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Analysis of the Impact of the Human Resource Service Quality of ARAMAX on the Customer Satisfaction and Loyalty in GCC

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ABSTRACT

The purpose of this research is to study the human resource service quality of Aramex, and to show how the service quality and responsiveness affects customer satisfaction, loyalty, and success in the delivery industry and to see if Aramex meets the expectations of their customers.

The delivery industry has changed dramatically over the years. The success of the businesses depends on quality, reliability, service, and price. Companies compete by offering different services that effect customer satisfaction. The technology development also played an important role in international parcel delivery, and improvements to services in the industry. With the development of online shopping, courier industry is in great demand. Individuals and companies sell online and market themselves worldwide.

Aramex became a global brand that is known for its advanced products and services. Aramex accessible location between the East and West allows it to reach anywhere it the world delivering customized logistics regionally and globally. Aramex take innovation in technology into consideration as one of the critical elements. The covid 19 pandemic has immensely increased the business of Aramex in 2020-21

ARAMEX BACKGROUND

Service industry has become a main stream industry during the covid 19 pandemic Major players are FedEx, UPS, DHL, Aramex, and Yamato. The success of the companies depends in quality, reliability, service, and price. Companies compete by offering many different services that impact customer satisfaction. The industry includes large network couriers that are international and small local deliveries in the area. Aramex is an international courier company having business operations in the UAE as well. Jordanian Fadi Ghandour and Bill Kingson founded Aramex in 1982. Aramex became a global brand known for its advanced products and services. Aramex is the first express delivery and logistics services in the middle east. Aramex has partnered with logistics companies having local networks, knowledge and transportation solutions for efficient and effective delivery, which benefited both the business and customers.

Problem Statement – This research study aims to understand how the delivery human resource service quality has an impact on customer satisfaction

- How the human resource service quality and responsiveness of Aramex affects customer satisfaction and Aramex success in the delivery industry? Does it meet the expectations of their customers?

Objectives- The objectives of this research study are to explore the impact of the human resource service quality on the customer satisfaction and loyalty, use the SERVQUAL model to measure the quality of their services, and give feasible recommendations to Aramex to meet customer expectations and satisfy them. This paper outlines five dimensions of SERVQUAL model to measure the service quality of Aramex. The research answers the question-

- How the human resource service quality and responsiveness of Aramex affects customer satisfaction and Aramex success in the delivery industry?
- Does it meet the expectations of their customer?

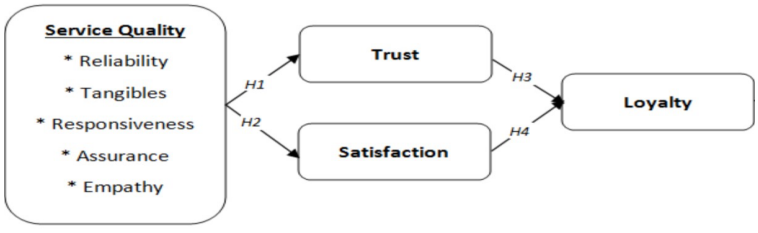
The objectives of this research are:

- To explore the relationships between the service quality, customer satisfaction and loyalty.
- To discuss the relation of customers' expectations about service quality and perceived logistics service quality.
- To give recommendations to Aramex to meet customer expectations and satisfy them.
- To use the SERVQUAL model to measure the quality of their services.

Key words- Human resource, services, customer loyalty, human resources, quality, satisfaction

LITERATURE REVIEW

1) Source Title: Investigating the impacts of brand experience and service quality. (7 August 2016, by Market Research: Azize Şahin, Hakan KitapçI, Erkut Altindağ, Mehmet S. Gök. Peer Reviewed.)
This article explains the service quality which will make me understand it better and be able to complete my research.
2) Source Title: The effectiveness of relationship management and service quality on service delivery (2017, by International Journal of Sales, Retailing and Marketing, Reuben Kinyuru Njuguna & Susan Mirugi. Peer Reviewed). The article discusses the service quality and its effects in service delivery.
3) Source Title: Effects of service quality on customer satisfaction, trust, customer loyalty and word of mouth: An application on cargo companies in Gumushanei. (Winter-2017, Global Journal of Economics and Business Studies, Emel yildiz. Peer Reviewed. The article highlights the relationship between service quality, satisfaction and loyalty, and understand it better. Delivery and cargo companies are examined, reliability, validity, and hypothesis are tested. Thus, it turned out that service quality has an optimistic influence on customer satisfaction and trust, which in turn have a positive effect on loyalty.



4) Source Title: SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of

Service Quality (Spring 1988, from the Marketing Science Institute, Cambridge, MA. A. PARASURAMAN, VALARIE A. ZEITHAML, LEONARD L. BERRY. Peer Reviewed) .The reason for choosing this method was to understand the Servqual model more and apply it to Aramex to measure their services' quality. It is related to my objective (the last one) that is to apply the Servqual model for measuring the quality of Aramex's services.

DATA COLLECTION METHODOLOGY (QUANTITATIVE AND QUALITATIVE DATA COLLECTION TOOLS)

The research uses primary and secondary data collection. The data will be collected through conducting interviews and first-hand information as well as using books, journals, online library, websites of company, articles, internet, and also surveys and online surveys.

This research study uses both quantitative and qualitative data to analyze information and data from primary research method which is an online survey that has been distributed to random individuals who are customers of Aramex to get different opinions. The researcher aimed to get 30 responses but received about 70 responses from the customers that are from different places and different age groups. The survey aim was to identify the customers' perceptions of Aramex service quality and to measure their satisfaction and loyalty with Aramex services. Another method to collect data was the SERVQUAL model, the researcher applied the five dimensions of the model to Aramex to measure their service quality and it was one of the research objectives. For the interview, it included detailed questions about the research study topic and the researcher interview five customers. Some of the findings show that Aramex service quality is average which doesn't fully satisfy their customers and that it is only sometimes that it meets their expectations. Many of Aramex services like customer service, delivery time, package conditions, and responsiveness got rated as average mostly from Aramex customers. Customer's overall satisfaction with the shipping service is average. Which shows that Aramex is not exceeding customers' expectations and retaining customers. So, customers demand better delivery time, fast responsiveness, and dealing/fixing their problems.

Methodology is an efficient mean on how the research is executed and a guide in providing solutions in the research work. Methodology helps gather data, samples, and solutions to the research problem so it is very important. It delivers important experimental studies, approaches, theoretical procedures, and numerical schemes. In this study, SERVQUAL model, and interview data collection methods were used. Online distribution survey and SERVQUAL model to Aramex customers chosen randomly and who are willing to answers questions about service quality of Aramex. The interview was structured face to face interview, done with random selected customers in UAE. The collected data is presented in graphs and analyzed to provide well-defined understanding of results.

The primary methods to collect data which are interviews, surveys, focus group and observation. The primary research was done by using google survey by spreading the link that involved questionnaires to random sample online using qualitative and quantitative questions about Aramex service quality.

Quantitative research was used and data collected online in google survey. It aimed for a sample size of 70 and got 75 responses from Aramex customers mostly in the age of 21 to 30 both males and females in UAE answered online and results were analyzed. The survey questions consisted

of demographic questions about age and living place to evaluate Aramex customer service and responsiveness based on which city in the UAE. The researcher used closed ended and open-ended questions. The researcher used random sampling method in this research to give participant of the population equal chance to be chosen. The survey was sent to the customers through social media

FINDINGS & DISCUSSION

Findings

This section presents the research findings and place the answers to the research question and objectives, which is to identify the service quality and responsiveness of Aramex and how it affects customer satisfaction and Aramex success. The researcher only attained minimal interview, survey, and SERVQUAL model data, which can affect the studied results and output.

1.Respondents were asked "how would you rate Aramex service quality?". results indicate that 31 (40.3%) people rated Aramex service quality with 3 out of 5 which indicates that Aramex service quality is not excellent neither poor. The figure below shows complete answers and responses to the question.

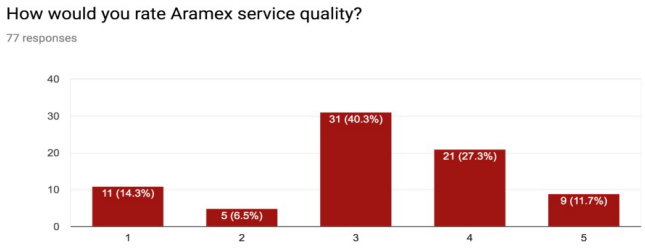


Figure 1 Aramex service quality

2.The respondents were asked about their expectations and whether Aramex services meet their expectations. A percentage of 41.3% said sometimes their expectations are met, and 30.7% answered no and only 28% said yes. The purpose of this question was to indicate how much does Aramex meet their customers' expectations with their service quality. See figure below.

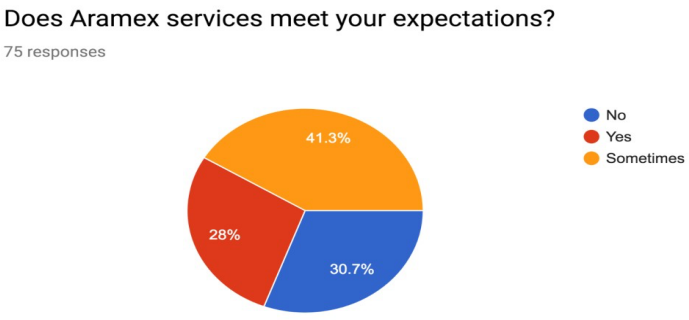


Figure 2 Customers' expectation

3. Are you satisfied with the Aramax services and loyal customer?

In the satisfaction part, most of the respondent answered "agree" and in the loyalty part mostly said "neither". The purpose of this question was to discover the relationship between

satisfaction and loyalty. Satisfied customers doesn't mean they are loyal and loyalty doesn't mean satisfaction so the findings results showed that Aramex customers are not satisfied but still use their services. The rest of the answers are shown below.

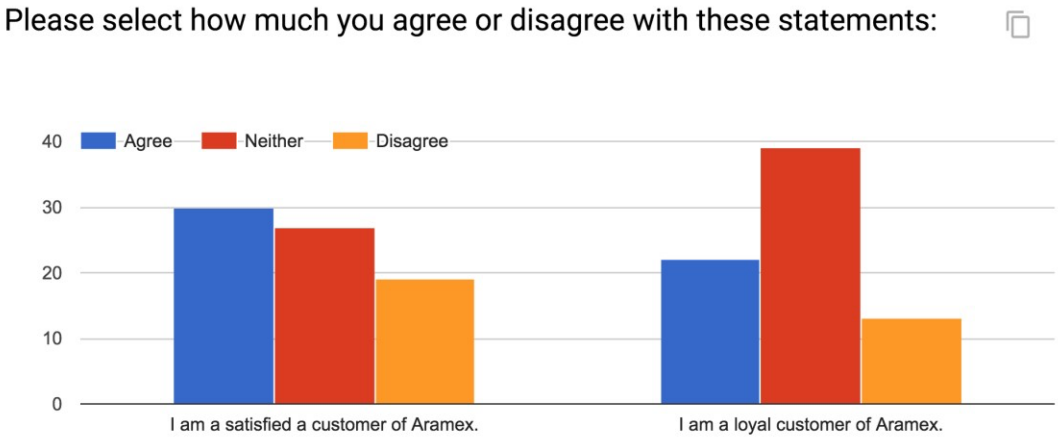


Figure 3 Customer satisfaction & loyalty

4.The following question focused on rating Aramex services which are customer service, delivery time, package condition, and responsiveness. It has a rating scale from very poor, poor, average, good, and excellent. Mostly, the services are rated as good and average. The figure below shows complete details of the responses.



Figure 4 Aramex service quality

It shows that Aramex responsiveness got negative rating, Aramex doesn't respond or resolve customers' issues to their complete satisfaction.

5.The following question asked the respondent to rate Aramex responsiveness from 1 slow to 5 fast. Mostly which is 38 or 50.7 rated Aramex responsiveness with "3 out of 5". Answers are illustrated in the figures below for better understanding and complete responses.

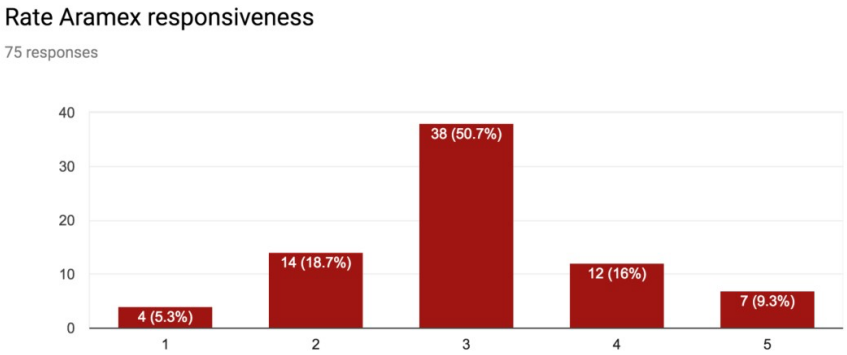


Figure 5 Aramex responsiveness

6. The researcher asked the respondents to rate their overall level of satisfaction with Aramex service from 1 (dissatisfied) to 5 (satisfied). 74 gave their responses and out of them mostly 31 (41.9%) rated their satisfaction with "3". Figure below shows others rating of their satisfaction.

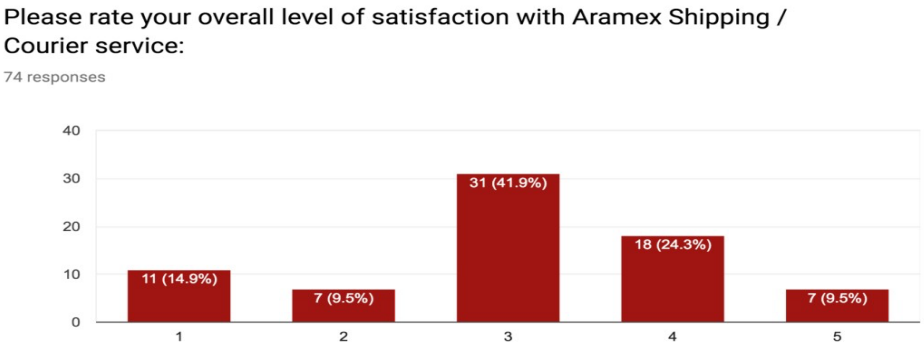


Figure 6 customer satisfaction

The findings from the interview results showed that most of Aramex customers have been customers for about 4 to 5 years. And these customers gave Aramex service a good rating but also mentioned some issues that they faced like delay in delivery especially in remote places, and they get their delivery in a meeting point instead of their houses directly, and issue they discussed was the high fees. They rated it 5 out of 10. It was found out that the others who live in the city find Aramex service very easy, good process and useful and rated their quality 9 out of 10. The results also showed that not every satisfied customer is a loyal customer and vice versa. The majority of Aramex customers showed that they would switch if a substitute was found. And Aramex listen to their customers and try to sort out the issues like delay in delivery but never meeting the promised date and never resolving their issues. In which Aramex, doesn't meet the expectations of its customers by not meeting the agreed date and time.

Findings from the data collected from SERVQUAL model using five dimensions in relation to Aramex service quality revealed the following; Tangible in which delivery price is reasonable got mostly an agree from the customers. Reliability means Aramex delivery service is quick and accurate, mostly disagreed on this dimension. Responsiveness which means Aramex respond fast to customers' issues got many disagree responses as well.

7.Assurance which is about staff's service attitude is friendly, polite and positive" 19 which most of the customers agreed on this statement about Aramex staff. And the last dimension is Empathy in which it means that Aramex deal with complaints with fast speed, high efficiency, it got mostly disagree and strongly disagree which shows that Aramex lacks in reliability, responsiveness, and empathy. Answers are illustrated in the figures below for better understanding and complete responses.

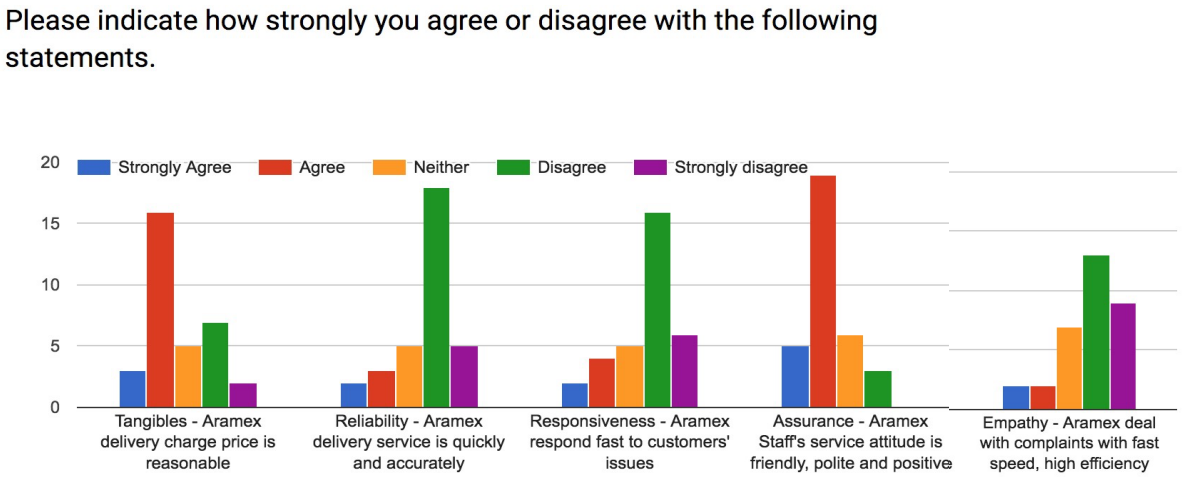


Figure 7 SERVQUAL statements

In the literature review, studies shows that satisfactions affect loyalty in which it enhances it, but as I got from the results that being satisfied is not necessary to be loyal and vice versa, and that service quality and responsiveness plays a major role in customer satisfaction.

DISCUSSION

In this research study, the SWOT analysis of Aramex determines how Aramex retain and attract new customers with their services. The strengths are that they have a huge market and continuous expansions. The weaknesses of Aramex are responsiveness issues and shipments delays and customers' dissatisfaction. The opportunity of their services is expanding more on an International Level and enhancing their services quality. The threats are huge competitions and the rise of costs. The finding from the results of the data have been used to attain the objectives of this research study and answer the following research problems.

Objective 1: Human resource Service quality & explore the relationships between the logistics service quality, customer satisfaction and loyalty.

This topic was chosen because service quality is an important part in customer satisfaction and plays a strategic role in a firm's total success. According to the data the researcher collected, Aramex service quality got rated as average, where Aramex customers make online orders expecting delivery at convenient times and the delivery service response is expected to be fast as well, so Aramex must have a quick-response system to support the order deliveries.

Objective 2: Customer satisfaction & loyalty

The research indicated that if customer satisfaction increases, it increases the chance of customer loyalty, but it is not necessary that a satisfied customer is always loyal, and there could be loyal customers that are not satisfied. As indicated by the data collected, it shows that this theory applies to Aramex customers where some of the customers described their selves as loyal but not satisfied customers.

Objective 3: Discuss the relation of customers' expectations about logistics service quality and perceived logistics service quality.

For a company to succeed, they must find the elements that their customers consider as essential. The data indicates that when products and services quality factors are considered, customer expectations can be met and they perceive it as a high quality in which satisfy them and retain them.

Objective 4: use the SERVQUAL model to measure the quality of Aramex services.

The research applied the SERVQUAL model to Aramex to be able to measure Aramex's service quality using five dimensions that are developed by Parasuraman. The five dimensions are -

- Tangible: Aramex delivery charge price is reasonable.
- Reliability: Aramex delivery service is quickly and accurately.
- Responsiveness: Aramex respond fast to customers' issues.
- Assurance: Aramex Staff's service attitude is friendly, polite and positive.
- Empathy: Aramex deal with complaints with fast speed, high efficiency.

The data collected got different opinions from the customers about these five dimensions.

Strength Analysis

The strength of this research was getting good number of responses from Aramex customers which helped to understand their point of views of Aramex service quality. Another strength is that all methods included in the research to collect data were inexpensive and very easy to use. The research topic concerns a social matter that is important for the customers which is the quality of the service.

Weakness analysis

These main weaknesses of the research are -

- Time Constraints, which was the biggest limitation of this project, as the time too much time was spent on the search for data, conduct surveys and interviews and wait for the customers to answer which demanded a lot of time.
- Difficulty in getting access to Aramex staff for interview and the organization information and documents.
- Literature review was difficult as limited research studies were conducted in the past on the delivery industry.

Recommendations

In order for a better future and Aramex success, the following recommendations can be useful-

1- Initiate a dedicated quality department that only focuses on the quality of the services provided by Aramex. Improving the quality and ensuring customer satisfaction. Since quality is the main element in every business and it an important part of succession.

2- Improve their delivery time and fix the issue of constant delays and deliver orders on the agreed date and time. as well as maybe open more offices in remote cities and places. Many customers who live in remote place face this problem of constant delays that is for about more than 2 weeks.

3- To improve customer service, and responsiveness to customers' issues to improve customer satisfaction and loyalty, Aramex should maintain strong relationships with their customers and offering more benefits. Responding fast to customers' issues helps gain customers trust, thus loyalty.

4- It is very important to measure the quality of the firm's services; the research recommend Aramex to apply the SERVQUAL model in their daily operations to measure their services and adjust to customers' satisfactions.

CONCLUSION

As a summary of this report, it can be concluded that service quality is an evaluation of how the service of the company match to customers' expectation. The service quality of the delivery is an important element in customer satisfaction and plays a strategic role of in a firm's overall success. Customers make online orders expecting delivery at convenient times. Service quality influence customer satisfaction and by increasing customer satisfaction enhancing customer loyalty. The delivery service response is expected to be fast, so Aramex must have a quick response system to support the order deliveries.

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