

Improvement of Warehousing Service Quality of ABC Company Limited

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Abstract - The research about improvement of warehousing service of ABC Company Limited aimed to evaluate service quality that affects the customers' satisfaction. Population of the study was 135 employees in 5 divisions *i.e.*, Sales, Logistics, Human Resource, Marketing, and Finance & Accounting. Questionnaires were used to collect the data and Percentage, Mean, t-test, One-way ANOVA, and Regression were applied to analyze the data gathered. The study indicated that most of the samples were female aged 21-30 with married status, graduated high school/vocational degree, having 3-6 years of work experience, and earning monthly income of 20,001-30,000 Baht. It was found that samples had medium level of satisfaction on the service. They paid attention on reliability in a high level including equipment *i.e.* accurate scanner, straightforwardness of warehousing officers, trustable appearance of warehousing officers, and general quality of warehousing service. Hypothesis test result showed that demographic factors including gender, age, status, education level, division, work experience, and monthly income did not have influence on the customers' satisfaction. Service quality factors were tested and found that responsiveness to customers' needs had relationship with customers' satisfaction while tangibility, reliability, competence, accessibility, courtesy, communication, and security did not have relationship with the customers' satisfaction.

Keyword: Improvement marketing quality

I. INTRODUCTION

Thailand is improving its economic system and production is being expanded all over the country. As a result, there is significant number of movements of the products to keep in warehouse or distribution center in order to satisfy customers' needs both domestically and internationally. With an implementation of Asean Economic Community (AEC), competition among ASEAN countries will become fierce and Thailand will be at disadvantage because of its instable political condition, overall economic slowdown, and its reluctant attention to logistics management comparing to the other nine ASEAN countries [2, 3, 20].

Severe competition has forced Thailand to try to improve its economic operation in every possible ways to reduce costs and increase the value in the whole supply chain [1, 17]. Entrepreneurs are seeking ways to cut cost while maintaining competitiveness among other businesses in the

same industry. In this condition, customers have choices for low price product and service with good quality in a timely manner which will help the business to gain repeat buyers and therefore benefit to the business [6, 7, 13]. In order to prepare for business opportunity, it has to improve for effective warehousing management as well as for higher quality of warehousing service. Warehousing services include picking the products from manufacturer, preparing the products according to customers' purchase order, receiving returned products, and inventory count which are important activities in the balancing within supply chain by preventing uncertainty in each procedures that may cause damage and loss in business opportunity.

For this reason, the researcher as a senior level staff becomes interested to study warehousing service as a part of logistics management of ABC Company Limited. The results obtained from the study shall be utilized as guideline to improve quality of warehousing service, to increase competitiveness, to reduce unnecessary costs, and achieve maximum efficiency as well as to satisfy clients with the warehousing service of the company.

II. RESEARCH OBJECTIVE

The research aims to study factors of warehousing service quality which have influence on the client of ABC Company Limited.

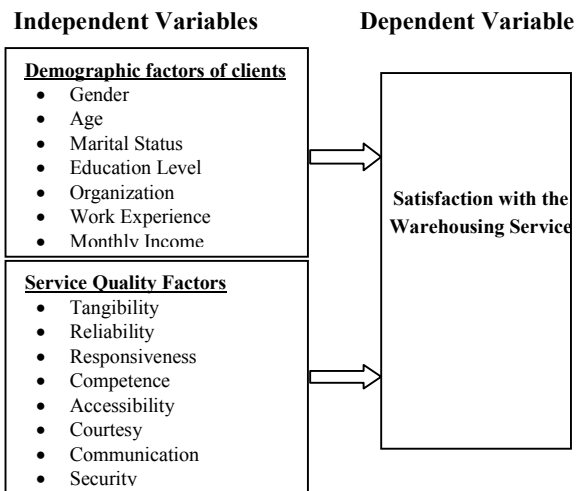


Figure 1. Conceptual Framework

III. LITERATURE REVIEW

Service quality theory consists of tangibility, reliability, responsiveness, competence, access, courtesy, communication, credibility, security, and understanding/knowing the customer [14].

IV. RESEARCH METHODOLOGY

The research used questionnaire as a tool for data collection which can be considered in 3 parts.

Part1 contains in total 7 nominal scale questions about demographic data of the sample such as gender, age, education, organization, work experience, and monthly income [8-10, 14, 18-19]. Answers of questions are checklist and respondents have to choose only one choice that best suit the answer. A simple statistics tool i.e. percentage is used to analyze data collected in this part [3, 5].

Part2 consists of Likert's 5-level rating scale questions about warehousing service quality in 8 aspects and each aspect has 5 questions so totally there are 40 questions in this part. Statistical tools used to analyze data obtained in this part are percentage, mean, t-test, One-way ANOVA, and Regression. Each level is identified in ranges of means as follows. Mean 4.51-5.00 indicates the highest level of satisfaction. Mean 3.51-4.50 indicates high level of satisfaction. Mean 2.51-3.50 indicates medium level of satisfaction. Mean 1.51-2.50 indicates low level of satisfaction. And mean 1.00-1.50 indicates the least level of satisfaction.

Part3 includes open-ended questions about opinion and useful recommendation from respondents.

V. FINDINGS

A. Demographic data obtained

From 135 samples, most of them were female aged 21-30 with married status, graduated high school/vocational degree, having 3-6 years of work experience, and earning monthly income of 20,001-30,000 Baht.

B. Warehousing service quality factors that affect client's satisfaction.

It was found that overall service quality was in medium level according to the following order: reliability, competence, responsiveness, security, communication, courtesy, and tangibility.

Tangibility is found to be in high level of quality. The warehouse is provided with adequate illumination, air circulation, staffs are enthusiastic and ready to serve clients.

Reliability is found to be in high level of quality. Equipment i.e. scanners are accurate, warehousing officers are straightforward and cooperative, warehousing officers have trustable appearance, and general quality of warehousing service is good.

Responsiveness is shown to be in high level of quality. Receiving and releasing of the product by warehouse officers, and working hours 8.30-18.00 are suitable.

Competence is identified in a high level of quality. Officers know their duty, they have knowledge and skills necessary to serve clients, and they have ability to solve problems at hand [11,15,16].

Accessibility is found to be in high level of quality. Clients have choices to access the service such as telephone, facsimile, e-mail, and social media. Clients can also go in and out to the location of warehouse conveniently.

Courtesy is in medium level of quality including cleanliness and neat dressing of warehouse officers, politeness and manner of warehouse officers, hospitality and assistance rendered by warehouse officers as well as humbleness of the warehouse officers.

Communication is found to be in high level of quality i.e. warehouse officers communicate through e-mails.

Security is in high level of quality as inventory control officers maintain good condition of the products making it ready to be distributed.

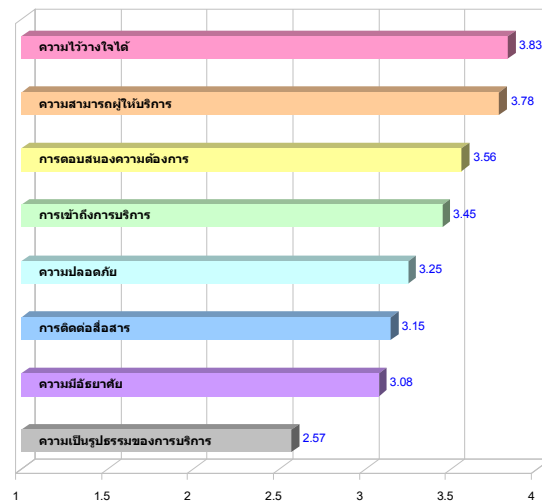


Figure 2. Level of opinion toward warehousing service quality factors that affect clients' satisfaction in the service

Reliability 3.83 Competence 3.78 Responsiveness 3.56 Accessibility 3.45 Security 3.25 Communication 3.15 Courtesy 3.08 Tangibility 2.57

C. Hypothesis Test Results

The researcher set hypothesis of the study as follows:

1. Demographic factors have influence on client's satisfaction in the service. The result showed that factors such as gender,

- age, marital status, education, organization, work experience, and monthly income do not have effect on client's satisfaction.
2. Warehouse service quality factors have relationship with client's satisfaction. The result proved that reliability, competence, accessibility, security, communication, courtesy, and tangibility do not have relationship with client's satisfaction while responsiveness does.

TABLE 1
SHOWS MULTIPLE REGRESSION ANALYSIS
OF RESPONSIVENESS

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| (Constant) | 4.095 | 2.945 | | 1.390 | .167 |
| Officers are ready to provide warehousing information promptly. | -.345 | .160 | -.313 | -2.154 | .033 |
| Officers inform results of operation in every step. | .459 | .267 | .276 | 1.715 | .089 |

VI. DISCUSSION

The researcher has interesting points that worth discussion as follows:

Warehousing service quality factor in responsiveness aspect has effect on client's satisfaction. This is similar finding to the research of Dr. Somchit Arjin et al. which found designing of web-based system makes it easier for users since it can be used anywhere as long as there is internet signal, and it also helps to reduce transportation cost [17].

VII. RECOMMENDATION

The researcher would like to suggest the following recommendations:

1. Organization within the company should be improved to achieve better quality of service by training.
2. Tangibility and reliability should be focused. Warehouse officers should be aware of significance of providing better quality service.

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