SUCCESS FACTORS FOR LOGISTICS SERVICE PROVIDERS IN THAILAND

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ABSTRACT

The objective of this study was to study the variables of relationship quality, service quality, logistics operations quality, service innovation the Logistics Companies Performance (Non-Finance) and to create the hypothesis of this research. the population is the service user of every logistics business in Thailand. The sample size of this research was 360 samples. The result showed that the variables used in this research in this study had 2 categories:1) Internal variable is the Logistics Companies Performance (Non-Finance) and 2) External variables is relationship quality, service quality, logistics operations quality and service innovation. There are 4 hypotheses. H1: Relationship quality has a direct influence on the Logistics Companies Performance (Non-Finance), H2: Service quality has a direct influence on the Logistics Companies Performance (Non-Finance), H3 : The quality of logistics operations directly influences the Logistics Companies Performance (Non-Finance) and H4: Service innovation has a direct influence on the Logistics Companies Performance (Non-Finance).

Keywords: Service Quality, Service Innovation, Efficiency, Relationship Quality

INTRODUCTION

Logistics activities are the delivery of goods from manufacturers to consumers according to the orders and needs of consumers by moving store goods, materials, raw materials, documents from one place to another within the specified period. The company tries to manage these activities to achieve the lowest overall cost, which is an important process of logistics. In logistics that occur around the world (https://www.logisticafe.com/), in addition, logistics management such as warehouse management, distribution, inventory management, packaging, transmission, data and various information systems, will provide transportation facilitation services for small, medium, and large businesses. They are a complete logistics service provider that combines logistics management. According to customer requirements, they should handle

the movement of a variety of products, different sizes from small packages, heavy machinery, and cargo for projects of all shapes and sizes. Such transportation will include land, sea, rail, pipeline, and air (Krungsri Research, 2022 ; https://www.fleth.co.th).

In the past, Thailand Post has always supported logistics transportation. Since the use of e-Commerce business services tends to increase. Therefore, we must continue to upgrade the logistics service to make the service users more convenient. Accelerating the development of a complete warehouse by using a comprehensive supply chain action plan, especially for online merchants. It should be ready to expand service to other provinces by bringing the postal space to be converted into a sub-warehouse, increase the potential of border postal centers by focusing on the international transport market. By building a warehouse and managing products support imported and exported products with automation systems and starting operations in special economic zones where there are a lot of products coming in. There are international marketing and service plans by penetrating new customers through price strategies and working with partners to enhance international service. Statistics of parcel delivery service users in January 2013, all companies found that merchants used total parcel delivery service at 1,796,299 times (http://trace.thaiwere.com/total).

Domestic and international freight forwarding companies announced a proactive plan for the year 2023 with a Lean concept, which increases efficiency in reducing costs and ready to accelerate investment in the use of technology in the transportation system more (Department of Public Relations News Agency, 2022). There are international shipping companies such as Best Express, FedEx Express, Kerry. Express, J&T Express, DHL Express (https://www.logisticafe.com/). Many companies have proactive plans with the LEAN concept. The program increases efficiency in reducing costs, while accelerating investment in systems and technology with an investment plan to accelerate the development of better operational efficiency. It also supports growth and gains more market share and expands your business during economic recovery. The aggressive price strategy in the logistics business focuses on improving one's potential while reducing internal operating costs. Therefore, the concept of LEAN programs is applied, which consists of cost reduction in rigorous expense management and cancelling the use of resources that are not worth it. It consists of reduction of senior management compensation suspension and limitation of temporary recruitment of additional staff in all departments and the closure of service points in branches with unscheduled performance. Moreover, it should invest in the procurement of machinery, equipment and systems that will develop the work process to be more automated. The company has received technology and industry knowledge from network companies to reduce costs immediately.

Thailand's economic situation in the past, because of the impact of the coronavirus disease (COVID-19) outbreak, the economic recovery in Thailand has slowed down. The logistics business faces the problem of transportation in all channels and organizing activities. It is under control according to government measures when the situation is resolved. The economy began to recover causing the logistics business to open more, high competition and lack of market power make some logistics businesses unable to continue their business. It includes many businesses that use technology to increase efficiency. Some businesses are unable to adjust their strategies and keep pace with the situation. Furthermore, it is creating competitive power in the market and serves customers proactively. They are unable to meet customer needs, affecting the efficiency and success of the logistics business. Therefore, the researcher is interested in studying the success model of logistics service providers in Thailand and develop the ability of logistics service providers in Thailand to have the potential to compete in the market sustainably.

Objectives of the research

1. To study the variables of relationship quality, service quality, logistics operations quality , service innovation and the Logistics Companies Performance (Non-Finance).
2. To create the hypothesis of this research

Scope of research

Population scope and sample

In this research, the population is the service user of every logistics business in Thailand Which has a total usage of 1,796,299 times (Thaiware, 2023)

Quantitative samples were obtained by determining the sample size and setting the proportions. From the observation variable, it starts from considering the number of variables, notice that (Nunnally, Bernstein, & Berge, 1967), where the sample size must be at least 20 times the observed variable (Jackson, 2003; Hair, Ringle, & Sarstedt, 2011). There were 18 observational variables, the researcher therefore determined the sample size of 360 samples.

Group of qualitative key informants, data were collected by in-depth interviews with service users of logistics business in Thailand at 10 people and logistics business experts in Thailand at 10 people, The total are 20 people by Purposive Sampling and analyzed the data by content analysis.

Variable scope

The variables used in this research that are reviewed from the literature and could summarize the variables in this study into 2 categories:

1) Internal variable is the Logistics Companies Performance (Non-Finance)

2) External variables is the relationship quality, service quality, logistics operations quality and service innovation.

LITERATURE REVIEW

Opasvitayarux et al. (2022) studied the application of IoT in quality management. Food Supply Chain: An Integrative Model with a purpose to offer an analytical model based on a technology-organization-environment (TOE) framework and complemented by a collaborative structure. It captures the importance of the supply chain network that is a quantitative study. A sample of 197 people were analyzed using structural equation modeling (PLS-SEM). The result showed that Compatibility Ability, Adaptability Innovative Capability, Executive Support Pressure of Value Chain Partners, Availability of Service Providers and Data Sharing had a significant impact on attitudes towards QM IoT adoption. While adaptability innovative capability and information sharing had a direct influence on intent to adopt QM IoT. In addition, attitude towards QM IoT adoption had a positive effect on intent to adopt QM IoT.

Li et al. (2022) studied an empirical study on ability improvement in the competition of international ports By Integrating the Logistics Supply Chain: Evidence from China. The purpose of this research was to study the relationship between supply chain integration Port Logistics (DPLSCI), Operational Efficiency (OP), and Port Competitiveness (DPC) in the context of China. It is a quantitative study and analyze data by Structural Equation Modeling (SEM). Port logistics supply chain integration had a positive effect on logistics cost efficiency (LCP) and service quality performance (SQP), thereby improving port competitiveness. At the same time, operational efficiency (LCP and SQP) was the full intermediary between supply chain integration Port Logistics and

Port Competitiveness

Michalski and Montes-Botella (2022) studied the quality of logistics services in the market which was reborn in Latin America. The purpose was to determine how the level of quality of logistics services contributes to logistics efficiency in emerging markets. This study was a quantitative study. Data was analyzed using structural equation modeling. The results showed that Performance was positively correlated with warranty, tangibility and credibility but was negatively associated with response and sympathy dimensions. These findings suggest priorities for improvement actions. These findings highlight that existing relationships in developed markets do not apply in the same way in emerging markets.

Acquah et al. (2022) studied the development of a logistics service provider's relational embedded system to increase the efficiency of the supply chain. The purpose was to explore the effects of socialization mechanisms on the relational incorporation of logistics service providers (LSP) and relative efficiency of supply chain efficiency. The research was a quantitative study. The sample group was 350 people. Data were analyzed by using structural equation modeling. The results showed that Relational Embedding of Logistics Providers was determined solely by the mechanisms of formal socialization and developed by suppliers and customers. Interestingly, informal socializing did not appear to be significant for this process. The results indicated the relational embedding of the carriers. Logistics had a positive effect on relative efficiency. This had a positive effect on the efficiency of the supply chain.

Gupta et al. (2022) explored the relationship between dimensions of service quality and customer satisfaction: an empirical study in the context of logistics service providers in India. The purpose was to identify service quality dimensions for logistics service providers (LSPs) and to examine their relationship with customer satisfaction and customer loyalty. This study was quantitative. The data analytical study Structural equation modeling (SEM) was used. The five service quality structures, namely "operational quality," "resource quality," "information quality," "people contact quality," and "customization and innovation quality," were directly related to customer satisfaction. They also had an indirect relationship with customer loyalty, indicating full customer satisfaction.

Wu et al. (2022) studied service quality diagnosis of perishable food logistics: temperature-sensitive milk delivery. A purpose was to check the service quality of such logistics using real cases of temperature-sensitive milk delivery. The results showed that cargo location logistics status and delivery time are important factors influencing the quality of temperature sensitive milk.

Swierczek (2022) studied the decentralization of information and the self-organization of supply chains: their impact on network performance in service delivery. The purpose was to explore the link between data governance decentralized information technology and self-organization of the supply chain and the consequences on network performance in transitional service clusters. This is a quantitative study. A sample of 350 people analyzed data by using a structural equation model. The results showed that Data Governance defines how key organizations and business partners control, access, and operate the flow of information in the supply chain. According to the empirical evidence in this study, it can be described as a latent structure that comprises three different dimensions of information stewardship, data ownership and right to access information. The study also indicated that supply chain self-organization by companies that are interrelated and interacting with each other. The study also highlights that data governance creates an environment for decentralized use of information technology. It will positively affect

supply chain self-management in creating network efficiency within the service group.
Syed et al. (2022) studied the impact of social media technology on environmental collaboration and green innovation. The purpose was to analyze the role of technology in social media on internal and external environmental collaboration and green innovation (Green Products, Processes and Management Innovation). It was a quantitative study. The sample group was 475 persons. Data were analyzed by using structural equation modeling. The research results showed that the role of social media technology. It has a positive influence on both internal and external environmental cooperation. In addition, Internal Environmental Cooperation (IEC) promotes green products and green management innovation on the contrary External Environmental Cooperation (EEC) promotes the process of Green Management Innovation. This study also tested the medium of cooperation, Internal and external environmental cooperation. This showed that both internal environmental cooperation and external environmental cooperation mediate all relationships except green process and green product innovation. The findings also revealed that innovation capacity weakens the relationship between environmental cooperation and green innovation.

Uvet et al. (2023) studied quality investment as a catalyst for contracts based on Successful Performance: A Relational Perspective with a purpose to check the effect leading to quality investments which promotes financial benefits. This is a quantitative study with a sample of 381 people. Data were analyzed using a structural equation model. The results showed that Effects of PBC (Knowledge Sharing) Features Goal Consistency and the provision of incentives) on the financial interests and the effect of a quality investment intermediary between these properties and the financial interests. The upfront investment in quality improvement found that become a facilitator of PBC properties to gain financial gain. The findings also reveal the importance of collaborative communication and information sharing for knowledge generation. which leads to financial benefits through quality investments. This study showed that PBC governance reinforces the theory of relational perspectives by increasing interoperability and setting goals and motivations within downstream suppliers for knowledge generation and quality improvement

RESULTS

Causal relationship between study variables

From research and literature review, the researcher has studied the variable components and their relationship according to the research conceptual framework. The influential variables of various variables can be summarized according to the research conceptual framework as follows:

The causal relationship between the correlation quality variables directly influenced the Logistics Companies Performance (Non-Finance)

H1 : Relationship quality has a direct influence on the Logistics Companies Performance (Non-Finance)

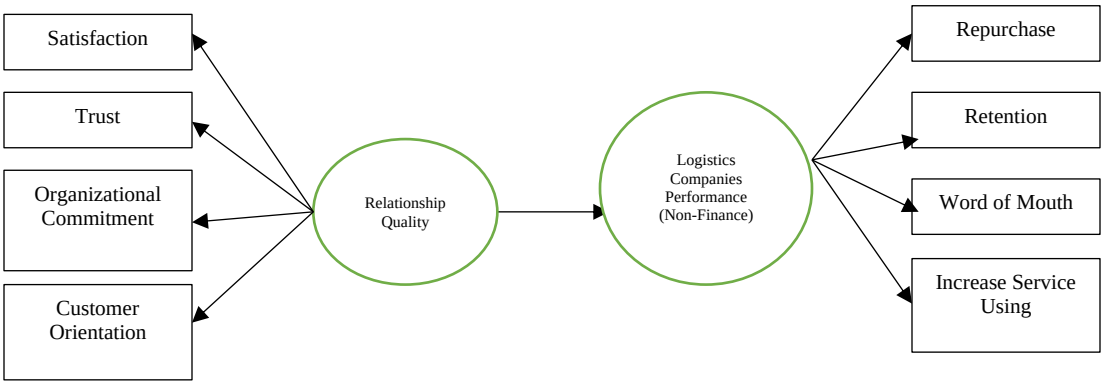

Figure 1 Relationship quality variables directly influence the Logistics Companies Performance (Non-Finance)

The causal relationship between the service quality variables directly influenced the Logistics Companies Performance (Non-Finance)

H2 : Service quality has a direct influence on the Logistics Companies Performance (Non-Finance)

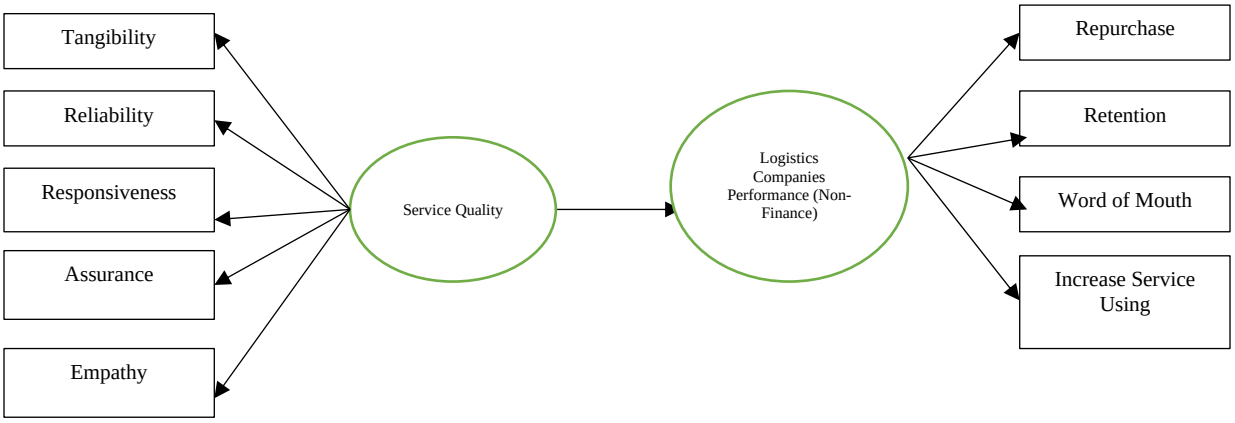

Figure 2 Service quality variables directly influence the Logistics Companies Performance (Non-Finance)

The causal relationship between logistics operation quality variables directly influences the Logistics Companies Performance (Non-Finance)

H3 : The logistics operations quality directly influences the Logistics Companies Performance (Non-Finance)

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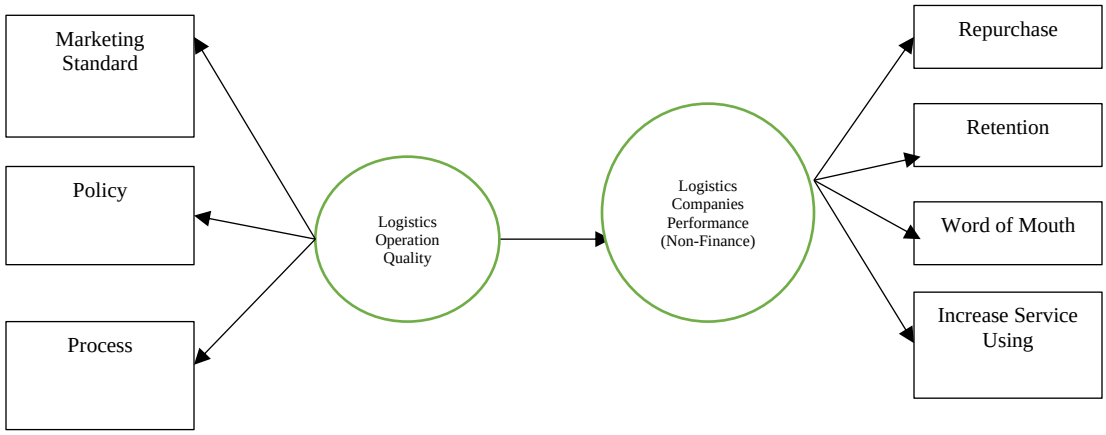

Figure 3: Logistics operation quality variables directly influence the Logistics Companies Performance (Non-Finance)

The causal relationship between service innovation variables directly influences the Logistics Companies Performance (Non-Finance)

H4 : Service innovation has a direct influence on the Logistics Companies Performance (Non-Finance)

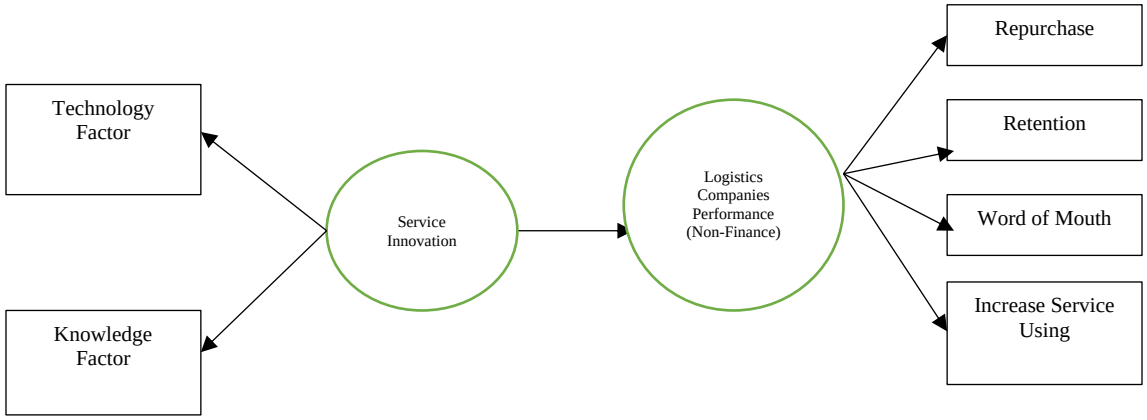

Figure 2.4 Service innovation variables directly influence the efficiency of logistics companies (not financial)

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