

THE DETERMINANTS AND IMPACTS OF CONTAINER
LOGISTICS SERVICE QUALITY (CLSQ) ON
CUSTOMER SERVICE RETENTION: AN
EMPIRICAL STUDY ON CONTAINER
HAULAGE INDUSTRY
IN MALAYSIA

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DOCTOR OF PHILOSOPHY
UNIVERSITY MALAYSIA TERENGGANU

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Thesis submitted in fulfilment of the Requirements for the degree

Doctor of Philosophy in the School of Maritime

Business and Management

University Malaysia Terengganu

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DEDICATION

To my appreciated parents

“Haji Shariff Bernarld” and “Hajjah Sarah Haji Ahmad”

To my beloved husband *“Dato’ A. Rashid”* and beloved son *“Daniel”* in recognition of their endless prayers, support, patience, painful years being apart, understanding, sacrificed and most of all the love in completing my DOCTORAL studies

Abstract of Thesis Presented To the Senate of University Malaysia Terengganu in
Fulfilment of the Requirement for the Degree of Doctor of Philosophy

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SERVICE QUALITY (CLSQ) ON CUSTOMER SERVICE RETENTION: AN
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The rapid evolution in maritime globalisation derives a new “state of the art” in handling maritime cargo deliveries. It poses significant challenges to the container haulage industry in catering the requests of the manufacturers (customers). Apparently, manufacturers have intention to switch over if the rendered services from the container hauliers are not up to their expectations. In the present research, these issues were highlighted to visualise the field reality of the services rendered by the container hauliers in West Malaysia. A purposive sampling and survey questionnaires were employed for data collection from manufacturers who are utilising the container haulage services in three hinterland regions of the major west coast ports in Malaysia. The useable cross-sectional data were received from the northern (180), southern (208) and central (156) regions, respectively and further appropriate statistical analysis was conducted. Principle component analysis was

applied to drive the exogenous latent variables of container logistics service quality (CLSQ) determinants. Besides, the paired *t*-test was performed to compare any significant gaps exist between perception and expectation scores with respect to CLSQ determinants, management professionalism (MP) and customer satisfaction (CS) in relation to customer retention (CR) constructs. A Partial Least Squares-Structural Equation Modeling (PLS-SEM) was applied to validate the research model and test the proposed research hypotheses. In general, this study revealed that the CLSQ determinants have positively influenced on CR and were statistically significant in all regions. It indicates that theoretically the local container haulage industry can benefit and manage to retain their customers by practicing good CLSQ determinants. Empirically, the results lead to several significant findings where CS and MP have a positive significant mediating effect on the relationships between CLSQ determinants and CR. Findings has demonstrated a wide variation in the mediating effects across the three regions. These include different treatments provide by the container hauliers between Multinational Corporations (MNCs) and Small and Medium-sized Enterprises (SMEs) manufacturers. Among others, emerging trends were also observed where freight forwarders lead the role as mediators (agents), especially for MNCs manufacturers. It has created to an unethical business practice. Predominantly, respondents expressed their utmost concern over the safety and security of their cargoes, reflecting the importance of MP services rendered by the haulage providers. This study is a pioneering research in the maritime industry on the significant practices of MP on customer service retention within logistics service sector. The findings may contribute to imperative direction for the Malaysian local container haulage industry in facing the full liberalisation of a 'single ASEAN market' in term of trade and services in the year 2015.

Abstrak Tesis Yang Dikemukakan Kepada Senat Universiti Malaysia Terengganu
Sebagai Memenuhi Keperluan Untuk Ijazah Kedoktoran

**PENENTU DAN IMPAK TERHADAP KUALITI PERKHIDMATAN
KONTENA LOGISTIK (CLSQ) BAGI PENGEKALAN PERKHIDMATAN
PELANGGAN: SATU KAJIAN EMPIRIKAL MENGENAI INDUSTRI
PENGANGKUTAN KONTENA HAULAGE DI MALAYSIA**

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Kepesatan evolusi dalam globalisasi maritim telah merintis suatu pembaharuan terhadap 'tahap pencapaian terkini' dalam pengendalian penghantaran kargo maritim. Ianya menimbulkan cabaran-cabaran yang signifikan terhadap industri pengangkutan kontena *haulage* bagi memenuhi keperluan pengeluar (pelanggan). Terdapat kecenderungan pihak pengeluar untuk bertukar kepada syarikat pengangkutan kontena *haulage* yang lain sekiranya perkhidmatan yang disediakan tidak menepati piawaian yang mereka harapkan. Dalam kajian ini, terdapat beberapa isu yang diketengahkan untuk menggambarkan keadaan sebenar perkhidmatan yang disediakan oleh pengangkutan kontena *haulage* di Malaysia Barat. Responden dalam kajian ini terdiri daripada para pelanggan yang menggunakan perkhidmatan

pengangkutan kontena haulage yang merangkumi kawasan pedalaman pelabuhan-perlabuhan utama di pantai barat, Malaysia. Komposisi data rentas yang boleh digunakan mengikut wilayah adalah terdiri daripada wilayah utara (180), wilayah tengah (156) dan wilayah selatan (208) dan analisa statistik yang bersesuaian telah dilakukan. Analisis Komponen Prinsipal untuk pemilihan komponen utama pembolehubah *exogenous latent* digunakan bagi penentu kualiti perkhidmatan pengangkutan logistik kontena (CLSQ). Disamping itu, Ujian *t*-berpasangan pula dilakukan untuk mengesan jurang perbezaan antara persepsi dan jangkaan skor berkaitan dengan penentu CLSQ, pengurusan profesionalisme (MP) dan kepuasan pelanggan (CS) terhadap konstruk hubungan pengekalan pelanggan (CR). *Partial Least Squares-Structural Equation Modeling (PLS-SEM)* telah digunakan untuk mengesahkan model kajian dan menguji hipotesis penyelidikan yang dicadangkan. Secara umumnya, penentu CLSQ mempengaruhi secara positif terhadap pengekalan pelanggan dan memberi kesan signifikan secara statistik di kesemua wilayah kajian. Ini menunjukkan bahawa secara teori industri pengangkutan kontena tempatan boleh mendapat feadah dan berjaya mengekalkan pelanggan mereka dengan mengamalkan penentu CLSQ yang baik. Secara empirikal, keputusan kajian telah memperlihatkan beberapa dapatan penting. Didapati, CS dan MP mempunyai kesan pengantara positif yang signifikan terhadap hubungan antara penentu CLSQ dan CR serta mempamirkan penemuan yang berbeza-beza merentasi ketiga-tiga kawasan kajian. Ini termasuk layanan yang berbeza antara syarikat pengeluar multinasional (MNC) dengan perusahaan kecil dan sederhana (PKS) oleh syarikat perkhidmatan pengangkutan kontena. Antara lain, didapati kemunculan trend baru di mana penghantar fret berperanan sebagai *mediator* (ejen), terutamanya bagi syarikat pengeluar multinasional. Ianya telah mewujudkan suatu amalan perniagaan yang

tidak beretika. Terutamanya, responden telah melahirkan kebimbangan yang tinggi terhadap sekuriti dan keselamatan kargo mereka. Hal ini, mencerminkan kepentingan perkhidmatan MP dalam pengendalian perkhidmatan pengangkutan kontena. Kajian ini merupakan kajian perintis dalam industri maritim mengenai signifikan amalan MP terhadap pengekal perkhidmatan pelanggan dalam sektor perkhidmatan logistik. Hasil kajian ini boleh menyumbang kepada hala tuju penting bagi industri pengangkutan kontena tempatan Malaysia dalam menghadapi liberalisasi sepenuhnya dalam ' Pasaran Tunggal ASEAN ' dari segi perdagangan dan perkhidmatan pada tahun 2015.