

Effect of Logistics Performance on the Store's Image and Consumers' Satisfaction

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Abstract:- Logistics performance is a crucial aspect of the success of any retail store, as it can significantly impact the store's image and customers' satisfaction. A well-managed logistics system can provide customers with faster delivery times, accurate order tracking, and easy returns, enhancing their trust in the store and creating a loyal customer base. On the other hand, poor logistics performance can lead to dissatisfied customers, damage the store's reputation, and negatively impact the store's success. This article explores the effect of logistics performance on the store's image and customers' satisfaction and provides insights into how retail stores can optimize their logistics systems to enhance their success.

Keywords:- Logistics Performance, Retail Stores, Supply Chain, Customers' Satisfaction, Store Image, Customer Experience.

I. INTRODUCTION

In today's highly competitive retail environment, customer satisfaction is a critical factor that determines the success of any business. Customers have numerous options to choose from, and they are more likely to shop at stores that offer a seamless shopping experience. Logistics performance plays a vital role in providing customers with a hassle-free shopping experience, as it involves the management of the entire supply chain, from the procurement of goods to the delivery of products to the end customers. A well-managed logistics system can significantly impact the store's image and customers' satisfaction, enhancing their trust in the store and creating a loyal customer base. This article explores the effect of logistics performance on the store's image and customers' satisfaction and provides insights into how retail stores can optimize their logistics systems to enhance their success.

II. LOGISTICS PERFORMANCE AND THE STORE'S IMAGE

The store's image is one of the most critical factors that determine the success of any retail business. Customers form an opinion about a store based on various factors such as the quality of products, customer service, store ambiance, and logistics performance. Logistics performance includes the timely delivery of products, proper packaging, accurate labeling, and efficient handling of goods. A store that excels

in logistics performance tends to have a positive image in the eyes of the customers.

When a store has an excellent logistics system in place, it can provide customers with faster delivery times, accurate order tracking, and easy returns. This, in turn, enhances the customers' trust in the store and creates a positive image. On the other hand, poor logistics performance can lead to delayed deliveries, incorrect orders, and damaged products, which can significantly impact the customers' satisfaction and damage the store's reputation.

Therefore, it is crucial for retail stores to prioritize logistics performance to ensure a positive store image. This involves investing in the latest logistics technology, training the logistics team, and ensuring that the logistics processes are streamlined and efficient. Retail stores should also have a robust quality control system in place to ensure that the products are properly packaged, labeled, and handled, reducing the risk of damaged or incorrect orders.

Logistics performance also has a significant impact on the store's image as it reflects the store's level of commitment to delivering quality service to its customers.

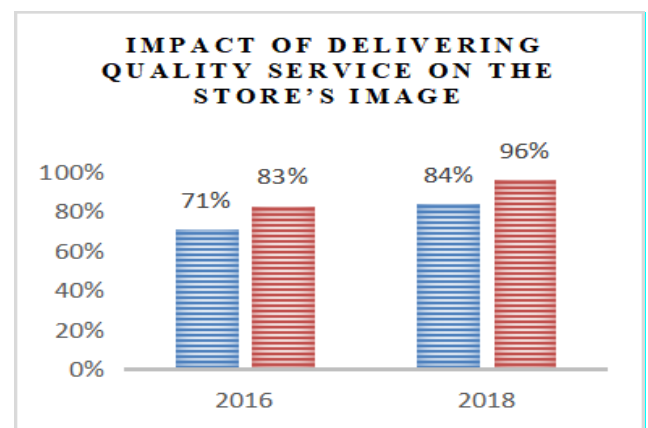


Fig 1 Impact of Delivering Quality Service on the Store's Image

According to a study by DHL (2016), 71% of consumers stated that their perception of a company's brand is impacted by the delivery experience, while 83% of consumers are likely to make a repeat purchase from a retailer with a positive delivery experience.

Additionally, a survey by Convey (2018) found that 84% of consumers would not return to a retailer after a poor delivery experience, while 96% of consumers would recommend a retailer with an excellent delivery experience. These statistics emphasize the importance of logistics performance in shaping the store's image and its impact on customer loyalty.

III. LOGISTICS PERFORMANCE AND CUSTOMER'S SATISFACTION

In today's highly competitive retail environment, customer satisfaction is crucial for the success of any business. Customers have numerous options to choose from, and they are more likely to shop at stores that offer a seamless shopping experience. A well-managed logistics system can significantly impact the customers' satisfaction and provide them with a hassle-free shopping experience.

When a store's logistics system is efficient and reliable, it enhances the customers' trust in the store, and they are more likely to become loyal customers. A well-managed logistics system can provide customers with faster delivery times, accurate order tracking, and easy returns, which can significantly impact the customers' satisfaction. On the other hand, poor logistics performance can lead to dissatisfied customers, who are more likely to switch to a competitor store.

Therefore, it is crucial for retail stores to optimize their logistics systems to enhance customers' satisfaction. This involves investing in the latest logistics technology, training the logistics team, and ensuring that the logistics processes are streamlined and efficient. Retail stores should also prioritize providing accurate and up-to-date order tracking information to customers, allowing them to track their orders and provide them with a sense of control and transparency over the delivery process. Additionally, stores should have a hassle-free returns policy, allowing customers to return products easily, which can enhance their satisfaction and trust in the store.

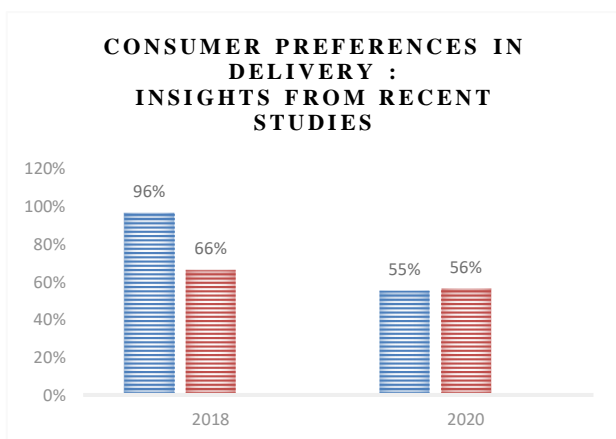


Fig 2 Consumer Preferences in Delivery Insights from Recent Studies

According to a study by Capgemini (2020), 55% of consumers cited delivery speed as a critical factor in their

purchase decision, while 56% stated that delivery accuracy and transparency are essential to their satisfaction.

Additionally, a survey by MetaPack (2018) found that 96% of consumers stated that delivery is an essential factor in their decision to shop with a particular retailer, and 66% of consumers were willing to pay more for same-day or next-day delivery. These statistics highlight the importance of logistics performance in the retail industry and its impact on consumer satisfaction.

IV. THE IMPORTANCE OF LOGISTICS PERFORMANCE IN CUSTOMER RETENTION

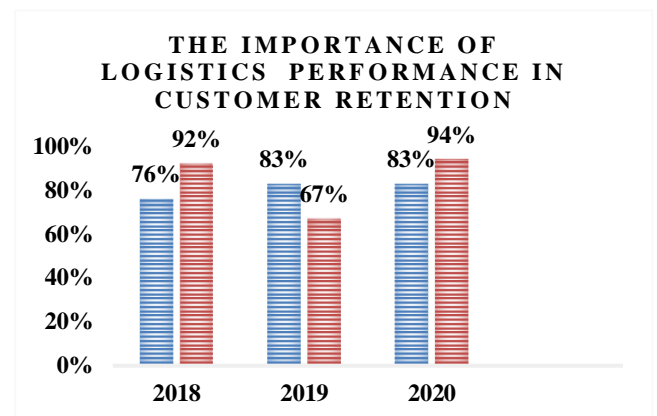


Fig 3 The Importance of Logistics Performance in Customer Retention

According to a survey by Narvar (2020), 83% of consumers expect regular updates on the status of their delivery, and 94% of consumers are more likely to shop again with a retailer that provides accurate and timely delivery updates.

A study by MetaPack (2018) found that 96% of consumers would choose a different retailer if the delivery options were not suitable, while 72% of consumers would abandon their online shopping carts if the delivery options were unsatisfactory.

In a survey by Voxware (2019), 83% of consumers stated that they would not do business with a retailer again after a single poor delivery experience, while 67% of consumers stated that they would leave a negative review if they had a bad delivery experience.

V. THE IMPORTANCE OF A STRONG SUPPLY CHAIN

Logistics performance is not just limited to the management of the delivery process; it also involves the management of the entire supply chain. A strong supply chain is crucial for the success of any retail store, as it ensures that the products are procured from reliable suppliers, and they are delivered to the end customers on time and in good condition.

A strong supply chain involves the management of various processes, such as demand forecasting, procurement, inventory management, and distribution. Retail stores should

prioritize building strong relationships with their suppliers, ensuring that the products are of high quality and delivered on time. They should also have an efficient inventory management system in place, ensuring that the products are available when the customers need them.

VI. THE IMPACT OF LOGISTICS PERFORMANCE ON CUSTOMER LOYALTY:

Logistics performance not only impacts customer satisfaction, but it can also significantly influence customer loyalty. A well-managed logistics system can create a positive customer experience and enhance the store's image, leading to increased customer loyalty.

According to a study by Akhtar and Bhatti (2019), logistics performance has a significant positive effect on customer loyalty in e-commerce in Pakistan. The study found that fast and accurate delivery, order tracking, and hassle-free returns were some of the key factors that influenced customer loyalty. Retail stores that can provide these services are likely to have a higher customer retention rate and enjoy increased sales.

VII. THE ROLE OF TECHNOLOGY IN LOGISTICS PERFORMANCE

Technology plays a vital role in logistics performance in the retail industry. Advances in technology have enabled retail stores to optimize their logistics systems and provide customers with faster, more accurate, and more transparent delivery services.

One of the most significant technological innovations in logistics is the use of warehouse automation systems, such as automated storage and retrieval systems (AS/RS), conveyor systems, and robotic order picking systems. These systems can significantly increase the efficiency of warehouse operations, reducing errors and increasing order accuracy. Retail stores that implement these systems can provide faster and more accurate delivery services to their customers.

Another critical technology in logistics performance is the use of transportation management systems (TMS). TMS can help retail stores optimize their delivery routes, reducing delivery times and costs. TMS can also provide real-time visibility into the delivery process, allowing stores to keep customers updated on their order status.

VIII. THE IMPORTANCE OF SUSTAINABILITY IN LOGISTICS

Sustainability is becoming increasingly important in logistics performance, as customers are becoming more environmentally conscious and expect retail stores to adopt sustainable practices in their operations. Retail stores that prioritize sustainability in their logistics operations can enhance their store's image and attract environmentally conscious customers.

One of the key ways retail stores can promote sustainability in their logistics operations is by adopting green transportation practices. Green transportation practices include using electric or hybrid vehicles, optimizing delivery routes to reduce emissions, and using alternative fuels such as biodiesel. These practices can significantly reduce the store's carbon footprint, making them more attractive to environmentally conscious customers.

IX. RECOMMENDATION

- **Adopt Technology:** Retailers should consider adopting technology such as real-time tracking systems, predictive analytics, and automation technologies to optimize their supply chain operations and enhance logistics performance. This will enable them to provide accurate and timely delivery updates to their customers, improve delivery speed and accuracy, and ultimately drive consumer satisfaction.
- **Offer Flexible Delivery Options:** Retailers should offer a variety of delivery options such as same-day delivery, next-day delivery, and click-and-collect, to meet the diverse needs and preferences of their customers. This will enable consumers to choose the delivery option that best suits their needs and increase their satisfaction with the retailer.
- **Provide Transparent and Timely Delivery Updates:** Retailers should provide regular and timely updates on the status of their deliveries to keep customers informed and alleviate any concerns or anxiety they may have about their orders. This will help build trust and confidence in the retailer, increase customer satisfaction, and reduce the likelihood of negative reviews or feedback.
- **Prioritize Sustainability:** Retailers should prioritize sustainable logistics practices such as using electric vehicles, renewable energy sources, and eco-friendly packaging materials to reduce their environmental impact and appeal to environmentally conscious consumers. This will not only improve the retailer's reputation and brand image but also attract and retain customers who prioritize sustainability.
- **Monitor and Evaluate Logistics Performance:** Retailers should monitor and evaluate their logistics performance regularly using metrics such as delivery speed, accuracy, and customer feedback, to identify areas for improvement and make necessary changes. This will enable them to continuously optimize their supply chain operations, enhance logistics performance, and drive consumer satisfaction.

By implementing these recommendations, retailers can improve their logistics performance, enhance consumer satisfaction, and ultimately drive business success in today's competitive retail landscape.

X. CONCLUSION

In conclusion, the performance of logistics has a significant impact on the store's image and consumer satisfaction. It is clear that consumers today have high expectations when it comes to delivery speed, accuracy, and transparency. They expect real-time updates and flexible delivery options that meet their diverse needs and preferences. Retailers who prioritize logistics performance and adopt technology to optimize their supply chain operations are more likely to meet these expectations and ultimately drive consumer satisfaction.

Moreover, sustainable logistics practices are becoming increasingly important for consumers who prioritize environmental responsibility. Retailers who prioritize sustainability by using eco-friendly packaging materials, renewable energy sources, and electric vehicles can not only improve their brand image but also attract and retain customers who value sustainability.

It is crucial for retailers to regularly monitor and evaluate their logistics performance using metrics such as delivery speed, accuracy, and customer feedback to identify areas for improvement and make necessary changes. By doing so, they can optimize their supply chain operations, enhance logistics performance, and ultimately drive business success.

In today's competitive retail landscape, logistics performance can make or break a retailer's reputation and customer satisfaction. Retailers who prioritize logistics performance, offer flexible delivery options, provide transparent and timely delivery updates, prioritize sustainability, and continuously monitor and evaluate their logistics performance, are more likely to meet the high expectations of their customers and drive business success.

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