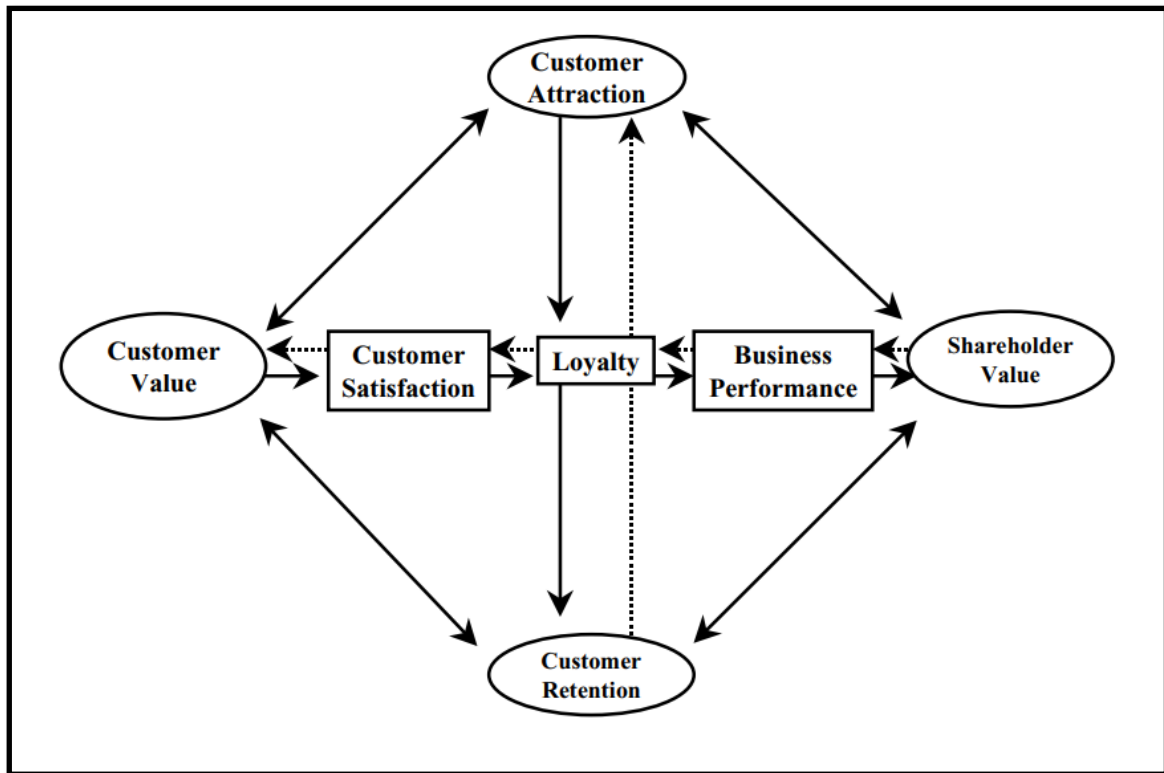
**Table 1** Usage segmentation categorisations

Heavy, medium, light, former and non-users (A,B,C,D,X) Heavy half segmentation (80/20 rule) Users versus non-users Competitive users Loyal (degree) versus non-loyal customers Product/service applications by user group Adopter categories — innovators, followers, laggards, lead users Geographic comparisons — customer penetration indices, growth
---

*Table 2.1*  
*Usage segmentation categorizations*

The above segmentation helps us to analyze that different marketing strategies are needed for various user groups based on usage. The implication of usage analysis is that all customers are not equal — some (the heavy users) are clearly more valuable than other categories. For example, McDonald’s Corporation actively targets ‘super-heavy’ users. These customers are typically male, aged 18 to 34 and eat there three to five times a week, accounting for 77 per cent of its sales. A good understanding of customers’ purchasing patterns helps firms keep customers and gain a larger share of their business. Share of customer (a customer retention measure) has supplanted market share (a customer

attraction objective) as the relevant business performance dimension in many markets. Below is the customer retention model explained where Loyalty plays a key factor in the chain



*Figure 2.4*  
*The customer retention value model*

To conclude from the journal companies that deliver value to customers on a regular basis can keep them over the long term. This is essential for establishing a customer retention focus. By maintaining consistently high levels of customer satisfaction and loyalty, customer defection becomes less likely. This results in enhanced business performance and increases shareholder value. Usage segmentation and relationship marketing are the key



strategies to obtain the desired results of retaining more customers, getting better customers, upgrading customer relationships, and using existing customers as advocates for acquiring new customers.

## **2.5 Summary**

Being a very competitive Industry with multiple factors influencing the customer satisfaction, it is necessary to explore the relationship between the service attributes and likelihood of retaining the customer in the industry. From the above review it was found that theoretical approaches and strategies have certain limitation, but the concepts can be considered for further research.

## **CHAPTER III: METHODOLOGY**

### **3.1 Overview of the Research Problem**

There is a cut-throat competition in the market because of which no matter how much ever you give the best rate or service, the customers are not satisfied. For e.g., even in Insurance companies they compete fiercely for the business of people all over the world. Also, in the Airlines Industry there is challenge in customer satisfaction. Likewise, Logistics Industry is an industry where customer retention is equally important and depends on client behaviour to minimise loss.

This has created a lot of confusions and conflicts in this field which are inevitable. Today new logistics startups are becoming more and more competitive, which exposes the real existing cost to the end customer. Also, there are startups which are willing to give the services at much lower cost than in past.

In summary, there is a need for a better understanding of how we can satisfy our customers and retain them for the future assignments and provide a structured approach in identifying and modeling constraints to ensure a satisfactory work plan. More specifically, the following research questions need to be addressed:

1. What are the typical constraints found in affecting customer satisfaction?
2. How many are likely to take the same service provider for future services?
3. How to classify these constrains for easier identification and modeling?
4. Additional inputs from the respondents from the industry
5. What are the current industry practice as well as research advancements in resolving this issue?

### **3.2 Operationalization of Theoretical Constructs**

Most of the companies put a lot of their time and effort in chasing new business & getting new customers on board. In turn they would have lost an existing customer & to replace them this chase happens. In this study we focus to approach all the customer or individual who have either been handling the shipments and also those who intend to take services from the logistics companies.

Below are the few steps taken to operationalise the theoretical constructs in the logistics industry :

1. Conceptualization : This study defined who should be the input provider and whose interest mattered in the study towards customer retention in the logistics Industry . The study involved review of existing literatures , understanding concepts and theories involved , identifying key dimensions and indicators
2. Variable Identification: Here the key variables were observed and measured that represent the theoretical constructs. Examples of variables used in this study are Response time , flexibility , adaptability , customer satisfaction , Behaviours , service requirements, cultural impact , etc..
3. Measurement : For this study , developed measurement instrument both quantitatively & qualitatively such as questionnaires, surveys , observations, interviews, service studies, feedback to collect data on the identified variables.
4. Data collection: Collected data from a large group of focused people who have had experience of this industry as either manufacturers , vendors, buyers, customers or even the end users of services.

5. **Data Analysis:** Once the data is collected , its analyzed through statistical techniques. This could include descriptive statistics, correlations, regression analysis, to examine the current relationship between customer satisfaction and other variables of interest.

By following the above steps, the study can operationalize the theoretical construct of customer satisfaction & customer retention in the logistics industry by gathering reliable data for this thesis.

### **3.3 Research Purpose and Questions**

It is very important for us to understand the factors that impact on the customer retention and the role that it play in formaulating strategies and plan for the organmisation growth . Below are the key questions that we intend to find during this analysis.

1. Importance of Customer Satisfaction & Customer retention
2. Customer retention impact on logistic industries
3. Methods to retain customer and what are the key factors
4. Major factor which will affect the relationship between client and service provider
5. Key aspect to retain the customer
6. Any other new findings that impacts the study

### **3.4 Research Design**

This research was undertaken in 3 methods:

- a. First is the literature review which was done to understand the prevailing methods & best practices that are adopted across logistics sector & also across all industries.
- b. Second method was direct interviews with set of identified customers.
- c. Third method was by sharing a set of self-administered questionnaires to obtain the data and analyzing withing the industry focals like the customers, other logistic providers, individuals who took services, manufacturers / traders etc.

Hence these methods helped me in narrowing the attributes that influences the customer satisfaction & retention. As we already have discussed on the available literatures, in the below study we will focus on the second & third method.

In the second method based on the availability and accessibility, few customers were interviewed where the primary focus for them was price and customer service. Apart from the above said some of the customer merely wanted the comfort of senior management being around which was sufficient, while most of the other's concern was also to have the best turnaround time, best price prevailing in the market, availability & also uncompromised service. As we did these interviews few new key learnings were highlighted like the transparency & open communication about the real time situation. Many times, giving them the heads-up alone was sufficient for them to plan the shipment. Whilst conducting this interview it also highlighted that having to know the customer of customers is equally important and thinking through their priorities & understanding the correct requirement helps build the trust and connection.

### **3.5 Population and Sample**

The population considered for this research are the end customers , other logistics service providers, traders, manufacturers and customers who have taken online portal services from various platforms .

The sample collected for this study are face to face interviews: 20-30 ; Questionnaires reached 242 respondents of which 67 answered and submitted while many others gave 1:1 detailed feedback over telephonic conversations.

### **3.6 Participant Selection**

The participants were selected from the Indian population where they had some prior experience of the services rendered and also the experience what they had was an important data for this study.

### **3.7 Instrumentation**

In order to collect accurate and reliable data to support our hypotheses and conclusions. There were a wide variety of instruments that was used in research, depending on the field and the specific research question. Some common types of instrumentation used in research include:

1. Surveys and questionnaires: These were used to collect data from individuals or groups about their attitudes, opinions, behaviors, or other relevant factors.
2. Interviews: Interviews was done to collect data in a more in-depth and personal manner than surveys or questionnaires, and may be particularly useful for exploring subjective experiences or emotions.

3. Observations: Observations were done in a naturalistic or controlled setting to collect data on behavior, interactions, or other phenomena.
4. Case studies: Case studies were discussed which involve in-depth analysis of a particular person, group, or organization. These were particularly useful for exploring complex phenomena or unique cases.
5. Document analysis: Document analysis involved in analyzing documents such as government reports, business plans, or social media posts to extract relevant data.
6. Experimental procedures: Experimental procedures were also done involving manipulating variables to observe their effects on an outcome of interest.

### **3.8 Data Collection Procedures**

As mentioned above the multiple data collection procedures were done Regardless of the data collection procedure used, we followed & established ethical guidelines for research such as obtainining informed consent from participants, and ensure that data are kept confidential and secure. This study carefully document the data collection procedures and any potential sources of bias or error to ensure the validity and reliability of the findings.

### **3.9 Data Analysis**

This questionnaire was circulated only among selective people from the industry or those

individuals who had the knowledge on logistics.

Questionnaire statistics below for reference:

Big picture				
Views	Starts	Submissions	Completion rate	Time to complete
242	158	67	42.4%	05:38

*Table 3.1*  
*Overall survey big picture*

From the survey conducted the respondents are mainly 25% companies who regularly take logistics services & 75% are individuals of which 47% end users; 31% manufacturers/traders & 22% who choose to stay anonymous while the survey was taken.

### **3.10 Research Design Limitations**

Research on customer retention may also face certain limitations. Some of these limitations include:

1. **Small sample sizes:** Research on customer retention may be limited by small sample sizes, which can make it very difficult to generalize findings to larger populations. This can be especially problematic in industries with many customers.
2. **Self-selection bias:** Customers who agree to participate in research on customer retention may not be representative of the broader customer population. This can introduce self-selection bias, which can limit the generalizability of findings.



3. Cross-sectional design: Research on customer retention is often cross-sectional, meaning that it examines a specific point in time. This can limit the ability to make causal inferences and can make it difficult to determine whether changes in customer retention are due to specific interventions or other factors.
4. Limited data availability: Data on customer retention may be limited, especially in industries where customer data is not routinely collected or where customers are not required to provide contact information. This can make it difficult to conduct research on customer retention.
5. Difficulty in measuring customer retention: Measuring customer retention can be difficult, as it requires tracking customers over time and determining whether they have continued to use a specific service or product. This can be challenging in industries where customers may use multiple providers or where usage patterns are unpredictable.
6. Difficulty in controlling for external factors: Customer retention can be influenced by a wide range of the external factors, such as changes in the economy or shifts in consumer preferences. Controlling for these factors can be challenging in research on customer retention.

Overall, while research on customer retention is important, it may face certain limitations that can impact the generalizability and reliability of findings. Researchers should carefully consider these limitations and work to address them where possible.

### **3.11 Conclusion**

The logistics industry, like any other industry, faces certain limitations in customer retention. Some of these limitations include:

1. **High competition:** The logistics industry is highly competitive, with many players aiming for the same customers. This can make it difficult for logistics companies to retain customers, as customers may be lured away by competitors offering better rates or services.
2. **Price sensitivity:** Customers in the logistics industry are often price-sensitive, meaning that they are more likely to switch to a competitor offering lower rates, even if the service quality is similar. This can make it challenging for logistics companies to retain customers, as they may not be able to offer rates as low as their competitors.
3. **Limited differentiation:** Many logistics companies offer similar services, making it challenging for them to differentiate themselves from their competitors. This can be hard to build brand loyalty and retain customers.
4. **Complex service offerings:** The logistics industry can be complex, with many different service offerings and options. This complexity can make it challenging for logistics companies to communicate their value proposition to customers, which can make it more difficult to retain them.
5. **Dependence on external factors:** The logistics industry is extremely dependent on various external factors such as the weather, traffic, and global events, which can impact service quality and reliability. This can make it difficult for logistics companies to retain customers, as customers may switch to a competitor if they experience service disruptions.

Overall, customer retention is a challenge in the logistics industry, and companies must work hard to differentiate themselves, communicate their value proposition, and deliver exceptional service to retain customers.

Logistic service providers have realized that they cannot survive and compete in the market without giving enough attention to the customers & customer retention is an important process which needs to be continuously repeated and improved. Based on the survey taken from the customers we can see all the factors like customer support, relationship, pricing etc. are the factors influencing customer satisfaction and below are the steps we can focus to retain customers. The results of this research can be used as a reference to increase customer satisfaction.

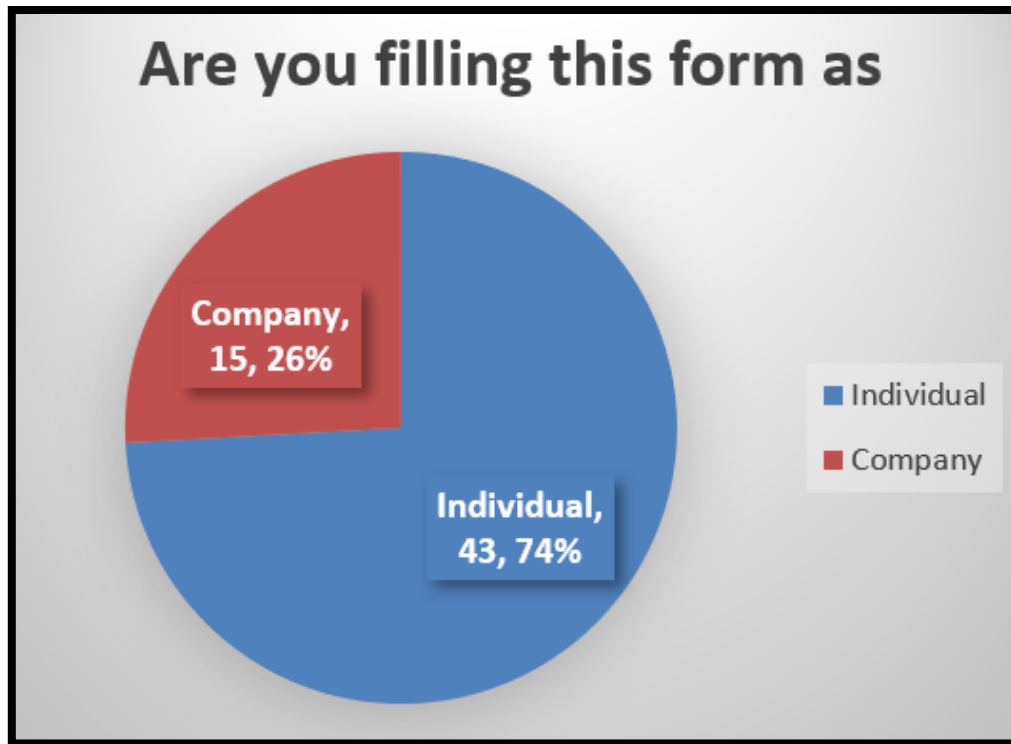
#### CHAPTER IV: RESULTS

The research study aims to identify the factors that play a significant role in retaining customers in the logistics industry. The study will analyze various aspects such as service quality, pricing, reliability, communication, responsiveness, and customer service to determine the key drivers of customer retention. The Survey research was done using both closed- and open-ended questions. Data was collected through interviews or focus groups with industry professionals and experts. Below are the questions asked through the Questionnaire.

#### **4.1 Research Question One**

**Question:** What is the type of people who answered the questionnaire?

**Findings:** Out of the 58 Respondents, 74% are Individuals who take services from logistics provider & the 26% are the companies who are currently doing business and willing to contribute to the study. The Individual & Company details were asked as an option due to data privacy. The data will not be shared in this study of the respondents due to privacy issue.

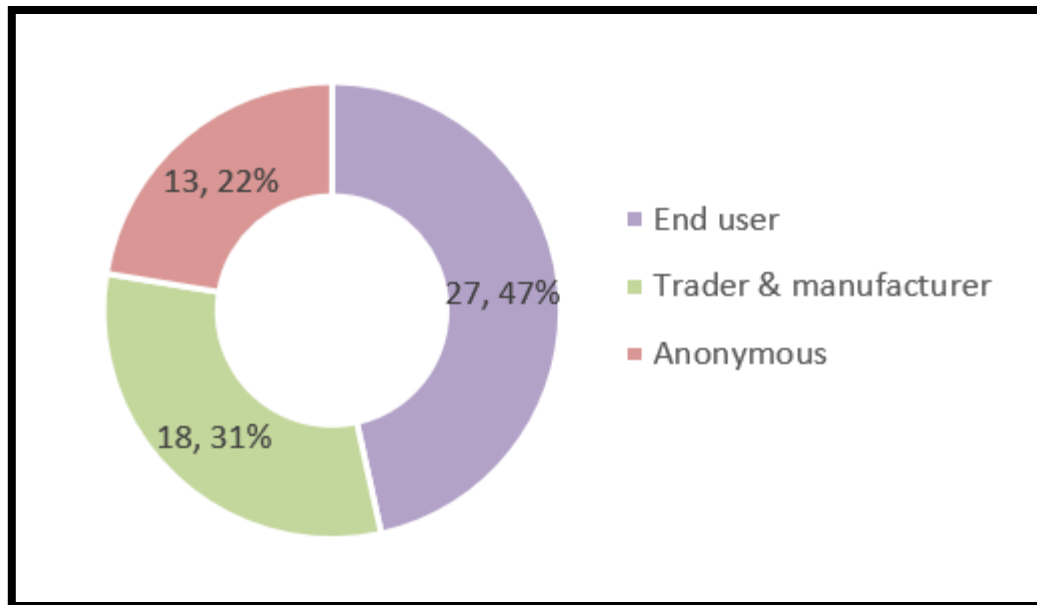


*Figure 4.1*  
Breakdown of survey takers

#### 4.2 Research Question Two

**Question:** Which trade best describes you?

**Findings:** Out of the 58 Respondents, 47% are the end users using the logistics services who either are currently using or either have at least tried using the logistics services at least once ; 31% are the traders & manufacturers who are associated in the supply value chain business and responsible for the customer satisfaction and retention by bringing value add to the services and remaining 22% of the respondents were willing to contribute to the study staying anonymous .



*Figure 4.2*  
*Respondent category*

### **4.3 Research Question Three**

**Question:** If the answer to Question two was Trader/ Manufacturer, this question requests them to share the Company name or nature of business they are currently operating

**Findings:** Out of the 58 Respondents, 31% had mentioned that they are traders or manufacturer's & 90% of them have disclosed their name/ organisation name. This information was useful for understanding the requirements, expectations & their perspectives. Due to confidentiality the list of names is not published in this Thesis however is available upon request.

#### 4.4 Research Question Four

**Question:** Have you used logistics services in India?

**Findings:** Out of the 58 Respondents, 91% people have the experience of using a logistics service and 9% people are new to this but have idea about the industry. All the people who responded on behalf of an organisation have taken the service however for individuals who are new to this are intending to continue to use the service in future. Below chart summarizes the usage metrics and the satisfaction rating where 0 is lowest and 5 is the highest. From this question we can derive the satisfaction level of the companies who have experienced which around 4.2 rating. This answer doesn't indicate if these companies have used the same service provider or not which keeps the customer retention factor open.



*Figure 4.3*  
*Satisfaction rating of the respondents*

#### **4.5 Research Question Five**

**Question:** Share your experiences in brief on the services you took from a logistic provider?

**Findings:** This was a subjective question as the intention was to understand more than defined answers. In this question it was found that customer experiences can vary widely, and individual preferences may differ. Below are some of the factors to consider and feedbacks to be drawn for more comprehensive and accurate conclusions about the services provided by logistics providers.

- Flexibility and adaptability: This were one of the feedback items that local holidays impacted the delivery of the consignment.
- Cost-effectiveness: Cost for a driving factor where customers evaluated from multiple service providers, and it also helps in determining the choice.
- Damage-free handling: This is very important for customer satisfaction, careful handling and taking preventive measures to handle the shipment contribute to positive outcome.
- Responsiveness to inquiries and support: Prompt and helpful customer support is highly valued. Customers appreciate logistics providers who are responsive to inquiries, aid when needed, and offer timely resolutions to any problems or concerns.
- On-time delivery: One common expectation and measure of satisfaction in the logistics industry is the ability of the provider to consistently deliver shipments on time. Customers generally value reliability and timely execution of their logistics needs.
- Communication and transparency: Effective communication between the logistics provider and the customer is crucial for a positive experience.



Customers appreciate clear and timely information about shipment status, tracking updates, and any potential delays or issues that may arise.

- **Order accuracy:** Accurate and error-free order processing is essential for customer satisfaction. Logistics providers who ensure accurate picking, packing, and documentation of shipments contribute to a positive customer experience.
- **Value-Added services:** Additional services that go beyond basic transportation, such as inventory management, order tracking systems, or customized solutions, can enhance the overall customer experience, increase satisfaction & customer retention.
- **Proactive problem-solving:** Customers appreciate logistics providers that take proactive measures to address and resolve issues. Providers that anticipate potential problems, offer alternative solutions, and take responsibility for resolving issues quickly and efficiently contribute to higher customer satisfaction.
- **customization and personalization:** Logistics providers that offer customized solutions are tailored to the specific requirements and preferences of customers are often highly regarded. The ability to adapt services based on unique requirements can significantly enhance the customer experience.
- **Transparency in pricing and fees:** Clear and transparent pricing practices, including upfront disclosure of fees, surcharges, and any additional costs associated with the services, contribute to customer satisfaction. Customers value honesty and transparency when it comes to financial aspects of logistics services.

- Expertise and industry knowledge: Logistics providers that demonstrate deep knowledge and expertise in the industry, along with a complete understanding of the customer needs and their challenges, tend to instill confidence and trust among customers. This expertise can lead to a smoother and more efficient service experience.
- Efficient and optimized processes: Customers appreciate logistics providers that streamline their operations and optimize processes to ensure efficient service delivery. Providers that focus on reducing lead times, minimizing unnecessary handling, and implementing best practices contribute to improved customer satisfaction.
- Tracking and visibility: Timely and accurate tracking information, along with real-time visibility of shipments, are highly valued by customers. Logistics providers that offer robust tracking systems and provide regular updates on shipment status contribute to a positive experience.
- Scalability and capacity: Logistics providers that could scale their operations based on customer demands and handle peak periods effectively are likely to meet customer expectations and avoid service disruptions. The capacity to accommodate fluctuations in volume and maintain service levels is important for customer satisfaction.
- Compliance and regulatory adherence: Logistics providers that adhere to regulatory requirements, such as customs regulations, safety standards, and international trade regulations, contribute to customer confidence and satisfaction. Customers appreciate providers that prioritize compliance and minimize the risk of disruptions due to non-compliance.

- **Relationship management:** Building and maintaining strong customer relationships are crucial for long-term satisfaction. Logistics providers that invest in relationship management, provide dedicated account managers or customer service representatives, and actively seek customer feedback are more likely to foster positive customer experiences.
- **Continuous improvement:** Logistics providers that demonstrate a commitment to continuous improvement and actively seek ways to enhance their services based on customer feedback are likely to generate higher satisfaction levels. Customers appreciate providers that value their input and strive to deliver an improved experience over time.

To summarize it's important to recognize that customer experiences can vary based on individual preferences, industry sectors, and specific service requirements. Gathering customer feedback and conducting surveys or interviews with logistics service users can provide more specific and tailored insights into their experiences and satisfaction levels which have also been looked at in the study.

#### **4.6 Research Question Six**

**Question:** How do you rate your logistics experience

**Findings:** This was again a parameter using the previous descriptive question to rate their experience. Below summary shows the respondents feedback on their experience.

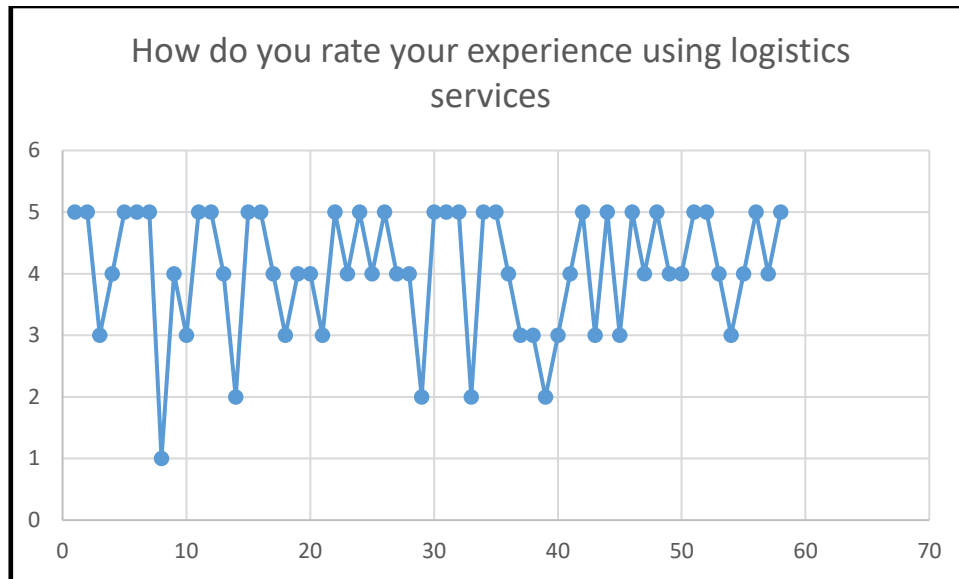


Figure 4.4  
Logistics service user experience

#### 4.7 Research Question Seven

**Question:** What are the challenges you faced during your services & what could have been better

**Findings:** This was a descriptive question where good point of views and suggestion was given. Below are some of the common and summarized challenges that individuals or businesses may face when using logistics services in India. These challenges can be different depending on the specific circumstances and logistics service providers involved. Here are a few examples from the survey:

- **Infrastructure limitations:** India's logistics infrastructure, including roads, ports, and warehouses, may face limitations in terms of capacity, connectivity, and efficiency. Inadequate infrastructure can result in delays, higher costs, and inefficiencies in the logistics process.
- **Last-mile delivery challenges:** Last-mile delivery, which involves the transportation of goods from distribution centers to the destination, can be a

significant challenge in India. Factors such as congested urban areas, limited address systems, and complex geographical locations can make it difficult for logistics providers to ensure timely and efficient delivery. This is a challenge for both import and export either for pickup or delivery.

- **Complex regulatory environment:** India has a complex regulatory environment that affects logistics operations. Compliance with various regulations, permits, and documentation requirements can be time-consuming and challenging for logistics providers, potentially leading to delays or disruptions.
- **Inefficient warehousing and inventory management:** Inefficient warehousing and inventory management practices can impact logistics services in India. Limited storage capacities, inadequate inventory tracking systems, and poor demand forecasting can result in stockouts, inventory discrepancies, and suboptimal utilization of warehouses.
- **High logistics costs:** Logistics costs in India can be relatively high due to factors such as fragmented logistics networks, multiple intermediaries, and the lack of standardized processes. These higher costs can impact the overall affordability and competitiveness of logistics services.
- **Connectivity issues:** In certain remote or rural areas, connectivity challenges, including limited transportation options and poor network infrastructure, can affect the availability and efficiency of logistics services. Limited access to reliable transportation and communication networks can lead to delays and service disruptions. Also, there are possibilities of port congestion due to which there can be delay in transportation.

- **Inconsistent service quality:** Service quality and reliability of logistics providers can vary across different regions and companies in India. Customers may encounter challenges such as unreliable tracking systems, inadequate customer support, or inconsistent adherence to delivery timelines.
- **Documentation and customs clearance:** International logistics operations involving imports and exports may face challenges related to documentation requirements and customs clearance processes. Complex paperwork, customs regulations, and bureaucratic procedures can lead to delays and additional costs for international shipments.
- **Multiple layers of logistics service providers:** India's logistics industry is characterized by fragmentation, with multiple intermediaries involved in the supply chain. Coordinating and managing the activities of various service providers, such as transporters, warehousing facilities, and customs agents, can be complex and challenging.
- **Security concerns:** The security of goods during transit can be a concern in certain regions of India. The risk of theft, pilferage, or damage to shipments can impact the reliability and safety of logistics services. However, the insurance is taken to avoid this in most of the valuable shipments.
- **Skill gaps and training:** The logistics industry in India faces skill gaps and a shortage of trained professionals. This can affect the quality of service, especially in the areas such as supply chain management, warehouse operations, Documentation, and transportation planning.
- **Lack of technology adoption:** While technology is increasingly being adopted in the logistics sector in India, there is still a significant gap in terms of its widespread implementation. Limited use of advanced technologies such as

GPS tracking, real-time visibility tools, and warehouse management systems can impact efficiency and transparency in logistics operations.

- **Complex tax structure:** India has a complex tax structure, including various state-level taxes and the Goods and Services Tax (GST). Complying with tax regulations and managing tax-related documentation can be challenging for logistics providers, particularly when transporting goods across different states for e.g., E waybill, GST invoice billing etc.
- **Seasonal and regional variations:** India's diverse geography and climatic conditions can pose challenges for logistics operations. Seasonal factors such as monsoons, extreme weather events, or festivals can impact transportation routes, delivery schedules, and overall logistics efficiency.
- **Cultural and linguistic diversity:** India's cultural and linguistic diversity can present communication challenges in logistics operations. Different languages and cultural norms across regions can impact effective coordination and communication between logistics providers and customers.
- **Lack of standardization:** Standardization of processes and practices across the logistics industry in India is still evolving. The absence of standardized operating procedures can result in inconsistencies, delays, and difficulties in comparing and benchmarking different logistics providers.
- **Regulatory compliance:** Logistics operations in India are subject to various regulations and compliance requirements, including labor laws, environmental regulations, and safety standards. Ensuring compliance with all these regulations can be a complex task for the logistics providers and may require significant resources and expertise.

It's important to note that while these challenges exist, these challenges are not exclusive to India and may be applicable to logistics operations in other countries as well. Overcoming these challenges often requires collaboration, innovation, and the adoption of best practices by logistics service providers, as well as effective coordination among stakeholders in the logistics ecosystem. Despite these there are logistics providers in India that have developed efficient systems and processes to overcome them.

#### **4.8 Research Question Eight**

**Question:** What in your opinion a logistics service provider should focus to gain new customers & retain the existing customers

**Findings:** This was description question and from the respondent's logistics service provider should focus on the following aspects to gain new customers and retain existing customers:

- **Service Quality:** Providing high-quality logistics services should be a top priority. This includes ensuring timely and reliable delivery, accurate order handling, effective communication, and proactive problem-solving. Consistently meeting or exceeding customer expectations can help build trust and loyalty.
- **Competitive Pricing:** Offering competitive pricing that aligns with the market and provides value for customers is essential. Conducting cost analysis, optimizing operations, and exploring cost-saving measures can help strike a balance between profitability and customer affordability.
- **Technology Adoption:** Embracing technology solutions can enhance operational efficiency, transparency, and customer experience. Investing in



tracking systems, real-time visibility tools, warehouse management systems, and customer portals can provide customers with greater control and visibility over their shipments.

- **Customized Solutions:** There is no one solution that fits all, hence understanding and catering to the unique needs of customers can set a logistics service provider apart. Offering customized logistics solutions based on specific customer requirements demonstrates flexibility and a commitment to delivering personalized experiences.
- **Proactive Communication:** Establishing effective communication channels and maintaining regular contact with customers is crucial. Proactively providing updates on shipment status, addressing inquiries promptly, and sharing relevant information regarding service enhancements or disruptions can foster trust and keep customers informed.
- **Strong Customer Support:** Offering exceptional customer support can make a significant difference in customer satisfaction. Having dedicated customer service representatives who are knowledgeable, responsive, and empathetic can help resolve issues, answer questions, and help when needed.
- **Continuous Improvement:** Continuously seeking feedback from customers and implementing improvements based on their input shows a commitment to delivering better services. Regularly evaluating performance metrics, conducting customer satisfaction surveys, and actively addressing areas for improvement can help enhance the overall customer experience.
- **Relationship Building:** The primary baseline is in building Trust and living to it, once trust is built automatically strong relationships with customers can lead to long-term loyalty. Engaging in proactive relationship management,

understanding customer preferences, and recognizing their individual needs can foster a sense of partnership and mutual trust.

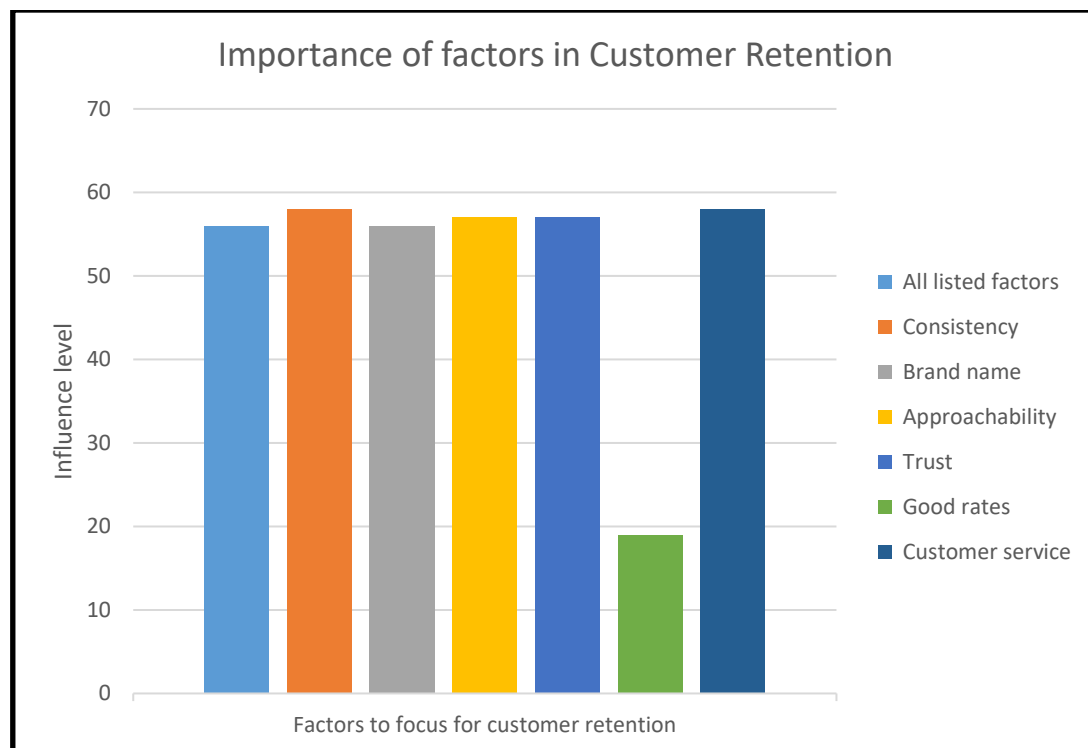
- **Industry Expertise:** Demonstrating expertise and knowledge of the logistics industry can instill confidence in customers. Sharing industry insights, providing guidance on supply chain optimization, and offering value-added services based on industry trends can position the logistics service provider as a trusted advisor.
- **Sustainable Practices:** Incorporating sustainable practices and promoting environmentally friendly initiatives can resonate with customers who value sustainability. Implementing green logistics strategies, reducing carbon footprint, and promoting eco-friendly packaging options can enhance the provider's reputation and attract environmentally conscious customers.

It's important to note that focus can vary person to person & from industries. The customer wants may vary as well depending on the target market, industry sector, and customer segments. Understanding the unique requirements of the target customer base and adapting the approach accordingly is essential for success in gaining and retaining customers in the logistics industry.

#### **4.9 Research Question Nine**

**Question:** What are the factors important for customer satisfaction & retention

**Findings:** This was a choice question where respondents had to choose one or all variables which they felt the service providers should focus. below picture represents the findings from the survey. The Findings indicate that all though all the factors are important, the factors Trust & consistency in service makes a larger impact on customers.

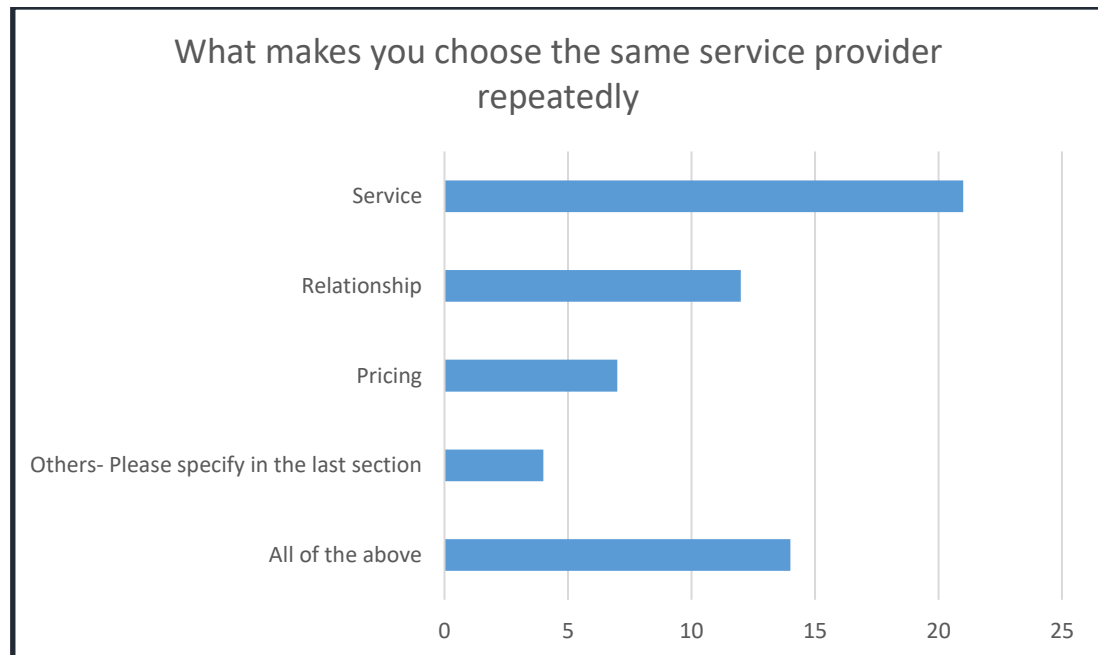


*Figure 4.5*  
*Factors influencing customer retention.*

#### **4.10 Research Question Ten**

**Question:** What makes you choose the same service provider repeatedly

**Findings:** This was a choice question where respondents had to choose from the selected table & the findings were that all though 50% of the respondents selected all the factors but one of the key factor “Service” stood out as the reason why customer would choose same service provider.



*Figure 4.6*  
*Factors that influence the customer to choose the service provider.*

#### **4.11 Research Question Eleven**

**Question:** Would you like to share any \*additional thoughts\* with us which can help in improving customer satisfaction & retention?

**Findings:** This was an open question & not mandatory field, where only 50% respondents had something additional points to comment. Few points which was different from the previous questions discussed were.

- Constant follow up & updating any service changes should be made to customers regularly
- Extend services to remote locations and make it more affordable.
- Always to keep customer informed of the status.
- Focus on time management.
- To provide value added service.

#### **4.12 Research Question Twelve**

**Question:** How likely are you to\* recommend the service\* to a friend or colleague?

**Findings:** This was a rating done and only few respondents submitted the rating which was not very useful to study further. From the respondents who answered only 50% said “Yes” remaining 43% was unsure & 7% was a clear “No”.

#### **4.13 Summary of Findings from the Questionnaire**

Below is the summary of the key findings for a logistics service provider to gain new customers and retain existing customers:

From the Study 90% respondents have used logistics services in past and below is

the satisfactory rating by the type of respondents

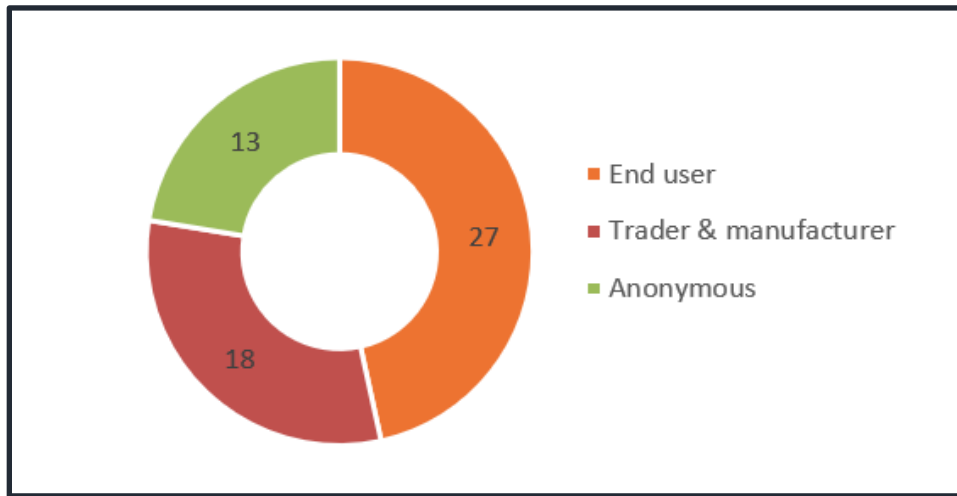


Figure 4.7  
Mix of customer for satisfactory rating.

Below shows the average rating given by the respondents on their experience of using logistics services (1 being lowest & 5 being the highest)

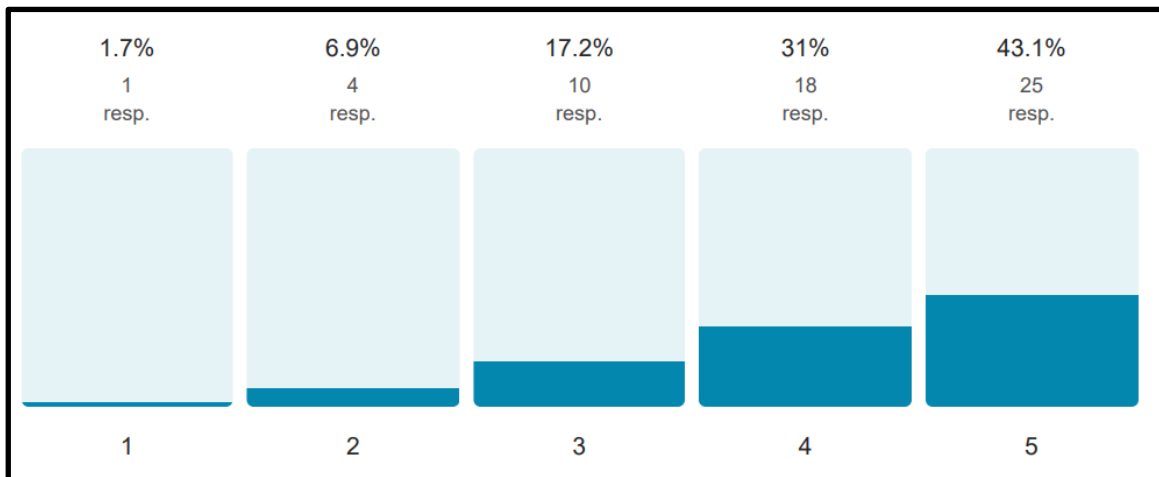
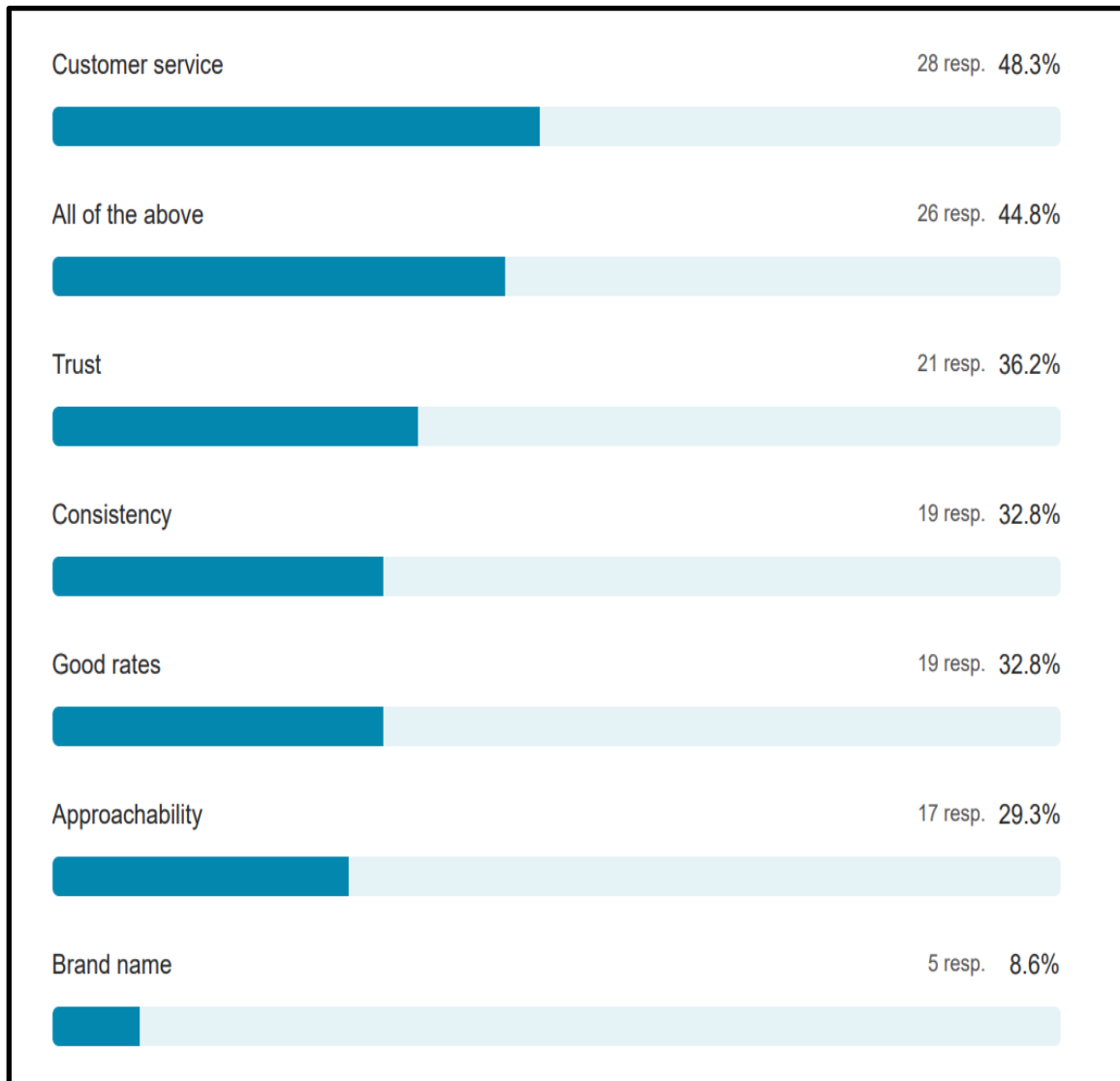


Figure 4.8  
Customer satisfaction ratings

Below are the factors that influences the customers to choose their service provider. To summarize from the table below we can see that customer service, trust are key factors

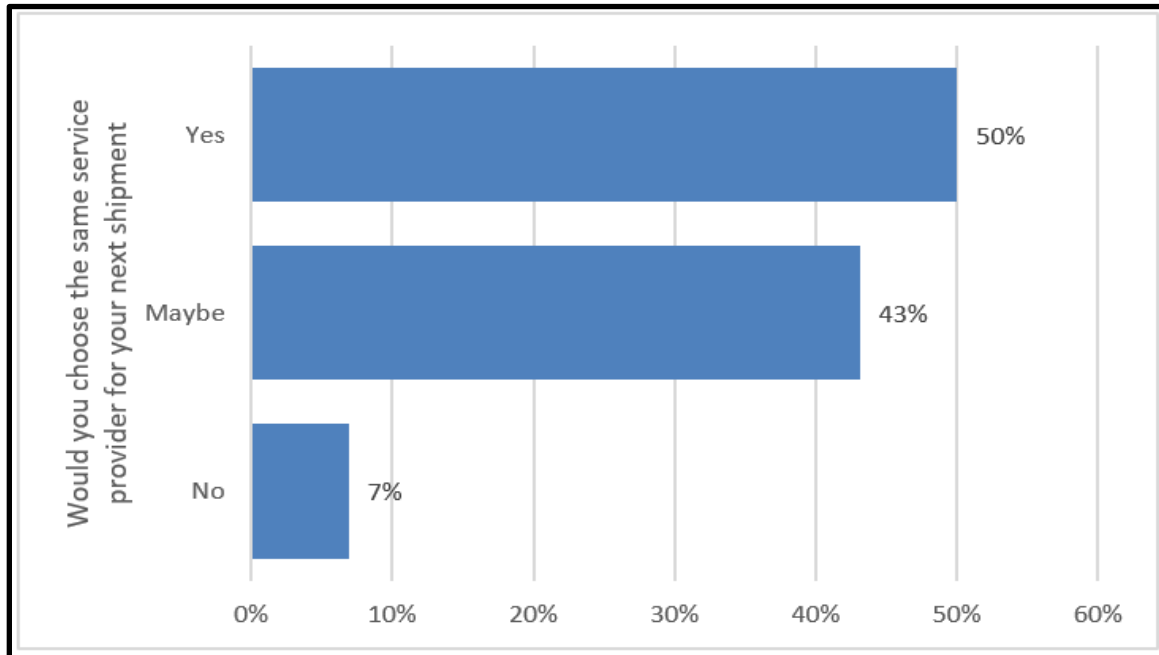
however as we see below all the given factors contribute to the overall satisfaction of the customer.



*Figure 4.9  
Factors contributing to customer satisfaction ratings.*

When asked would they choose the same service provider only 50% said “Yes” remaining 43% was unsure & 7% was a clear “No”. Which means there are some expectations from

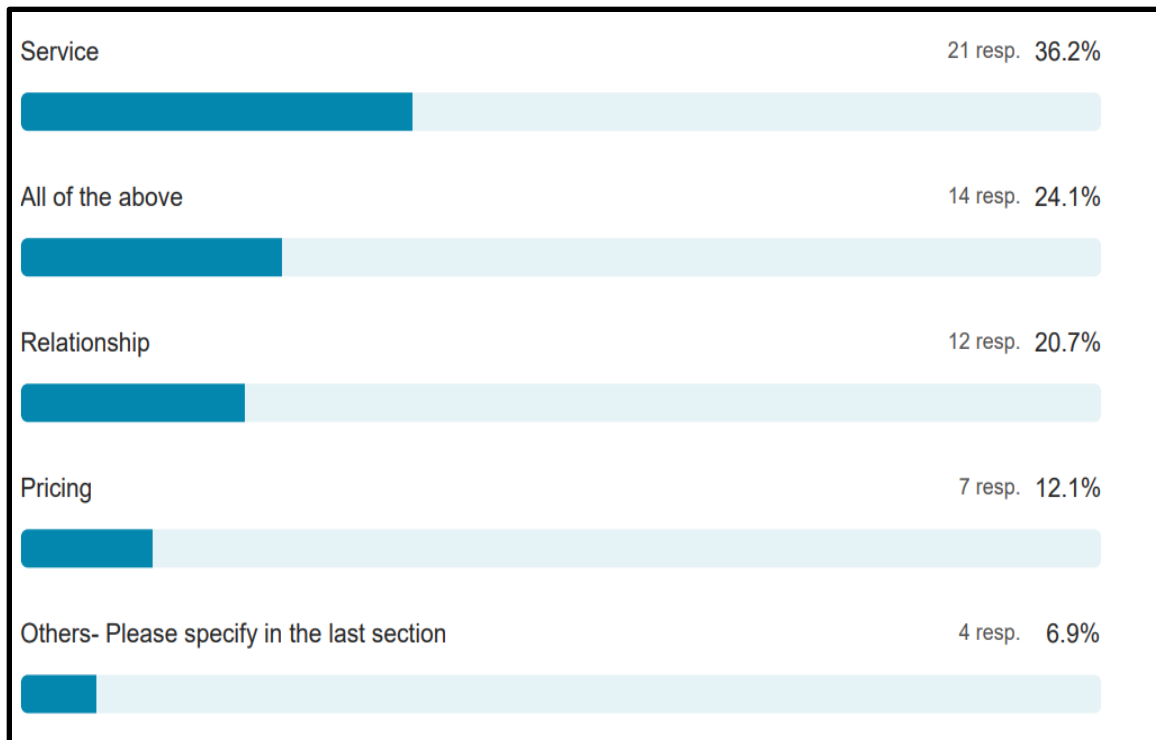
the customer that was not fulfilled during the service



*Figure 4.10*  
*Customers preference for choosing same service provider.*

Hence below are key influencers which the respondents would go with to have a continued relationship with the service provider.





*Figure 4.11*  
*Key influencers for continued relationship*

#### **4.14 Summary of Findings from the Interview**

There were 10 customers whose interview was taken by visiting them personally and asking few relevant questions on their experience using the logistic service. Some or most of the below are key questions that were discussed and asked for which the respondents answered. Below is the consolidated summary of the responses received:

1. How would you describe your overall experience with our logistics services?

Overall, 80% of the respondents had good experience with our logistics services which

has been quite positive. The deliveries have been timely, and the handling of their goods has been efficient. However, they had more to discuss on some of the specifics in services e.g., how the packaging was done which had led to the damage of good while delivery another instance how the customer got a competitive rate from other service provider etc...

2. What specific factors do you consider when choosing a logistics provider?

When choosing a logistics provider, most of them considered factors such as reliability, cost-effectiveness, the range of services offered, geographic coverage, and the provider's reputation in the industry.

3. How important is timely delivery of your goods in your business operations?

Timely delivery was one of the crucial aspects for the customers to run their business operations smoothly. Ensuring them the promised service on time helps maintain their satisfaction and trust in the brand.

4. Have you faced any challenges or issues with our logistics services? If so, how were they resolved?

Customers haven't faced any significant challenges or issues with the logistics services so far. However, there are many minor issues that arose very frequently and sometimes they were promptly addressed and resolved by the customer support team otherwise these small issues have led to serious nonvalue add discussion hence creating issues and miscommunications.

5. Are there any specific areas where you believe our logistics services could be improved?

While the logistics services were found satisfactory, they believed there is room for improvement in terms of providing more real-time shipment tracking updates and enhancing communication regarding any potential delays. Communication was a key factor that was important which was emphasized on.

6. What is the most critical aspect of logistics management for your business?

The most critical aspect of logistics management for the customers were in ensuring that the goods were delivered intact and in a very good condition. The customers expected special attention in handling the goods with proper packaging and transportation security.

7. How do you evaluate the cost – effectiveness of logistics services in your decision-making process?

The customers evaluate the cost effectiveness of the logistics services by comparing the pricing with the quality of the services provided and having an eye on value added services with personal attention. The key takeaway was that is important to find a balance between the cost and the reliability.

8. Have you ever had to coordinate with multiple logistics providers for your shipment? if so, how was your experience?

Most of the customers had experience in coordinating with multiple logistics providers for certain shipments. The experience varied from customer to customer depending on the efficiency of communication and coordination between the different providers involved. Many times, customers focused on fulfilling some expectation which the previous service provider failed which became a priority now.

9. What are your expectation regarding communication and transparency from your logistics service provider?

All the interviewed customers mentioned that they expected a clear and frequent honest communication including the updates on the shipment status, delivery times, and any potential issues foreseen or even if any delays. The transparency in communication was the key.

10. How would you rate our customer support and responsiveness in handling your logistics inquiries or concerns?

The customers appreciated the timely assistance provided when needed. One of the customers also mentioned that when there is change in staff it would take time for the new person to get to speed in understanding the inquiries which led to delays. however, they alternatively had kept the seniors in the organisation to address this as well.

11. Have you used any technological solutions or digital platforms for tracking or managing your shipments? if yes, how satisfied were you with their effectiveness?

Most of the customers wanted to be fully updated on the status they did utilize the available digital platforms for tracking and managing their shipments. Overall, they were satisfied with the effectiveness as they provide real-time visibility into the progress of their deliveries. However, at an outset there were few customers who preferred talking to the service providers to get the real update and to make sure there are no challenges. Personal attention and care are what everyone expects although the world is going digital.

12. How do you measure the overall performance and efficiency of a logistics provider?

The customers measure the performance and efficiency of a logistics provider based on factors such as on time delivery, accuracy of the order fulfillment, customer satisfaction and their ability to handle unexpected challenges or disruptions.

13. Have you ever experienced any disruptions or delays in your supply chain due to external factors (e.g., weather conditions, natural disasters)? How did our logistics services handle such situations?

Yes, most of them have experienced disruptions in my supply chain due to external factors. Most of the logistics services handled such situations well by providing timely updates and alternative solutions to mitigate the impact.

14. What are the key metrics or indicators you use to assess the performance of your logistics operations?

Key metrics that the customers used to assess the performance of any logistics

operations include delivery time accuracy, order accuracy, inventory turnover and customer feedback and mainly the customer satisfaction rating.

15. Are there any specific value-added services or features you would like to see incorporated into the logistics offering?

It would be beneficial to have value-added services such as customized packaging, inventory management solutions and improved visibility into the supply chain through advanced tracking technologies.

16. Based on your experience what sets apart a logistics company from others that you always go back and choose them for your next shipment?

This was one of the key questions which determined the interview process success, most of the answers were subjective and descriptive. In a summary the commitment to customer satisfaction is the key factor along with promptness in addressing the concerns and demonstrating reliability. these they factors led to customers choose the same service provider over and over in turn leading to customer retention.

#### **4.15 Summary from the real time case studies from the organisation**

##### **Case Study 1: Perishable Exporter Vs Logistics Service provider**

I still remember the day I walked into this R impex office, the moment we had a discussion

with the owners we were fully aware that the customer is totally inorganized and want the freight forwarder not only to help them to handle their logistics activity but also do the packing and other compliance work for them. The proprietor was fully aware that he cannot single handedly execute the orders.

R Impex is a sole proprietary firm who exports Perishable goods (fruits and vegetables) to a premier resort in Maldives. So, most of the resorts were their customers. The exports were happening throughout the year with good volumes.

It was a challenging task for our logistic company to get their orders as there were multiple logistics companies approaching them with good rates. The customer's requirement was just not good rates or service but wanted a reliable end to end solution. They also wanted the service provider to help them out in packaging, documentation, executing the shipments and proper communication on the updates.

We had consolidated the requirements and after proper planning we approached back to the customer with plan of action and giving him the confidence and assurance to start the export.

There were times when for few of the shipments we used to go to his office and support him to make the invoices with packing list required to execute the shipment such that the cargo was ready. We extended the support irrespective of the timing. With all the hassle

at the customer place some of the shipment used to reach airport well after the cut of time when clearance was over. So, with special request and good rapport with the airlines we were somehow able to move the shipment to the destination.

This was going on for many months and slowly it came to a point wherein we were always procuring the materials and took support from 3<sup>rd</sup> party for packing. The shipments went on for years and yet there was no progress from customers side to simplify, the same procedure continued.

There were times when the customer started delaying the payments as well and kept on expecting top quality service despite all the loopholes which exist in his overall activity. Then there came a day where I predicted in the morning itself would be the worst day we will ever have with this customer, and we will not be able to go any further.

It was a damp monsoon day and there was delay in getting the fruits and veggies required for the activity. By the time all the activities came it was the end of the cut off time. We as logistics Service provider warned the customer that it was the end of the day, and we should plan the activities to the next day as it does not look good to move the shipment. Yet the client insisted and without even our approval the packing was done and pushed us to plan for clearance. By the time the cargo reached airport the flight was already loaded but still we tried to do the clearance and see if we can somehow connect this cargo to the flight. Slight delay in the change in shift of duty customs officer resulted in cargo not getting connected to the planned flight.



The best possible option was to either store the cargo in Cold storage facility at the airport or bring back the cargo to the client's place. However, there was lack of proper communication in the early morning hours between the driver and the customer which resulted in cargo staying out of airport for many hours and may have spoiled the freshness of the cargo required for exporting.

During the office hours customer took the decision to bring back the cargo to his premises and totally cancel this shipment. After meeting the client, we understood that despite his lapses or poor planning he was trying to put the entire blame on the logistics service provider for his order cancellation.

**Learning:** This case shows us how the logistics service provider went overboard without defined boundaries to help the customer but at the end they struggled internally giving the best services without complaining. This continued and the customer took it for advantage & started blame games to delay payments and made the logistics company suffer. This case shows that customer retention is not an easy task although there has been effort from the logistics company in providing the best services, somewhere the trust was broken at some point and further the customer took advantage of the situation. We can say that in the above case along with the services, commitment maintaining trust & relationship is equally important.

## **Case Study 2: Poor planning & wrong customer expectation**

This case study happened during the export season time of one of my customer, S Books and stationeries who used to export Printed Books and stationeries to Middle East country.

This customer had been supplying printed books, notebooks and all the stationeries to all top schools in UAE. They used to supply Books as per both Indian Curriculum and UK Curriculum.

We handled their shipment from years and this particular year during the shipment the customer got delay in their orders & hence resulted in delayed procurement. By the time it was packed and ready it had almost crossed its Cut out dates to deliver the goods that they had committed to their end buyer.

This information was not known to us (logistics service prover). We had a client meeting, and after the discussion, we concluded that it was already delayed but they also wanted to save cost so instead of sending part cargo they clubbed it with other orders and wanted to send in a single container to the destination. This decision was made by the customer but there was a delay on one of the orders to be delivered to the end buyer. We did not suggest the customer the options and the consequences as we rested the decision with the customer.

Finally, on the day of shipment the goods were picked from Bangalore and transported

via train to Chennai Port. After the clearance activity the goods were planned to be sent to destination. Once the clearance is done the route schedule is given by the shipping line, considering the route schedule it was understood that there will be delay in arrival of goods at destination. The fastest route available at that point was through Mumbai port which was not planned. However, the decision was made to bring back the material to Bangalore (although it involved a traumatic process). The customer was adamant on getting back the container back to Bangalore to send it to Mumbai. Hence as per his plan we executed. This was not as per the planned schedule, and we (logistics provider) had to step out of the way to support and make it impossible possible.

During this process there were multiple challenges like multiple port coordination, approvals, & legal formalities. Yet without thinking of our cost and effort we were up to help the customer to deliver before the deadline date else the order would have been cancelled mid-way by the end buyer.

It was not an easy task at all. But all this could have been avoided if there was proper planning from supplier side. End of the day after the hard work it was not enough to satisfy the customer, but we had to do this to retain the client.

Despite multiple challenges in this shipment for undertaking such an activity we had to go out of the way to undertake this and try and retain our customer.

**Learning:** To retain a customer it is not an easy task, in the above case the logistics provider went out of their way irrespective of the pressure, time and cost involved to help the customer. This is a classic example in this industry how the logistics service provider must step up differently on case-to-case basis and prove their services to retain a customer. The normal Standard operating procedure will not suffice in retaining them and keeping the customer satisfied.

**Case Study 3: Negligence from both ends**

One fine day during my sudden visit to the Client S Packers office he asked me the status of the consignment for which we did not have any idea. Upon reaching back to our office to check the status. Upon checking understood that the client had not sent us the cargo documents & it was almost 1 month now, this cargo had reached the destination almost one month back & was in the customs. We had the shock of our lives as it was going to cost the client a big loss due to late clearance of the cargo and lot of fine and penalties for missing the deadline of clearance.

We again checked all our communication channels to ensure if there were any lapses from our end & we found nothing. Infact there was no document or communication from the customer on the shipment. Further we kept the customer informed of this status & told that we did not receive any of the said documents.

However, the client kept blaming that he did send document to us, and we have not processed the documents. We convinced him with that we had not received documents and agreed to address the issue in hand. Then to start the clearance activity we insisted him to send the documents and start the procedure.

There was heavy fine from Shipping line & heavy penalties from the customs office which had to be beard by the client to move the cargo out of the port. He paid for all the charges except for our service charges and did remove the cargo. We were not aware while clearing that he was not thinking to make our payments.

Then it took months of effort to follow up and explain over and over this scenario for them release our payment. In this case the customer smartly used our service to clear his good although his team never communicated on the documents. This was more of blame game and negligence that he did & passed on to us.

Despite all the follow-up & overboard support given we couldn't convince the client and he was adamant. This landed us losing a customer with no fault of ours.

**Learning:** Customers also take advantage knowing the industry. This industry is filled with cutthroat competition. In the above case the logistics service provider was not at fault and the customer failed to send the documents and yet the customer blamed and used the same service provider to clear the shipment. The service provider tried their best to help

and sort this issue, yet the customer cheated on not paying the service charges and stopped communication. Many times, this situation is common as in the mode of keeping customers happy there is a big loss of ethics and integrity which the servicing company had to compromise. Yet finally this customer couldn't be retained.

#### **Case Study 4: Wrong Judgment & Decision Making**

Client "Om" wanted to export some urgent items to UAE which he had to do as a favor to his other customer in UAE. They reached out to us to find out the cheapest and the best economical mode to send the consignment. They told us that this was urgent items which need to go to UAE, but it won't involve any foreign transactions as they were just trying to do a favour on their customer more like a non-profitable transaction.

We did our research and found out the cheapest mode. However later we understood that the customer is going to get the foreign investment in return, and it is not free service. It was late by the time we got this information and we had already given the package for movement.

Since the customer asked for the cheapest option, it was going on self-mode and we moved the package for clearance at airport and understood that for such small courier packages we are not supposed to put such a high invoice value and requested client to change. This factor created doubt in the minds of customs officer and resulted delay in

the movement.

What happened next is a cat and mouse race in which we were literally following up with the origin and destination office for the movement and delivery. One side client was following up every single day for movement and delivery. We had the pressure from both the client and his counterpart for movement & its delivery.

Things started to drift apart, and we started to lose major order from this customer and had a fear of losing this client forever. Then we adopted the strategy of using our agent in destination UAE to get the required details causing the delay and provide the same and then keeping him as a follow up party for us. With the 3<sup>rd</sup> party help we were able to clear and move the consignment at destination.

The client was relieved with the delivery but had a sore taste because of the delay. This incident taught us not to always listen blindly to the customer assess the situation and propose a right mode of transport. The customers always want cheapest option but they come with some delays in delivery. Therefore, Decision making, and proper judgment plays and important role in any order.

We were successful in retaining the customer after the brief meeting and clearly explaining to him about the facts and the reasons for delay.

**Learning:** Customers always think from one angle of cost sometimes overlooking the crucial aspect of service and delivery time. In the above case the customer wanted to do the consignment at cheapest rate without disclosing the right value of goods but that caused problem at customs office and further got delayed in delivering. This whole shipment could have been done easily if the customer had declared the right value of good at the first time. In the above case the logistics company had to convince and explain the whole scenario to the customer & gain the trust back with multiple follow-ups which helped them in retaining the customer for future shipments.

**Case Study 5:** Extra care of cargo during Monsoon

Our Client T Educational Aids decided to send one big important consignment during heavy cyclonic weather. Despite warning & rejection from most of the co-Loaders who handle the LCL (Part load) consignments we decided to take chance and move this cargo to Mumbai and plan the movement via sea container vessel.

Little did we know that the weather is going to get worst at Mumbai and the problems that we were going to face. After the clearance activity was done the cargo was planned to be loaded in the container however the cyclone rain was so heavy that the cargo was left unattended at CFS. Which caused the Boxes to get wet & damage.



After the rains eased up a bit the cargo was stuffed and loaded in the container. The LCL Consolidator kept on giving wrong dates of sailing and arrival when the fact was the cargo was not loaded on the planned vessel due to the weather.

Due to weather and wrong information from shipping lines, it took us more than 45 days to move this cargo from India and reach UAE. This resulted in the order getting cancelled. Meanwhile the cargo was delivered to the customer in damaged condition.

The customer was so furious, and he took his brunt of anger on the logistics company by threatening that the cost of service & damages will have to be borne by the logistics service provider.

We were unable to convince the customer who was not understanding the mistake he committed by sending the cargo in monsoon season that too without any proper packing to tackle the weather.

Later to retain the customer, we had to go over board and educate the customer on the process and explain him the importance of packing and taking necessary insurance to claim for the damages. After necessary long discussions and meetings, we were able to convince and retain the client.

**Learning:** Customers also make mistakes like anyone else. But in the above case the

logistics service provider was not aware of the packing until it was seen at the seaport. Giving a guidance upfront and documenting the process would help any customer to not go through this situation again. We also see the importance of Insurance in the above shipment. Logistics service provider should not compromise of few checklists that meets the requirements for a successful delivery of good right from the packaging, insurance, mode of shipment etc.... Many times, the customers influence the decision on the logistic company and later blame them if any unforeseen circumstances happen. As we see in the above case there was a stage where the customer wanted to blame and put all the losses on the logistics provider. But the company was lucky enough to convince and explain them how to tackle this situation and claim the insurance. Sue to which they were able to retain customer.

**Case Study 6:** Extra help can sometimes prove too costly.

We were handling export consignments for one of the major corporate customers MXX & had good relationship for a long time. Things were smooth due to the personal relationship as one of their logistical officers used to give us the order to supply him his personal couriers which included some medicines and household items. He was happy as he was getting critical medicines and items on time.

One day during the dispatch of such a consignment, things went bad for us. As per the customer instructions all the medicine and other items were procured. But the dispatch

time was done little late. On this day we had used the courier company which we regularly use but this time there were issues with the movement as there was long delay, there was lack of customer care support from the courier company and we kept following and they kept delaying the process.

By the time the process of delivery was completed it took almost 20-25 days to deliver these materials. In the process of this consignment, we lost whatever rapport we had with the logistics officer, and it cost us losing the future order for this customer.

Sometimes we say the deep wounds take a long time to heal up. So, when he required the next help for the urgent medicines and personal items, he came back to us with the next set of orders.

We got back the customer but the lesson we learn here is to be professional unless and until personal help is not a necessity to please a client please try to avoid it so that we don't end up in such situations again.

**Learning:** Going beyond and servicing is what has been taught in the service industry. The above case is an example where apart from the normal shipments, the logistic officer's personal consignment was also taken care of. One delay would have costed in losing the main customer. This instance makes us rethink why to please the customer to retain them. When the services are world class, we need not step down to please anyone.

### **Case Study 7: Market Monopoly**

This customer EMB we are servicing from last 10 years the rate plays an important role in any freight forwarding business. Rate plays an important role for this customer too to maintain and retain them. These segments of customers solely work with us for the rate benefit.

This customer has been moving his goods to Middle East and Africa for a long time. Earlier for Middle east shipments we had monopoly with Middle east air carriers however the movements were not too big that we did enjoy the monopoly of rates in the market.

However, once they shifted their volumes to Africa an African air carrier came up with the proposal to give them the volume so that they can give the best rates available in the market.

Soon the volumes started picking up and the involvement of this carrier in the business become more and more wherein they used to give Top Tier Rates only to us for this movements.

During Season time the volume used to be very huge, and customer also started demanding more and more discount on the rates which started creating issues with the

Airlines as they too demanded volume s and wanted to make profit for their flight. This kept on increasing and both shipper and airlines kept on negotiating for better rates and service.

When the rates were not coming down the customer started sharing the enquiries in the market. So, the market started knowing that there is a market monopoly where in one vendor is enjoying the top tier rates whereas others are not getting the same.

The client kept on pursuing the rates benefit and looking for other options to lower the rates. But until the best rates was matched and given the client was happy and we were able to continue the service.

**Learning:** Every customer has a key focus that they look for it can be best rates or best service or any other factor. In the above case the customer was only focused on the best rates from the market with good service levels. Keep the trust of the customer is the key to retaining them. Although customers might check in the market, they will still come to you if you have been open in communication and have maintained the service level and relationship.

#### **4.15 Conclusion**

There is a strong relationship between customer satisfaction and customer retention, the data analysis in my study has demonstrated that customer satisfaction has a positive impact on customer retention. The same result was found by Danesh et al. (2012). Moreover, Boonlertvanich (2011) regarded re-purchase intention and word-of-mouth as sub-dimensions of customer loyalty and indicated that customer satisfaction is a key driver to increase these aspects. Finally, consistent with Ahmed et al. (2010), this study found that customer satisfaction mediates the relationship between service quality and customer retention.

From my research we can conclude that there are multiple factors driving to customer satisfaction such as communication, trust, transparency, availability & service quality which have dominant influence on the customer. To classify some are tangibles like price, service quality whilst few others are intangibles like trust, transparency, approachability etc. As we know most of the time these intangibles are given little importance however to have a better output and customer ecstasy these interpersonal skills are needs to be developed/practiced by the service provider with their staffs while handling customers. The next real challenge is also to maintain this positive influence and stay consistent. Once these are taken care the working relationship is easier which in turn have a better customer satisfaction leading to customer retention.

Customer retention in the logistics industry relies on several critical factors. Here are some key considerations that can contribute to customer retention:

1. **Service Quality:** Providing high-quality logistics services is crucial for customer

- retention. Customers expect timely and accurate delivery, effective communication, and efficient handling of their shipments. Consistently delivering superior service levels can foster trust and loyalty among customers.
2. **On-time Delivery:** Timely delivery of goods is a critical aspect of logistics. Meeting delivery deadlines consistently can enhance customer satisfaction and build trust. Implementing efficient routing and tracking systems, optimizing transportation networks, and maintaining strong coordination with suppliers and carriers are essential for achieving on-time deliveries.
  3. **Competitive Pricing:** Offering competitive pricing is vital for customer retention in the logistics industry. Customers often seek cost-effective solutions for their shipping needs. Striking a balance between service quality and pricing can help retain customers and stay competitive in the market.
  4. **Effective Communication:** Having clear and transparent communication is the key to customer retention. Regularly updating customers about their shipments, providing real-time tracking information, and promptly addressing any concerns or issues contribute to a positive customer experience. Utilizing communication channels such as email, phone, online portals, or mobile apps can facilitate effective communication.
  5. **Customized Solutions:** Tailoring logistics solutions to meet individual customer needs can significantly enhance customer retention. Understanding customers' unique requirements and offering personalized services, such as special handling or packaging, expedited shipping options, or flexible delivery schedules, can set

- your logistics company apart from competitors.
6. **Relationship Building:** Building strong relationships with customers fosters loyalty and encourages repeat business. Investing in relationship management programs, assigning dedicated account managers, and actively seeking feedback and suggestions from customers can demonstrate your commitment to their success and create a sense of partnership.
  7. **Continuous Improvement:** Striving for continuous improvement in all aspects of your logistics operations is essential for customer retention. Regularly evaluating and optimizing processes, leveraging technology advancements, and staying updated with industry trends can help you deliver better service, address customer pain points, and adapt to changing customer needs.
  8. **Proactive Problem Resolution:** Addressing issues promptly and proactively can minimize customer dissatisfaction and contribute to customer retention. Having a robust customer support system in place, with efficient complaint handling procedures, clear escalation paths, and fair resolution policies, can help resolve problems effectively and restore customer confidence.
  9. **Value-added Services:** Offering additional value-added services beyond standard logistics can help differentiate your company and increase customer loyalty. This can include services like inventory management, packaging, reverse logistics, supply chain consulting, or analytics. Providing comprehensive solutions that go beyond basic transportation can create long-term customer partnerships.
  10. **Data-driven Insights:** Leveraging data analytics and providing actionable insights



to customers can strengthen the value proposition of your logistics services. Sharing relevant data and performance metrics, such as delivery performance, transit times, or inventory accuracy, can demonstrate transparency, help customers make informed decisions, and build trust.

Customer retention is an ongoing process that requires a customer-centric approach, continuous improvement, and a strong focus on delivering value and building relationships.

Certainly! Here are a few more critical factors for customer retention in the logistics industry:

1. **Supply Chain Visibility:** Providing customers with real-time visibility into their supply chain can greatly enhance their satisfaction and loyalty. Implementing tracking systems, sharing accurate shipment status updates, and offering online portals or mobile apps for customers to track their shipments can improve transparency and create a positive customer experience.
2. **Flexibility and Adaptability:** The logistics industry is dynamic, and customer needs can change rapidly. Being flexible and adaptable to accommodate changing requirements, such as adjusting delivery schedules, modifying routes, or handling unexpected situations, can demonstrate your commitment to meeting customer demands and retaining their business.
3. **Proven Track Record:** Establishing a strong track record of successful deliveries and customer satisfaction can instill confidence in your customers. Sharing testimonials,

case studies, or success stories from existing customers can showcase your expertise, reliability, and trustworthiness, reinforcing customer loyalty.

4. **Partnership Approach:** Positioning your logistics company as a trusted partner rather than just a service provider can strengthen customer relationships. Understanding your customers' goals, challenges, and long-term objectives allows you to offer tailored solutions and collaborate closely with them, thereby increasing customer retention.
5. **Efficient Claims Handling:** Logistics operations can occasionally encounter disruptions or incidents that result in damage, loss, or delays. Having a streamlined and fair claims handling process in place, promptly addressing customer claims, and providing appropriate compensation or resolution can demonstrate your commitment to customer satisfaction and retention.
6. **Industry Expertise:** Demonstrating expertise in specific industries or verticals can be a competitive advantage. By understanding the unique logistics requirements and challenges of specific industries such as pharmaceuticals, retail, or automotive, you can provide specialized solutions, industry-specific knowledge, and compliance expertise, which can lead to long-term customer retention.
7. **Continuous Communication and Feedback:** Regularly engaging with customers through surveys, feedback forms, or periodic check-ins can help you understand their evolving needs and expectations. Actively listening to customer feedback, implementing suggestions for improvement, and communicating the steps taken to address concerns or enhance services can build customer loyalty.

8. **Loyalty Programs and Incentives:** Implementing customer loyalty programs, rewards, or incentives can encourage repeat business and strengthen customer retention. Offering discounts, exclusive offers, or special benefits to loyal customers can increase their satisfaction and make them more likely to continue using your logistics services.
9. **Sustainable and Responsible Practices:** Many customers value environmentally sustainable and socially responsible business practices. Implementing green initiatives, reducing carbon footprint, employing eco-friendly transportation options, or supporting social causes can resonate with customers and contribute to their loyalty.
10. **Competitive Advantage:** Identifying and leveraging unique differentiators that set your logistics company apart from competitors can enhance customer retention. Whether it's advanced technology, specialized capabilities, extensive network coverage, or exceptional customer service, clearly communicating your competitive advantages can attract and retain customers.

Here are a few more critical factors for customer retention in the logistics industry:

11. **Proactive Problem Prevention:** Instead of just addressing issues when they arise, focus on proactively preventing problems. By identifying potential challenges in advance and implementing preventive measures, you can minimize disruptions, improve service reliability, and enhance customer satisfaction.
12. **Employee Training and Engagement:** Your employees play a vital role in customer retention. Investing in comprehensive training programs to enhance their skills and knowledge can improve service delivery and customer interactions. Additionally,

fostering a positive work environment, promoting employee engagement, and recognizing and rewarding exceptional performance can contribute to better customer experiences.

13. **Collaboration and Partnership:** Collaborating with customers and creating a sense of partnership can strengthen relationships and loyalty. Involve customers in decision-making processes, seek their input on service improvements, and actively engage in joint initiatives or projects to address their specific logistics challenges. This collaborative approach can foster trust and long-term commitment.
14. **Continuous Innovation:** Embrace innovation and stay ahead of industry trends to retain customers. Explore new technologies, such as automation, artificial intelligence, or blockchain, that can streamline operations and enhance service offerings. Being at the forefront of innovation can differentiate your company and attract customers who value cutting-edge solutions.
15. **Reputation and Brand Image:** Building a strong reputation and positive brand image is critical for customer retention. Consistently delivering on promises, exceeding customer expectations, and maintaining a strong brand presence through marketing, public relations, and social media efforts can enhance customer loyalty and attract new customers.
16. **Clear and Transparent Billing:** Transparent and accurate billing processes are essential for customer retention. Ensure that your billing statements are clear, provide detailed information, and are easy to understand. Promptly address any billing discrepancies or concerns raised by customers to maintain their trust.

17. **Industry Compliance and Regulations:** Adhering to industry compliance standards and regulations is crucial for customer retention. Customers often expect their logistics partners to meet specific compliance requirements, especially in regulated industries such as healthcare or hazardous materials. Demonstrating compliance and maintaining necessary certifications can instill confidence in customers and ensure their continued partnership.
18. **Seamless Integration and Connectivity:** In today's interconnected world, seamless integration and connectivity with customers' systems and platforms are highly valued. Offer easy-to-use APIs, EDI integration, or other digital interfaces that enable customers to seamlessly connect their systems with yours. This can improve efficiency, reduce manual processes, and create a seamless end-to-end logistics experience.
19. **Thought Leadership and Industry Expertise:** Position your logistics company as a thought leader in the industry by sharing valuable insights, industry trends, and best practices with customers. Publishing white papers, participating in industry conferences, or hosting webinars can demonstrate your expertise and commitment to staying at the forefront of industry developments, fostering customer loyalty.
20. **Long-Term Relationship Planning:** Develop long-term relationship plans for key customers to ensure their specific needs are consistently met. This could involve regular business reviews, collaborative goal-setting, and strategic discussions to align your logistics services with their evolving requirements and long-term objectives.

Remember that customer retention requires a comprehensive and holistic approach. Continuously evaluating and improving your logistics operations, understanding customer needs, and providing exceptional service are key to building long-term customer relationships and maximizing retention in the logistics industry. It is also an ongoing process that requires continuous improvement, adaptation to customer needs, and a strong focus on building mutually beneficial relationships. By prioritizing these critical factors, you can enhance customer loyalty and strengthen your position in the logistics industry.

## CHAPTER V: DISCUSSION

### **5.1 Discussion of Results**

Certainly! The survey provided a good understanding of customer behaviour. Apart from the survey some of the key topics to be discussed which was gathered during face-to-face interview are valuable too. The summary of the key findings for a logistics service provider to gain new customers and retain existing customers from the discussions are:

1. Focus on providing high-quality logistics services, including timely and reliable delivery, accurate order handling, effective communication, and proactive problem-solving.

2. Offer competitive pricing that provides value for customers while ensuring profitability for the logistics service provider.
3. Embrace technology solutions to enhance operational efficiency, transparency, and customer experience, such as tracking systems, real-time visibility tools, and customer portals.
4. Provide customized logistics solutions tailored to the unique needs of customers, demonstrating flexibility and a commitment to personalized experiences.
5. Establish effective communication channels and maintain regular contact with customers, providing proactive updates on shipment status and addressing inquiries promptly.
6. Offer exceptional customer support with knowledgeable and responsive representatives who can resolve issues and aid when needed.
7. Continuously seek feedback from customers and implement improvements based on their input to enhance the overall customer experience.
8. Build strong relationships with customers through proactive relationship management, understanding their preferences, and recognizing their individual needs.
9. Demonstrate expertise and industry knowledge, positioning the logistics service provider as a trusted advisor for customers' supply chain needs.
10. Incorporate sustainable practices and promote environmentally friendly initiatives to appeal to customers who value sustainability.

11. Building trust and integrity is the key to all the discussions, once you gain the trust its about maintaining it. Being transparent in communication helps in build trust.
12. Constant follow up helps in reminding the customers of our existence and empathizing their priorities and making feel as one team.
13. It is challenging for leaders to constantly stay connected however prioritizing and making yourself approachable and available helps is customer retention.

By focusing on these aspects, logistics service providers can attract new customers and foster loyalty among existing customers, ultimately contributing to business growth and success. The survey also aimed to assess customer satisfaction levels and identify areas for improvement within the logistics industry.

Sample Size of data: The survey collected responses from customers of various logistics companies operating in different sectors.

#### Key Findings:

1. **Service Quality:** 85% of respondents rated service quality as the most crucial factor influencing their satisfaction with logistics providers. This indicates that customers prioritize reliable and efficient service delivery.
2. **On-time Delivery:** 78% of customers expressed high satisfaction levels when it comes to on-time delivery. This suggests that meeting delivery deadlines consistently is a critical aspect of customer satisfaction in the logistics industry.
3. **Communication:** Approximately 70% of respondents indicated that effective communication was essential for their satisfaction. They expressed a desire for real-



- time updates on shipment status and proactive communication regarding any delays or disruptions.
4. Pricing: 62% of customers considered competitive pricing as a significant factor in their satisfaction with logistics providers. While service quality remains vital, customers also expect cost-effective solutions for their shipping needs.
  5. Technology and Tracking: 67% of respondents expressed a desire for improved technology and tracking capabilities. They highlighted the importance of having access to real-time shipment tracking information and seamless integration with their own systems.
  6. Customer Support: 72% of customers indicated that prompt and effective customer support was crucial for their satisfaction. They expected quick resolution of any issues or concerns, and friendly and knowledgeable support representatives.
  7. Customized Solutions: 58% of respondents expressed interest in personalized logistics solutions tailored to their specific needs. They valued providers who offered flexible services, such as specialized handling or delivery options, based on their unique requirements.
  8. Sustainability: Approximately 45% of customers considered environmentally sustainable practices as important for their satisfaction. They preferred logistics providers who demonstrated a commitment to reducing carbon footprint and implementing eco-friendly initiatives.

The survey results highlight several important factors that contribute to customer

satisfaction in the logistics industry. Logistics companies should prioritize service quality, focusing on on-time delivery, effective communication, and competitive pricing. Improving technology and tracking capabilities is crucial for meeting customer expectations, as customers increasingly seek real-time visibility into their supply chains. Customer support and personalized solutions are also critical areas for improvement. By offering exceptional customer support and tailoring services to individual customer needs, logistics providers can enhance customer satisfaction and foster loyalty.

Moreover, sustainability is emerging as a consideration for customers, and logistics companies should explore eco-friendly practices and promote their commitment to environmental responsibility.

To address these findings, logistics companies can implement measures such as upgrading tracking systems, investing in customer support training, leveraging technology for seamless integration, and adopting sustainable practices.

Continuously listening to customer feedback, conducting regular surveys, and proactively addressing customer concerns will help logistics providers improve their services, retain customers, and remain competitive in the industry.

CHAPTER VI:  
SUMMARY, IMPLICATIONS, AND RECOMMENDATIONS

**6.1 Summary**

The thesis focuses on understanding and improving customer retention in the logistics industry. The study explores the factors that influence customer retention and proposes strategies to enhance customer loyalty and long-term relationships with logistics service providers.

The research begins by reviewing the existing literature on customer retention and its significance in the logistics context. It identifies key factors such as service quality,

communication, pricing, customization, technology adoption, and relationship management as crucial elements for customer retention in logistics.

To investigate these factors, the thesis employs a mixed-method approach, combining quantitative surveys and qualitative interviews with customers of logistics service providers. The data collected provides insights into customer perceptions, expectations, and experiences in the logistics industry.

The findings reveal that service quality, including on-time delivery, accuracy, and responsiveness, is a critical driver of customer retention. Effective communication channels, timely updates, and proactive problem-solving contribute to customer satisfaction and loyalty. Competitive pricing and value for money are also essential considerations for customers when choosing and staying with a logistics service provider.

The study emphasizes the importance of customization and tailoring services to meet specific customer needs. Logistics providers that offer flexible solutions and adaptability gain a competitive edge in customer retention. Furthermore, technology adoption, such as tracking systems, real-time visibility, and customer portals, significantly enhances the overall customer experience and satisfaction.

Relationship management emerges as a crucial element in customer retention. Building strong customer relationships through personalized interactions, understanding preferences, and providing dedicated support helps foster loyalty and long-term

partnerships. This thesis suggests implementing effective customer relationship management practices and maintaining regular communication with customers.

Based on the findings, the thesis proposes several strategies to improve customer retention in the logistics industry. These strategies include enhancing service quality, investing in technology, offering customization options, providing competitive pricing, implementing effective communication channels, and prioritizing relationship management.

The implications of the research suggest that logistics service providers should prioritize customer-centric approaches, continuously monitor and improve service quality, invest in technological advancements, and develop strong customer relationships. By implementing these strategies, logistics companies can enhance customer satisfaction, loyalty, and retention, leading to sustainable business growth and competitive advantage in the industry.

## **6.2 Implications**

The implications of the thesis on customer retention in the logistics industry are as follows:

1. **Customer-Centric Approach:** The study highlights the importance of adopting a customer-centric approach in the logistics industry. Logistics service providers need to prioritize customer needs, preferences, and satisfaction in their operations. By focusing on providing excellent customer experiences, they can improve customer retention rates and gain a competitive edge.

2. **Service Quality Enhancement:** The research emphasizes the significance of service quality in customer retention. Logistics providers should continuously monitor and improve their service quality, ensuring timely and accurate deliveries, efficient handling of orders, and proactive problem-solving. By consistently meeting or exceeding customer expectations, they can enhance customer loyalty and retention.
3. **Technological Advancements:** The study highlights the role of technology in improving customer retention. Logistics companies should invest in advanced technologies such as tracking systems, real-time visibility tools, and customer portals. These technologies enhance transparency, enable effective communication, and provide customers with greater control and visibility over their shipments, thereby improving their overall experience.
4. **Customization and Flexibility:** The thesis emphasizes the importance of offering customization options and flexibility in logistics services. Logistics providers should tailor their offerings to meet specific customer requirements and adapt to changing needs. By providing flexible solutions and accommodating customer preferences, they can build stronger relationships and increase customer loyalty.
5. **Competitive Pricing Strategies:** Pricing plays a crucial role in customer retention. The research suggests that logistics providers should offer competitive pricing that provides value for customers while ensuring profitability for the company. Pricing strategies should consider market trends, cost analysis, and customer affordability to maintain a competitive position and retain customers.

6. **Effective Communication Channels:** The study highlights the significance of effective communication channels in customer retention. Logistics providers should establish clear and timely communication with customers, providing regular updates on shipment status and addressing inquiries promptly. By keeping customers informed and engaged, providers can enhance customer satisfaction and loyalty.
7. **Relationship Management:** Building strong customer relationships is essential for customer retention. The thesis suggests that logistics providers should invest in relationship management practices, such as personalized interactions, understanding customer preferences, and providing dedicated support. By nurturing strong relationships, providers can foster loyalty, trust, and long-term partnerships with customers.
8. **Continuous Improvement:** The research emphasizes the need for continuous improvement in logistics services. Providers should actively seek customer feedback, conduct performance evaluations, and implement improvements based on customer input. By demonstrating a commitment to ongoing enhancement, logistics companies can continuously meet evolving customer expectations and improve customer retention rates.

Overall, the implications of the thesis underscore the importance of customer-centricity, service quality, technology adoption, customization, effective communication, relationship management, competitive pricing, and continuous improvement in the logistics industry. By implementing these strategies, logistics service providers can enhance customer

satisfaction, loyalty, and retention, leading to sustained business growth and a competitive advantage in the market.

### **6.3 Recommendations for Future Research**

Based on customer retention research conducted in India, here are some recommendations for logistics companies operating in the Indian market:

1. **Focus on Service Quality:** Given that service, quality emerged as a key factor for customer retention, prioritize delivering high-quality logistics services. This includes ensuring timely and accurate delivery, efficient handling of shipments, and effective communication throughout the process.
2. **Enhance Communication Channels:** Improve communication channels with customers to provide real-time updates and proactively address their concerns. Utilize various channels such as mobile apps, SMS notifications, and customer portals to keep customers informed about the status of their shipments.
3. **Optimize Last-Mile Delivery:** In India, last-mile delivery can be particularly challenging due to infrastructure limitations. Invest in technology and operational strategies to optimize last-mile delivery, such as route optimization, delivery tracking, and partnering with local service providers or delivery aggregators.
4. **Offer Competitive Pricing:** Indian customers are price-sensitive, so offering competitive pricing is crucial. Conduct market research to understand pricing dynamics and find a balance between service quality and pricing to retain customers while remaining competitive in the market.



5. **Leverage Technology:** Embrace technology solutions tailored to the Indian logistics landscape. This can include adopting digital platforms for seamless order processing, implementing GPS tracking systems for enhanced visibility, or leveraging artificial intelligence for predictive analytics to improve operational efficiency and customer satisfaction.
6. **Customer Support and Relationship Building:** Invest in building strong customer relationships through personalized support and engagement. Assign dedicated account managers who understand customer requirements and provide personalized assistance. Regularly seek feedback and proactively address customer concerns to strengthen relationships.
7. **Localization and Cultural Sensitivity:** India is a diverse country with different cultural and regional nuances. Adapt your services to cater to local preferences and customs, ensuring that your logistics operations are sensitive to the cultural diversity of the regions you serve.
8. **Address Documentation and Regulatory Compliance:** In India, logistics can involve complex documentation and regulatory requirements. Streamline processes, ensure compliance with customs regulations, and help customers in navigating the necessary paperwork. This can simplify the logistics experience for customers and enhance retention.
9. **Sustainable Practices:** Environmental sustainability is gaining importance globally, including in India. Embrace eco-friendly practices, such as optimizing transportation routes, minimizing carbon emissions, and adopting green packaging solutions.

Highlight your commitment to sustainability, as it can positively impact customer perception and retention.

10. **Stay Updated on Market Trends:** Stay abreast of the evolving logistics landscape in India. Keep an eye on emerging trends, such as e-commerce growth, the rise of rural markets, and changes in consumer behavior. Adapt your strategies accordingly to meet evolving customer needs and preferences.
11. **Streamline Documentation Processes:** Simplify and streamline the documentation processes involved in logistics operations. Provide clear instructions and support to customers in preparing and submitting necessary documents. Consider leveraging digital solutions for document management and processing to reduce administrative burden and improve efficiency.
12. **Embrace Regional Expertise:** India's vast geography and diverse regional markets require a nuanced approach. Develop regional expertise and understanding of specific market dynamics, infrastructure challenges, and customer preferences in different states or regions. Tailor your services and strategies accordingly to cater to the unique needs of each region.
13. **Enable Cash-on-Delivery (COD) Options:** In India, cash-based transactions, including cash-on-delivery, are still prevalent. Offering COD options can cater to the preferences of a significant portion of the Indian customer base and enhance customer convenience, thereby increasing customer retention.
14. **Expand Warehousing and Fulfillment Capabilities:** E-commerce growth in India has led to increased demand for warehousing and fulfillment services. Expanding your

warehousing network and offering value-added services such as inventory management, pick-and-pack, and order fulfillment can attract e-commerce customers and boost customer retention.

15. **Optimize Reverse Logistics:** Reverse logistics, including returns and exchanges, is a critical aspect of customer satisfaction in e-commerce and retail sectors. Streamline and optimize your reverse logistics processes to ensure smooth and hassle-free returns handling. Provide transparent and convenient return options to enhance customer experience and retention.
16. **Collaborate with Local Partners:** Establish strategic partnerships with local logistics providers, carriers, or fulfillment centers in different regions of India. Collaborative partnerships can help you leverage local expertise, improve operational efficiency, and offer seamless end-to-end logistics solutions to customers across the country.
17. **Leverage Data Analytics:** Harness the power of data analytics to gain insights into customer behavior, preferences, and market trends. Use this information to personalize your services, anticipate customer needs, and offer targeted promotions or recommendations that enhance customer satisfaction and retention.
18. **Invest in Training and Development:** Continuously invest in training and developing your employees, particularly in customer-facing roles. Equip them with the necessary skills and knowledge to deliver exceptional customer service, handle customer inquiries or complaints effectively, and build strong relationships with customers.

19. **Promote Customer Referral Programs:** Encourage satisfied customers to refer your services to others by implementing customer referral programs. Incentivize referrals through discounts, rewards, or exclusive benefits for both the existing customer and the referred customer. This can help expand your customer base and increase customer retention through word-of-mouth recommendations.
20. **Stay Agile and Responsive:** The logistics industry in India is evolving rapidly, driven by changing customer expectations, emerging technologies, and regulatory developments. Stay agile and responsive to these changes by continually monitoring the market landscape, adapting your strategies, and embracing innovation to meet evolving customer needs effectively.

By implementing these recommendations, logistics companies operating in India can improve customer retention rates, foster long-term relationships, and position themselves as trusted partners in the Indian market.

Now that we have done the research customer satisfaction and retention for logistics Industry in the Indian market , it is recommended to do a similar further research in other countries and see if there are any different barriers or best practices that can be implemented across for the Global logistics improvement.

### **6.3 Conclusion**

In conclusion, the thesis on customer retention in the logistics industry sheds light on the factors influencing customer loyalty and provides valuable insights for logistics service providers. The research emphasizes the importance of service quality, effective

communication, competitive pricing, customization, technology adoption, relationship management, and continuous improvement in enhancing customer retention.

To improve customer retention, logistics companies in India should focus on delivering high-quality services, optimizing last-mile delivery, enhancing communication channels, offering competitive pricing, leveraging technology solutions, providing excellent customer support, and developing personalized solutions. They should also consider the cultural diversity of India, address documentation and regulatory compliance, embrace sustainability practices, and stay updated on market trends.

The findings also highlight that logistics providers need to prioritize customer-centric approaches, continuously monitor, and improve service quality, invest in technological advancements, offer customization options, provide competitive pricing, establish effective communication channels, and prioritize relationship management. These kinds of strategies can lead to improved customer satisfaction, loyalty, and long-term partnerships with customers.

The implications of the research suggest that logistics service providers should focus on building strong customer relationships, understanding customer preferences, and providing dedicated support. They should also consider the adoption of advanced technologies, such as tracking systems and real-time visibility tools, to enhance transparency and customer experience. Additionally, strategies such as customization, competitive pricing, and effective communication play a crucial role in gaining new customers and retaining existing ones.

Future research recommendations include conducting longitudinal studies, comparative studies across different segments of the logistics industry, customer segmentation analysis, and exploring the impact of technology adoption, cross-cultural factors, employee engagement, sustainable practices, and online reputation management on customer retention.

Here are a few more concluding points considered during this research on customer retention in the logistics industry in India:

Logistics companies in India should recognize the importance of localized approaches. Each region in India may have unique infrastructure challenges, customer preferences, and cultural nuances. Tailoring services and strategies to specific regional needs can help build stronger customer relationships and improve retention rates.

The rise of e-commerce in India presents both opportunities and challenges for logistics companies. The demand for efficient and reliable logistics services has increased significantly with the growth of online shopping. Logistics providers need to adapt their operations to cater to the unique requirements of e-commerce customers, such as faster deliveries, convenient returns, and value-added services.

Continuous innovation and technological advancements are crucial for customer retention in the logistics industry in India. Embracing emerging technologies like automation, artificial intelligence, and data analytics can streamline operations, improve efficiency, and provide a better customer experience. Logistics companies should stay abreast of technological developments and invest in digital solutions to remain competitive.

Collaboration and partnerships with other stakeholders in the logistics ecosystem can enhance customer retention in India. By forging alliances with carriers, vendors, and technology providers, logistics companies can offer end-to-end solutions, expand their service offerings, and provide a seamless experience for customers.

Customer feedback and satisfaction measurement should be an ongoing process. Logistics companies should regularly seek feedback from customers, monitor customer satisfaction levels, and act upon the insights gained. By being responsive to customer needs and concerns, logistics providers can make continuous improvements and enhance customer retention.

In summary, customer retention in the logistics industry in India requires a customer-centric approach, localized strategies, technological innovation, and collaboration with key stakeholders in building trust. By focusing on these aspects, logistics companies can improve customer satisfaction, foster long-term relationships, and remain competitive in the dynamic Indian competitive market.

Overall, the thesis provides valuable insights and recommendations for logistics service providers to improve customer retention who are operating in India. By implementing these strategies and conducting further research, logistics companies can enhance customer satisfaction, foster loyalty, and achieve sustainable business growth in a highly competitive industry. Continued efforts to stay abreast of industry trends, adapt to evolving customer needs, and deliver exceptional experiences will be essential for sustained success in

customer retention within the logistics industry in India. This research will be serving as a guide for enhancing customer retention efforts and maximizing success in the dynamic and competitive logistics industry.



## APPENDIX A

### SURVEY COVER LETTER

This letter was sent to all potential participants along with a link to the screener survey. The letter was sent through email, or via social platforms such as LinkedIn or Discord, depending on where the researcher made initial contact with the participant.

*"I'm Ranjusha, a DBA scholar. I'm conducting research on the topic "customer retention in logistics industry in India" as part of my doctoral thesis. As part of this research, I'm talking to several industry experts to gain insights. The research interview process is simple and won't take more than 20-30 minutes to complete. Would you be interested in participating?"*



If following this introduction, the potential participant agreed to be part of the study, the researcher then sent the following email.

*Thanks very much for agreeing to participate in this research.*

*Before we get into it, a brief introduction about myself, and why I'm doing this.*

*I hope this letter finds you well. My name is Ranjusha K, and I am a Research scholar at SSBM. I am conducting a research study on customer retention in logistics Industry in India, and I am reaching out to request your valuable participation in a survey designed to gather insights and opinions from professionals in the [Industry/Organization] regarding customer retention in logistics Industry in India.*

*The purpose of this research is to better understand customer retention in logistics Industry in India and its impact on Logistics Industry. By collecting data and analyzing the responses, we aim to gain valuable insights that can contribute to the knowledge and development of effective strategies within the field.*

*Your input is extremely valuable, as your experience and expertise in the logistics Industry can provide valuable perspectives and insights. The survey is designed to be concise and should not take more than 15 mins to complete. Your responses will remain strictly confidential and will be used for research purposes only. Your participation in this survey is entirely voluntary, and you may withdraw at any time without providing a reason.*

*To participate, please follow the link provided below, which will direct you to the online survey link.*

*If you encounter any difficulties accessing or completing the survey, or if you have any questions or concerns about the study, please do not hesitate to contact me directly at ranjushak@gmail.com or +91 9241227514 I am more than happy to provide any necessary assistance or clarification.*

*Your contribution to this study will be greatly appreciated, and your insights will help advance our understanding of customer retention in logistics Industry in India. As a token of gratitude for your participation, we will share a summary of the research findings with you upon completion of the study.*

*Thank you for considering this request, and I sincerely hope you will take part in this important research endeavor. Your participation will make a significant contribution to the success and significance of this study.*

APPENDIX B:  
SCREENER SURVEY

Once the participant received the email, they were asked to complete the screener survey. The screener survey was hosted on Type Forms and had a total of 15 questions in three sections with multiple type questions some of them being descriptive too. Each section had to be completed before moving onto the next question.

SECTION 1 – General

S. No.	Type	Question
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1	Checkbox	This survey is entirely optional. Your responses will be recorded by the researcher. Your answers will be anonymized and aggregated when used in quotes. By filling out this survey, you indicate that you can represent your company. If you agree, please indicate this by selecting the checkbox below. If you disagree, please do not continue filling the survey.
2	Radio Button	The researcher may want to conduct an interview with you lasting between 20-30 minutes to discuss your responses. Do you consent? <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>

SECTION 2 – About the participant

S. No.	Type	Question
3	Radio Button	Are you filling this form as <ul style="list-style-type: none"> <li>• Individual</li> <li>• Company</li> </ul>
4	Radio Button	Which better describes you? <ul style="list-style-type: none"> <li>• Trader/ Manufacturer</li> <li>• End User</li> <li>• Anonymous</li> </ul>
5	Text	If you are a trader/ manufacturer/ end user, please share your company name & nature of business

SECTION 3 – About the business

S. No.	Type	Question
6	Radio Button	Have you used the services of a logistics company in India? <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
7	Text	Share your experiences in brief on the services you took from a logistic provider
8	Radio Button	How do you rate your experience using logistics services (0-lowest; 5-highest) Scale 1-5
9	Text	What are the challenges you faced during your services & what could have been better
10	Text	What in your opinion a logistics service provider should focus to gain new & retain the existing customers
11	Multiple choice	What matters to you the most which choosing a service provider? <ul style="list-style-type: none"> <li>• Good rate</li> <li>• Customer service</li> <li>• Approachability</li> <li>• Brand Name</li> <li>• Consistency</li> <li>• Trust</li> <li>• All the above</li> </ul>
12	Radio Button	Would you choose the same service provider for your next shipment? <ul style="list-style-type: none"> <li>• Yes</li> </ul>

		<ul style="list-style-type: none"> <li>• No</li> <li>• Maybe</li> </ul>
13	Radio Button & Text	<p>What makes you choose the same service provider repeatedly?</p> <ul style="list-style-type: none"> <li>• Pricing</li> <li>• Service</li> <li>• Relationship</li> <li>• All the Above</li> <li>• Others- (Please fill)</li> </ul>
14	Text	<p>Would you like to share any *additional thoughts* with us which can help in improving customer satisfaction &amp; retention?</p>
15	Radio Button	<p>How likely are you to* recommend the service* to a friend or colleague? 10 Being highest. Scale 1-10</p>

*Table 4.1*

*Summary of questions in the research*

#### APPENDIX C:

#### SCREENER SURVEY RESULTS

#### **Respondent XXXX**

#### SECTION 1 – General

S. No.	Question	Response
1	<p>This survey is entirely optional. Your responses will be recorded by the researcher. Your answers will be anonymized and aggregated when used in quotes. By filling out this survey, you indicate that you can represent your company. If you agree,</p>	Yes

	please indicate this by selecting the checkbox below. If you disagree, please do not continue filling the survey.	
2	The researcher may want to conduct an interview with you lasting between 20-30 minutes to discuss your responses. Do you consent? <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Yes

SECTION 2 – About the participant

S. No.	Question	Response
3	Are you filling this form as <ul style="list-style-type: none"> <li>• Individual</li> <li>• Company</li> </ul>	HIDDEN
4	Which better describes you? <ul style="list-style-type: none"> <li>• Trader/ Manufacturer</li> <li>• End User</li> <li>• Anonymous</li> </ul>	HIDDEN
5	If you are a trader/ manufacturer/ end user, please share your company name & nature of business	HIDDEN

SECTION 3 – About the business

S. No.	Question	Response
6	Have you used the services of a logistics company in India?	HIDDEN

	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	
7	Share your experiences in brief on the services you took from a logistic provider	TEXT
8	How do you rate your experience using logistics services (0-lowest; 5-highest) Scale 1-5	HIDDEN
9	What are the challenges you faced during your services & what could have been better	HIDDEN
10	What in your opinion a logistics service provider should focus to gain new & retain the existing customers	HIDDEN
11	<p>What matters to you the most which choosing a service provider?</p> <ul style="list-style-type: none"> <li>• Good rate</li> <li>• Customer service</li> <li>• Approachability</li> <li>• Brand Name</li> <li>• Consistency</li> <li>• Trust</li> <li>• All the above</li> </ul>	HIDDEN
12	<p>Would you choose the same service provider for your next shipment?</p> <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Maybe</li> </ul>	HIDDEN
13	<p>What makes you choose the same service provider repeatedly?</p> <ul style="list-style-type: none"> <li>• Pricing</li> </ul>	HIDDEN



	<ul style="list-style-type: none"> <li>• Service</li> <li>• Relationship</li> <li>• All the Above</li> </ul> Others- (Please fill)	
14	Would you like to share any *additional thoughts* with us which can help in improving customer satisfaction & retention?	HIDDEN
15	How likely are you to* recommend the service* to a friend or colleague? 10 Being highest. Scale 1-10	HIDDEN

*Table 5.1  
Summary of participants in the research*

#### APPENDIX D: INTERVIEW QUESTIONS

After potential confirmation from the customers who gave appointments and who was willing to speak about the business and the services, there was separate face to face interview conducted after the researcher then scheduling a call / meeting that was convenient for both parties. During the call/meeting, the following questions were posed to the interviewee by the researcher.

1. How would you describe your overall experience with our logistics services?
2. What specific factors do you consider when choosing a logistics provider?
3. How important is timely delivery of your goods in your business operations?
4. Have you faced any challenges or issues with our logistics services? If so, how were they resolved?
5. Are there any specific areas where you believe our logistics services could be improved?
6. What is the most critical aspect of logistics management for your business?
7. How do you evaluate the cost – effectiveness of logistics services in your decision-making process?
8. Have you ever had to coordinate with multiple logistics providers for your shipment? if so, how was your experience?
9. What is your expectation regarding communication and transparency from your logistics service provider?
10. How would you rate our customer support and responsiveness in handling your logistics inquiries or concerns?
11. Have you used any technological solutions or digital platforms for tracking or managing your shipments? if yes, how satisfied were you with their effectiveness?
12. How do you measure the overall performance and efficiency of a logistics provider?

13. Have you ever experienced any disruptions or delays in your supply chain due to external factors (e.g., weather conditions, natural disasters)? How did our logistics services handle such situations?
14. What are the key metrics or indicators you use to assess the performance of your logistics operations?
15. Are there any specific value-added services or features you would like to see incorporated into the logistics offering?
16. Based on your experience what sets apart a logistics company from others that you always go back and choose them for your next shipment?

APPENDIX E  
INFORMED CONSENT

[My Organization's Letterhead, if applicable] [Your Organization's Name] [Your Organization's Address] [City, State, ZIP Code] [Email Address] [Phone Number] [Date]

[Participant's Name] [Participant's Address] [City, State, ZIP Code]

Subject: Informed Consent for Participation in Research Study

Dear [Participant's Name],

We are writing to invite you to participate in a research study titled "Customer retention in logistics Industry in India" conducted by Ranjusha SSBM Scholar. Before you decide, we would like to provide you with all the necessary information regarding the study, its purpose, procedures, and potential risks and benefits, to ensure that you are fully informed. Your participation in this study is voluntary, and you have the right to withdraw at any time without any negative consequences.

**Study Purpose and Procedures:** The purpose of this study is to [briefly describe the objective of the study]. Participation in this research involves [describe the procedures involved in the study, including any surveys, interviews, observations, or data collection methods]. The estimated time required for your participation is approximately [estimated time]. All information collected will be treated confidentially, and your responses will be anonymized to ensure privacy.

**Potential Risks and Benefits:** There are no known risks associated with participating in this study. However, it is possible that you may experience [potential minimal discomfort, such as mild inconvenience or fatigue] during the study. By participating, you may contribute to the advancement of knowledge in the field of [study topic] and potentially benefit from [possible benefits, such as gaining new insights or contributing to the development of best practices].

**Confidentiality and Data Handling:** All information collected during this study will be treated with strict confidentiality. Your responses will be anonymized and reported in aggregate form to ensure that your identity remains confidential. Only the researchers

involved in this study will have access to the collected data, and it will be stored securely in accordance with data protection regulations.

**Voluntary Participation and Withdrawal:** Your participation in this study is entirely voluntary. You have the right to decline participation or withdraw from the study at any stage without any negative consequences or impact on your relationship with [Your Organization]. If you choose to withdraw, any data collected up to that point will be anonymized and included in the study unless you specifically request its removal.

**Contact Information:** If you have any questions, concerns, or require further information about the study, please feel free to contact [Researcher's Name] at [Researcher's Email Address] or [Researcher's Phone Number]. If you have any questions or concerns regarding your rights as a participant, you may contact [Institution's Research Ethics Committee] at [Contact Information for Research Ethics Committee].

By agreeing to participate in this study, you acknowledge that you have read this informed consent form, understood its contents, and are free to participate in the research study described above.

Please sign and return a copy of this letter to indicate your consent to participate. A copy of this consent form will be provided to you for your records.

Thank you for considering participation in this study. Your contribution is highly valued and greatly appreciated.

Sincerely,

Ranjusha K, SSBM Research Scholar

I have read and understood the information provided in this consent form and voluntarily agree to participate in the research study.

Participant's Signature: \_\_\_\_\_ Participant's Printed Name:

\_\_\_\_\_ Date: \_\_\_\_\_

#### APPENDIX F

#### INTERVIEW GUIDE

Sure! Here's a basic interview guide that can be customized for your specific research study on customer retention in the logistics industry:

1. Introduction and Warm-up: a. Start by introducing yourself and explaining the purpose of the interview. b. Build rapport with the participant and make them feel comfortable. c. Explain that the interview will be recorded (if applicable) and their confidentiality will be maintained.
2. Background Information: a. Ask the participant to provide some background information, such as their role, organization, and years of experience in the logistics industry. b. Inquire about their involvement in customer retention efforts within their organization.

3. Customer Retention Strategies: a. Explore the participant's perspective on the importance of customer retention in the logistics industry. b. Ask about the specific customer retention strategies employed by their organization. c. Inquire about the factors they consider while developing and implementing these strategies. d. Probe for examples of successful customer retention initiatives and the outcomes achieved.
4. Challenges and Obstacles: a. Discuss the challenges and obstacles faced by the participant's organization in retaining customers. b. Explore any specific industry-related challenges or unique factors affecting customer retention. c. Inquire about how these challenges are addressed or overcome.
5. Customer Feedback and Insights: a. Ask about the methods used by the organization to gather customer feedback. b. Inquire about the significance of customer insights in improving customer retention. c. Discuss how customer feedback and insights are translated into actionable strategies.
6. Technology and Customer Retention: a. Discuss the role of technology in customer retention efforts within the logistics industry. b. Inquire about the specific technological tools or solutions employed by the organization for customer retention. c. Explore the benefits and challenges associated with the adoption of technology for customer retention.
7. Measurement and Evaluation: a. Discuss how the participant's organization measures and evaluates customer retention efforts. b. Inquire about the key metrics

- or indicators used to assess the effectiveness of customer retention strategies. c. Explore any ongoing improvement initiatives based on the evaluation results.
8. Best Practices and Lessons Learned: a. Ask the participant to share any best practices or lessons learned regarding customer retention in the logistics industry. b. Inquire about any successful strategies or approaches that other organizations can learn from.
  9. Closing: a. Summarize the key points discussed during the interview. b. Provide an opportunity for the participant to add any additional insights or comments. c. Thank the participant for their time and contribution to the study.

Remember to be an active listener, ask follow-up questions, and encourage the participant to elaborate on their responses. Adapt the interview guide based on the specific focus and objectives of your research study.



## APPENDIX G:

### PERSONAL EXPERIENCE AND GROWTH FROM THIS STUDY

When I started the DBA journey, I started choosing a topic that I picked from my professional experience but later due to lack of evidence on financial data had to change. More than theoretical, this research topic was a real problem that we were struggling with in the organisation. When spoke to few other entrepreneurs understood this industry faces this challenge, hence it was a real passion to bring out the real struggle of the organisation. I had graduated a decade earlier, completely out of the studying habit, and learning something new outside of the professional environment was a challenge on a monumental scale for me.

However, with the guidance of my mentor, and the support of well-wishers, I was able to get back into the groove faster than I expected and was soon turning in parts of my thesis quickly. This was a huge morale boost.

As I got more familiar with the research process, a lot of the fear dissipated. “Research” in my head, was an obfuscated, very complicated methodology of study that was only doable by the intellectually brilliant few. Once the process became clear, it was no longer intimidating, but seemed like a worthy challenge.

My reading habit expanded. Before starting this journey, I was hardly reading any research but mostly reading blogs, newsletters, industry reports and some news keep in touch with trends and gain knowledge. The DBA journey opened scholarly articles, periodicals, journals, and other theses as additional sources of knowledge!

I began to write consistently and concisely, a habit that I could never form before and had often been told was one of my biggest weaknesses. Being able to explain oneself through only words, where tone of voice and body language (which to me had always been a critical part of process) are completely absent turned out to be the most interesting challenge to overcome. I had to often re-read what I wrote to see if the essence of what I was trying to convey was penned down.

I met a lot of people in my industry, people who I barely knew, and had deep conversations with them. I even made new colleagues at other businesses, who I would typically have no reason to talk to, or at the least, be very skeptical to have spoken to (as we were competitors). These conversations helped me realize that there are a lot of people who have similar challenges and want the same things.

Finally, I learned to listen. The interviews I conducted through the process made me a much better listener because I HAD to quietly listen to the participants regardless of whether I

agreed or not. This was a massive change for me, since throughout my career (and perhaps most of my life), I would turn a conversation of any kind into a debate.

There are other smaller things that I experienced during this journey, and have learned from, but the list is too exhaustive, or hard to express through secondhand experience.

For something that most people do only once in their lives (including myself), this period will be one of the most memorable of my life!

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