

# Service Quality for Ocean Freight Transportation Maersk Line (Thailand) Ltd.

Suthum Phongsamran, Dolrutai Uttamang

Post Graduate School of Business Administration, Kasembundit University, Bangkok

**Abstract**— The main objective of this study was to study factors that affect service quality of ocean freight transportation of Maersk Line (Thailand) Ltd. The process of this study was gathering information from 100 customers by distributing questionnaire and information from other sources and used to analyze factors that affect service quality of ocean freight transportation as well as level of customer's satisfaction to improve service quality of the company. This study found that the majority of customers are Male, Age 30 – 39, with Position of Employee who most likely uses the Routing of Intra-Asia for 6 – 8 years. For Service Quality Factors, only factor of Reliability was in the most satisfaction level while Tangibility, Responsiveness, Empathy, and Assurance were in satisfaction level. From Hypothesis Testing, the study found out that different Sex, Age, Position, Routing, and Using Period have no effect on Customer's satisfaction. It also found out that Service Quality of Tangibility, Reliability, and Empathy are related with Customer's satisfaction at Static Significance Level of 0.05. Therefore, in order to improve service quality of the company, Maersk Line (Thailand) Ltd. should set up reasonable penalty, preparing 24 hour staffs, set up orientation and training for new staffs, and welcome customer's comment to improve the service quality and performance of the company.

**Keywords**— Quality transportation satisfaction.

## I. BACKGROUND AND SIGNIFICANCE OF THE STUDY

Nowadays, in this business globalization, it can be seen that the demands of consumers have been changed. In the past, consumers might have paid attention only to the price, that is, they were interested in buying affordable goods if the quality was acceptable and reasonable with the prices. However, today is the world of globalization which the demands of worldwide consumers have been changed into the similar trends. The demands of consumers are very similar which 1 product can be sold in any continents. As a result, it is a global free trade. In the meantime, if we look at the producers' perspectives, we can see that raw materials or pieces do not have to be produced in domestically but they can take advantages of international free trade in order to import and export goods from foreign countries because producers can receive better or cheaper goods that lead to the increasing of importing goods and materials from foreign countries.

However, if we discuss about types of transportation for imports, we can see that there are several kinds of transportation methods with different pros and cons. One of them is the Sea Freight. Sea Freight Service is provided by Liners for container shipping to different countries. The strength of Sea Freight is that it is suitable for massive and heavy goods, goods can be shipped in a large amount of order,

and the cost is cheaper than shipping by air or what we called as Air Freight. However, it is more time consuming.

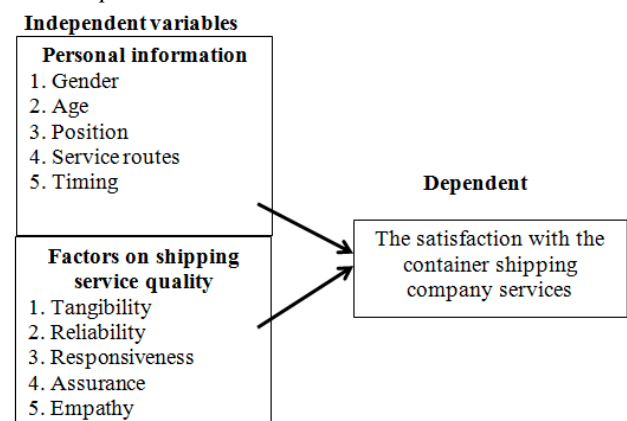
Nowadays, there are several International Liners that provide container services in Thailand. Maersk Line (Thailand) Ltd. is one of the famous companies in Thailand which Maersk Line (Thailand) Ltd. is under Maersk Group businesses who is a leading business of shipping and energy including APM Terminals, Maersk Oil, and Maersk Drilling. Maersk Group has 121,000 employees worldwide while 25,000 employees belong to Maersk Line in 325 branches across the globe. Maersk Line is the world's number one container shipping company or Liners and also number one in Thailand. One of the key successes of the company is knowledgeable employees who are more than ready to support and provide service to customers. The standard system which is applicable is used in every Maersk Line offices across the world. The route is reliable. Tracking via the website is also available. However, there is a high competition in this business which we can say that customer impression and loyalty is the key to our success journey.

Having said that, the researcher is interested in studying the Service Quality of Maersk Line (Thailand) Ltd. in order to improve and develop the business accordingly.

### Objective

To study factors influencing the service quality provided by Maersk Line (Thailand) Ltd., the containers shipping company.

### The Conceptual Framework



II. POPULATION AND SAMPLE

The population of this study is 132 Maersk Line (Thailand) Ltd. customers, measured based on the average number per day.

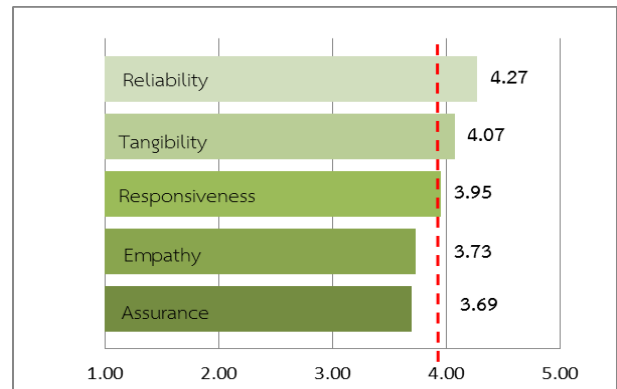
The samples from the collective study from Maersk Line (Thailand) Ltd. customers were picked for 100 people that were calculated by using Taro Yamane formula (Yamane, Taro, 1967:56) with the confidence level of 95%.

The collection began in January – April 2016 at Maersk Line (Thailand) Ltd. office.

III. PROCESSING AND STATISTICS USED IN DATA ANALYSIS

The researcher processed the information by questioning with a computer application. It was a quantitative analysis that involved descriptive statistics; namely, percentage, mean, and standard deviation to explain personal information of the responders about their satisfactory and involved inferential statistics in checking the hypotheses with independent-test, one-way ANOVA, and linear regression analysis.

IV. THE RESULTS



The study found that the factors that have an impact on container shipping services in these 5 factors, there is 1 factor that was ranked as highly satisfied which is the reliability ( $\bar{X}$ = 4.27). The other 4 factors were ranked as very satisfied, there are tangibility ( $\bar{X}$ = 4.07), responsiveness ( $\bar{x}$  = 3.73) and assurance ( $\bar{X}$  = 3.69). The overall response to the satisfactory factors of container shipping services in these 5 factors was ranked as very satisfied ( $x$  = 3.94).

V. THE HYPOTHESIS TESTING RESULTS

Hypothesis 1:

Personal information	The satisfactory of container shipping services	Sum of Squares	Df	Mean Square	F	Sig.	Results
Gender	Between groups	0.243	1	0.243	1.105	0.296	Indifference
	Within group	21.517	98	0.22			
	Total	21.76	99				
Age	Between groups	0.247	3	0.082	0.367	0.777	Indifference
	Within group	21.513	96	0.224			
	Total	21.76	99				
Position	Between groups	0.001	1	0.001	0.002	0.96	Indifference
	Within group	21.759	98	0.222			
	Total	21.76	99				
Routes	Between groups	1.207	2	0.603	2.848	0.063	Indifference
	Within group	20.553	97	0.212			
	Total	21.76	99				
Timing	Between groups	0.424	2	0.212	0.964	0.385	Indifference
	Within group	21.336	97	0.22			
	Total	21.76	99				

The study of satisfactory of container shipping service impacts from different personal information found that personal information factors; namely, gender, age, position, routes, and timing has no significant differences to the satisfaction with container shipping services.

Hypothesis 2:

Model	Coefficients <sup>a</sup>				T	Sig.	Results
	Unstandardized Coefficients		Std. Coefficients	Beta			
	B	Std. Error					
1	(Constant)	5.427	1.249		4.344	.000	

Tangibility							
Containers are in the standard condition	-.080	.064	-.128	1.242	.218		Unrelated
The use of technology in business	-.165	.071	-.251	2.330	.023		Related
Knowledgeable staff	-.139	.068	-.280	2.050	.044		Related
Staff accepting customers' opinions	.035	.100	.049	.349	.728		Unrelated
Shipping can be tracked	-.055	.076	-.079	.718	.475		Unrelated
Reliability							
Containers arrive at destinations on time	-.104	.071	-.151	1.466	.147		Unrelated

No.1 well-known container shipping company / Liner	.331	.104	.354	3.187	.002	Related
Substitute ships in case of emergency	-.012	.070	.020	-.175	.861	Unrelated
Company experience are credible	-.132	.078	-.181	1.699	.093	Unrelated
Ensuring that the goods will not be damaged during shipping	-.013	.078	-.017	-.165	.869	Unrelated
<b>Responsiveness</b>						
Immediate response to customers	-.013	.065	-.021	-.198	.843	Unrelated
Staff are active to service	.075	.073	.101	1.030	.307	Unrelated
There is staff available 24 hours	.028	.066	.045	.416	.678	Unrelated
Immediate checking and maintenance staff	.015	.080	.020	.185	.854	Unrelated
Documents are sent to registered emails	-.022	.069	-.034	-.317	.752	Unrelated
<b>Assurance</b>						
The rate is appropriate with the services	.022	.071	.039	.316	.753	Unrelated
The fine rate of delayed containers is appropriate	.111	.063	.184	1.772	.081	Unrelated
The rate of fixing containers is accordance to the damages	.022	.079	.029	.282	.778	Unrelated
Staff are knowledgeable and helpful to give advice	.055	.072	.082	.762	.449	Unrelated
Containers are ready to be used	-.115	.070	-.182	1.635	.106	Unrelated
<b>Empathy</b>						
Staff are willing to solve problems.	-.113	.113	-.168	1.000	.321	Unrelated
Staff are willing to listen to customers' complaints about improvement	.153	.116	.227	1.316	.192	Unrelated
Receive useful answer and solutions from staff	-.179	.072	-.269	2.482	.015	Related
Develop customers' suggestions to practice	.070	.066	.112	1.057	.294	Unrelated
The communication between customers and staff is satisfying	-.018	.082	-.025	-.223	.824	Unrelated

The study founded the relations between factors of container shipping quality services and satisfactory of container shipping services found the relations between

factors. That is the use of technology in the business and knowledgeable staff. For reliability factor, it is the relation of the company being famous. For empathy factor, customers are receiving useful answer and solutions from staff which leads to a relation to the satisfaction with container shipping service with statistical significance level of 0.05.

## VI. CONCLUSION

The study of container shipping services by Maersk Line (Thailand) Ltd. has the objective of studying the factors that have influenced the service quality of container shipping so that the result from this study can be used to improve and develop container shipping services by Maersk Line (Thailand) Ltd. It is a quantitative research studying 100 customers by using questionnaires as a tool to study. The statistics used in this study were a percentage, mean, standard deviation. The hypothesis test was practiced by independent-test, one-way ANOVA and linear regression analysis. The study found that 100 responders, most of them were males aged 30-39 years old, office workers, service route is Intra-Asia, and the service duration is 6-8 years.

The overall factors that have an impact on the quality of containing shipping services of Maersk Line (Thailand) Ltd are excellent. There is 1 factor with a highly satisfied rank which is the reliability, and there are other 4 factors with a very satisfied rank. There are tangibility, responsiveness, empathy, and assurance.

Tangibility factor has an overall of good satisfactory. There are 2 areas that are ranked as very good; the use of technology in business, and the container standard conditions. There are 3 areas that are ranked as good; the ability of tracking, staffs are willing to listen to customers' complaints, and staff are knowledgeable.

Reliability factor has an overall of very good satisfactory. There are 2 areas that are ranked as very good; being a famous container shipping company, and being an experienced shipping company. There are 3 areas that are ranked as good; containers arrive on time, confident that the goods will not be damaged during shipping, and there are substitute ships in case of emergency.

Responsiveness factor has an overall of good. There is 1 area that is ranked as very good; staffs are willing to support. There are 2 areas that are ranked as good; there is staff available 24 hours (C/S and OPS), documents are sent to registered emails automatically, and immediate response to customers. There is 1 area that is ranked as fairly good; staffs are sent to check to fix containers immediately.

Assurance factor has an overall of good. There are 3 areas that are ranked as good; staff is knowledgeable to give advice, containers are in good conditions, the rate is reasonable. There are 2 areas that are ranked as fairly good; the fine rate when the containers are damaged is reasonable, and the fine rate of delayed shipping is reasonable.

Empathy factor has an overall of good. There are 4 areas that are ranked as good; staff are willing to solve problems, customers receive useful answer and solutions, staff are willing to listen to customers' complaints and find a solution for customers, and the communication between staff and

customers is satisfying. There is 1 area that is ranked as fairly good; the company takes customers' suggestions to improvements.

#### VII. SUGGESTIONS FROM THE STUDY

From the result of the study of containing shipping services by Maersk Line (Thailand) Ltd, the researcher has several suggestions as per below.

1. The executive should give an importance to reasonable fines such as detention charge, container repairing cost. The executive should be able to clearly clarify expenses, also notice any regulation to their customer early that these fines will be charged in some cases, and immediately inform customers when fines occur, in this case the customers will be given whole details, as a result denying to pay fines should be lower.
2. The executive should sufficiently provide Hotline Staffs for 24/7. Nowadays, there are insufficient Hotline Staffs available, especially for staff who has the responsibility to fix the container at customer's factory or firm. If, the repairing staff is not available at the moment, the customer's merchandise will be getting delayed for Stuffing Process, as a result of missed shipping or delayed shipping.
3. The executive should provide a training program for staffs who are either inexperienced or new employee for getting the communication skills, knowledge, system and working processes, in order to reach the customer's requirements and listen to a suggestion of customers that could be used to improve the working system afterward.
4. The executive should give an importance to the electronic systems and websites, at which the customers are able to check the status of containers, arriving and departing times of ships, and download documents. The websites should be getting updated all the times for avoiding the misunderstanding and working delay.
5. The executive should consider on suggestions of customers for analyzing the current working system, and to elevate the capabilities of organization.

#### VIII. SUGGESTIONS FOR FUTURE STUDIES

1. Factors influencing the effectiveness of other service types: cross-border transport by container truck etc. should be studied.
2. Factors affecting the quality of service should be studied as Qualitative Analysis.

#### REFERENCES

- [1] T. Jantaraget, "Satisfaction of customers towards the qualities of bus services of the transport company Ltd. at Saraburi bus terminal," Thesis assertion of Master of Business Administration (General Management), Business Administration, Rajamangala University of technology, 2011.
- [2] T. Pengdiew, "Satisfaction of customers towards express airmail," Thesis assertion of Master of Business Administration (General Management), Business Administration, Chandrakasem Rajabhat University, 2007.
- [3] P. Chaipanya, "Satisfaction of agriculturist towards the farming business under the program of structural development and production process of agriculturist at Chiang Rai," Thesis assertion of Master of Science, Faculty of Agriculture, Chiang Mai University, 1998.
- [4] Sukhothai Thammathirat University, "Tourism resources management," 2002.  
[Online]. Retrieved from: <https://www.gotoknow.org/posts/492001>. (Retrieval Date: 20 March 2016).
- [5] Y. Malaitaisong, "The developing direction of services of the quality fresh international Ltd.," Thesis assertion of Master of Business Administration (Logistics and Supply Chain Management), Master Degree of Business Administration, Kasembundit University, 2013.
- [6] R. Kulvanitchainun, "Knowledge, perspectives, acting of insured person for getting coverage in case of accident or aliment in agreement of the social security act B.E. 2533," Thesis assertion of Master of Arts (Community Development), School of Social and Environmental Development, NIDA, The Royal Society (B.E.2546), Royal Institute Dictionary B.E. 2542. Bangkok: Nanmeebooks Publications Co. Ltd., 1992.
- [7] V. Jitpukderat et al. (B.E. 2557, January-March), "The service quality of logistic facilitator in Indonesia," *KMUTT Research and Development Journal*, vol. 37, issue 1.
- [8] S. Sachukorn, *Excellent Reception and Service*, Bangkok: Winyuchon Publication House Co., Ltd., 1999.
- [9] P. T. Kotler, *Marketing Management: Analysis, Planning, Implementation and Control*, 8<sup>th</sup> ed. Englewood Cliffs: Prentice-Hall, Inc., 1994.
- [10] A. Parasuraman, V. A. Zeithaml, and L. L. Berry, "A conceptual model of service quality and its implications for future research," *Journal of Marketing*, vol. 49, pp. 41-50, 1985.
- [11] V. A. Zeithaml, *Delivering Quality Service, Balancing Customer Perceptions and Expectations*, New York: The Free Press, 1988.