

THE IMPACT OF OPERATIONAL AND SERVICE CONSOLIDATION ON SERVICE QUALITY AND CUSTOMER SATISFACTION IN CONTAINER SHIPPING

Vinh Thai

School of Business IT & Logistics, RMIT University, Australia

ABSTRACT

Purpose: The aim of this study is to examine how various aspects of operational and service consolidation in terms of Mergers and Acquisitions (M&A) and strategic alliance in container shipping lines affects their service quality and eventually customer satisfaction, upon which operational and management improvements are proposed accordingly.

Design/methodology/approach: This study employs the triangulation of methods, combining qualitative and quantitative methods as the research strategy. In the first phase, which is reported in this paper, based on the proposed conceptual model developed from the literature review, seven face-to-face in-depth interviews were conducted with five logistics service providers and two peak associations representing shippers as well as customs brokers and forwarders in Australia in which they were asked to elaborate on aspects of service quality of container shipping and how it is affected by shipping consolidation and its resulting impacts on customer satisfaction. In the second phase, a survey shall be conducted with different groups of participants who are customers of container shipping lines, including freight forwarders/logistics service providers and shippers in Australia.

Findings: Findings from the in-depth interviews reveal that the operational and service consolidation in container shipping may affect container shipping lines' service quality and customer satisfaction in several ways. Some aspects of their service quality relating to the service outcomes such as on-time delivery, cost, etc. may be enhanced while others regarding the service process experience may be negatively affected. These in turn create a mixed impact on customer satisfaction.

Research limitations/implications: As this is the 1st stage of a larger research, this study is constrained in its qualitative approach and small number of interviews. This however will be addressed in the subsequent survey. Findings from this research would help to shape more effective decisions relating to container shipping service quality and customer performance.

Originality/value: As there are not many studies carried out to examine the effects of shipping service consolidation on service quality and customer satisfaction, further exploration needs to be done so as to enhance knowledge in this industry. In this respect, this study is original as it is the first study conducted in Australia which is a shipper country and relies heavily on foreign shipping lines for their foreign trade.

Keywords: *container shipping, consolidation, strategic alliance, service quality, customer satisfaction.*