

MEASUREMENT OF THE CUSTOMER SERVICE IN LOGISTICS

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Abstract

Logistics is increasingly seen as an integrated management system of the circulation structure of goods, products and information in the conditions of expanding the scale of company operations, extending the logistics chain, intensifying competition and the growing importance of customer service. Today's companies need to combine the efficiency and competitiveness of business in the global market with sensitivity to the needs of local customers. To provide it, logistics companies need to look for new solutions, which aim to constant control and improvement of the customer service process. Their key task is the measurement of the quality of customer service.

In practice survey of customer satisfaction is most often used. However, the observation of practice shows many disadvantages of such a solution. Customers often do not want to get involved in the assessment mainly from a lack of conviction of their impact on changing treatment by the company. Often obtained information is accurate only in cases of negative experiences with the cooperation of the logistics company.

This paper proposes a system for measuring the quality of customer service dedicated to logistics companies. It is based on a set of indicators of the most important areas of customer service. They enable rapid and constant control of the customer service process. In the presented solution pays particular attention to indicators related to the strategic objectives of the company. The implementation of the presented solution leads to increase the quality of customer service and improve its competitiveness on the market.

Keywords: Key Performance Indicators, measurement of customer service

1. INTRODUCTION

Changes in today's markets have a large impact on the logistics, especially in crisis time [1]. Logistics is increasingly seen as an integrated management system of the circulation structure of goods, products and information in the conditions of expanding the scale of company operations, extending the logistics chain, intensifying competition and the growing importance of customer service. Presently companies need to combine the efficiency and competitiveness of business in the global market with sensitivity to the needs of local customers. Strong competition and the globalization of markets forces innovation, which primarily manifests short time of process realization, excellent quality of customer service and offering additional services.

Companies use many different methods to achieve better effectiveness [5], [7], [8]. Currently, the effectiveness of logistics companies depends on the ability to gain a competitive advantage in the market. The most important element of a competitive advantage is an efficient, high-quality customer service. To provide it, logistics companies need to look for new solutions, which aim to constant control and improvement of the customer service process. In this situation, the key task of logistics companies is the measurement of the quality of customer service.

In practice survey of customer satisfaction is most often used. However, the observation of practice shows many disadvantages of such a solution. Customers often do not want to get involved in the assessment mainly from a lack of conviction of their impact on changing treatment by the company and sometimes a lack of time.

Often obtained information is accurate only in cases of negative experiences with the cooperation of the logistics company. In cases of average or good evaluation, many customers fill the questionnaire automatically, without enough reflection, imprecise, often without thinking about the exact meaning of the questions. These actions affect the unreliability of the data contained in the surveys and a little credibility. In addition, in many cases, a negative impact on the quality of the data contained in the questionnaires is the wrong way to distribute surveys and inadequate, badly trained staff who are engaged in conducting surveys.

This paper proposes a system for measuring the level of customer service quality which is dedicated to logistics companies. It is based on a set of indicators of the most important areas of customer service. They enable rapid and constant control of the customer service process. In the presented solution pays particular attention to indicators related to the strategic objectives of the company. The implementation of the presented solution in the logistic enterprise leads to increase the level of customer service quality and improve its competitiveness on the market.

2. A ROLE OF THE CUSTOMER SERVICE IN LOGISTICS COMPANIES

Very fast development of logistics enterprises followed the Polish accession to the European Union. This development was due to the following factors [2]:

- rapidly progressive globalization;
- the development of information technology;
- abolition of barriers to movement of people and goods;
- the possibility of using funds from the European Union, which allows a significant improvement of road infrastructure;
- increasing popularization of outsourced logistics services.

The recent economic crisis caused a sharp decline in both the number of logistics companies, and their revenues [2]. In this situation, logistics companies need to increase the efficiency of the operation and strive for the rapid implementation of strategic objectives, which will increase their competitive advantage and stay in the market.

Logistics companies in Poland, as well as in the European Union, mainly belong to the sector of micro, small and medium-sized enterprises. In this type of companies a key factor in gaining competitive advantage is the level of customer service. For this reason, one of the most important and the most common strategic objective of logistics companies is to improve the quality of customer service. Customers expect personalized, flexible offers supported by high standards of services provided [2]. Fast, professional service and price are the factors that most often determine the choice of the operator. Logistics companies must also increase the efficiency of economic activity. This is facilitated by well-articulated strategy that takes into account the current situation on the market and can gain a competitive advantage [6]. Therefore, there is a legitimate need to seek solutions that quickly enable the measurement, evaluation and continuous monitoring customer service in logistics companies and at the same time will be oriented towards the future strategy of the company.

Contemporary conditions of the logistics companies in the market are related to the strong pressure to reduce the cost of logistics and shorten the execution time of all processes and operations in the company. Although thanks to the development tools, it is possible to process a lot of data and the use of very sophisticated databases, companies do not have the time to analyze and control such a large amount of information. This is the ensure high quality customer service, it must be objectively assessed on the basis of a well-designed measurement system, based on carefully selected criteria and set targets to be met at exactly the right time. The company must identify clearly what aims and what exactly will be called improving the quality of customer service.

Properly identified needs and requirements of the client play an important role in this matter. The questions then arise are as follows:

- What to measure?
- What aspects of customer service are the most important?
- How to evaluate the level of customer service and ensure constant monitoring and control of the customer service process in logistics enterprises?

F. J. Beier i K. Rutkowski suggested four factors that determine the level of the customer service [3], which are presented in **Table 1**. In contrast, M. Fertsch presented a set of measures from the point of view of the customer, to which he included [4]:

- orders received on time;
- orders executed completely,
- orders delivered without damage,
- orders properly executed,
- orders accurately invoiced.

Table 1 The set of criteria to measure the quality of customer service by F. J. Beier i K. Rutkowski [2]

Criterion for assessment	Meaning
delivery time	time from order to delivery to the customer transfer
Reliability	associated with the correctness of the order
communication	a dialogue way between the transport company and the buyer of the service, which allows controlling the execution of the order and inform each other about changes and disturbances
Convenience	simultaneous willingness and ability of the transport company to meet additional customer requirements, such as the volume of deliveries, select the type or types of transport, packing method, frequency of delivery, terms of taking orders and deliveries, etc.

An interesting set of criteria to measure the quality of customer service offered P. Romanow [9]. These criteria are described in three levels: as part of the pre-trade, transactional and post-transaction, as shown in **Table 2**.

Table 2 A set of criteria to measure the quality of customer service by P. Romanow [9]

Level	The criterion for assessment
Pre-trade items	convenience in contacting the client company
	organizational structure
	flexibility provider understood as the ability to quickly adapt to individual customer needs
	delivery
	response time to inquiries
Elements of the transaction	duration of the transport service
	indicator of the order realization
	timely delivery
	indicator transport damage
Elements of the post-trade	complaints
	service returns

3. MEASUREMENT OF THE LEVEL OF CUSTOMER SERVICE QUALITY

A strong competition in the market of logistics services causes that logistics companies have subjected to strong pressure to reduce costs for many years. For this reason a key aspect of competition is the level of customer service quality. Logistics companies often have significantly raise the level of customer service quality in order to stay in business. Therefore, there is a need to implement solutions that will quickly raise the level of customer service quality and to measure, evaluate and control its level.

The main objective of the study was to develop a system for measuring the customer service quality dedicated for logistics companies. After a thorough analysis of existing tools it was decided that an universal set of indicators that can be used to gauge the level of customer service quality in logistics companies, and also control and monitor the planned increase in the level of customer service quality is sought as a part of this research.

The use of Key Performance Indicators (KPI's) is proposed in the presented solution. KPI's are oriented for future of the company. It is a very important advantage. KPI's should be very clearly linked to business strategy and relate to the key areas. The company should measure and control only what confirms their efforts and its strategic direction. The main objective of determining the KPI's is to show the workers why the strategy is important and help in understanding these areas. The indicators are used for organizational learning and development and presentation of the strategic direction of the company in a more understandable manner, and above all the use of indicators to improve working and correction operations, allowing organizations to refocus their efforts in the fight for results. KPI's allow enterprises to determine the stage of development at which the organization is to determine whether the adopted goal is achieved in an appropriate manner and to indicate when it will be achieved [11].

Properly selected KPI's should be: precise (relating to the organizational goal); measurable (to assess the level of realization); achievable (realistic in the business environment); binding (connecting activity directly with measures); and conditioned by time (define the specific terms of achieving objectives) [12].

The essence of KPI's is to select the most important indicators to rationalize and simplify decision-making, paying attention to the strategically most important areas of the customer service. KPI's help to define and measure progress toward organizational goals and make the management of enterprise easier. KPI's not only relate to items that are easy to measure (e.g. participation, number, frequency, etc.), but also allow areas which are difficult to measure (such as organizational culture, the potential for cooperation, quality of relationships with customers, etc.) to be controlled. These activities cannot be measured, but can be evaluated using any scale (e.g. the description of KPI's in the form of number of activities, that relate to intangible assets). KPI's should be used to measure the current state; evaluate effectiveness; plan improvements; monitor changes and progress and motivate staff.

Main areas of particular importance for high-quality customer service have been selected based on a detailed analysis of the literature, the many observations made in logistics companies in Lubuskie district and used interview techniques among the customers of these companies:

- delivery time;
- reliability;
- communication;
- convenience (flexibility).

Then, for those areas indicators by which to measure and evaluate the level of customer service quality were formulated. Based on the study and careful analysis measures were highlighted, which are presented in **Table 3**.

Table 3 Measures to assess, control and monitor of the customer service quality in logistics companies (compare [10])

Criterion for assessment	Indicator
delivery time	Timely delivery - percentage of timely deliveries within a period T
	The percentage of deliveries, which have been prepared for shipment within 24 hours of placing an order
reliability	The percentage of deliveries in which the ordered product range was consistent with the order
	The percentage of deliveries in which the entire range was delivered without any damage
	The percentage of deliveries in which all goods have been delivered in terms of their usefulness
communication	The percentage of deliveries, where the level of implementation of the client could monitor
	The percentage of deliveries in which the client has received notification after each stage of the order
	Time availability of customer service staff in the period T
convenience, flexibility	The percentage of deliveries, which until shipment could change the ordered product range
	The percentage of deliveries in which the client can choose more than one type of packaging
	The percentage of deliveries in which the customer can specify a different frequency of the supplied goods

4. CONCLUSIONS

In the paper a new efficient and practical system for measuring the quality of customer service dedicated to logistics companies is proposed. This system consists of a set of universal Key Performance Indicators that enable fast measurement, monitoring and control of the main areas of particular importance for high-quality customer service according to conducted research: delivery time; reliability; communication; convenience (flexibility).

On the basis of these measures the quality of customer service can be evaluated, but also the degree of improvement of the quality level of customer service in logistics companies can be monitored and controlled. This solution also has yet another very important advantage. It is possible to assess the extent to improve the quality of customer service. In the presented solution pays particular attention to indicators related to the strategic objectives of the company. The implementation of the presented solution leads to increase the quality of customer service and improve its competitiveness on the market.

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