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FACTORS AFFECTING DELIVERY SERVICE SELECTION OF ONLINE BUSINESS IN THAILAND

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ABSTRACT

The purpose of this study is to identify factors affecting the selection of delivery services in Thai online businesses. The demographic group is people who work in online businesses and have experience in choosing the services of those who deliver products to customers. Samples were selected by purposive sampling method, totaling 150 samples, according to the formula and theory of Cohen (1977).

The results of the research at the significance level of 0.05 found that service quality and reputation of the supplier affect the decision to choose a delivery service provider. While the price of the service and the uniqueness of the company do not affect to choosing delivery services for online businesses in Thailand.

Keywords : Factors Affecting , Delivery Service Selection, Online business

INTRODUCTION

At present, express delivery service is a very competitive service due to the customer behavior who prefer to buying goods in online platforms. As a result, the overall express delivery volume is increasing. The express transportation is a service business that has an important role in distributing products to both domestic and international trade. In 2020, the value of express delivery business in Thailand growing at a higher rate because the expansion of the e-commerce market, according to the consumers buying goods in online platforms more than the past.. As a result, the overall express delivery shipments significantly increase. In addition, the impact of the Covid-19 epidemic situation in Thailand that affects the behavior of consumers has changed. It is more popular to buy goods through online platforms which affect to the number of online purchases has increased, (SCB Economic Intelligence Center, 2020).

The express transportation business tends to have intense competition in both price and service. In 2020, the parcel transportation market in Thailand, it consists of 3 major players with a combined market share of over 80 percent, namely Thailand Post Co., Ltd., Kerry Express, Lazada Express, and other middle players such as SCG Express, DHL E-commerce, Nim Express, and Ninja van (Kasikorn Research Center, 2021). However, The benefit of the customer from the intense competition in the parcel delivery business are lower shipping rates, safer and faster delivery service and have a many service provider available. In terms of service quality, it was found that the factors affecting the satisfaction to choose a service user are the quality of the product and the quality of the service that comes with the product.

Low quality delivery service, the product may not satisfy the customer. For this reason, service quality plays an important role as a service that comes with the product. If such service performs well, they will help to raise the level of satisfaction in product consumption and lead to decision making in choosing and repurchasing the service (Parasuraman et al., 1990). Good delivery management should consider the needs of all parties involved and the quality of service that the recipient is satisfied with in delivering the goods (Pipatchokchaiyo & Meenakorn, 2022).

Therefore, the researcher is interested in studying the express transportation service selection of Thailand e-commerce business which the purpose of this study was to identify the factors affecting the selection of express transport service among Thailand e-commerce business. The results of this study will be a guideline for developing and formulating strategies for express delivery operators in Thailand to meet the customers requirement and customer satisfactions

OBJECTIVES

1. To identify factors affecting the selection of delivery services in Thailand online businesses.
2. To study the methods for selecting service providers to deliver products to customers.

LITERATURE REVIEWS

Service quality

Parasuraman et al. (1990) stated that the quality of service is the ability to respond to demands in the service business. Quality is the key to creating a differentiation in the business to stay above the competition. Quality of service offering that meets the expectation of the service recipient is something that must be done. The service quality consists of 5 aspects: 1) Tangibility of the service is the environment and tools such as modern equipment, the environment, the dress of the staff, and documents disseminating information about services, etc. 2) Reliability is the ability to provide the required level of service at the correct level. Trust is the ability of employees to provide services according to contracts, customer retention and sufficient number of employees. 3) Responsiveness is the willingness to serve immediately and provide assistance as well as willing to serve service readiness planning for operations. 4) Assurance is customer confidence is that service providers must have the skills of working necessary for the service be honest with consumers, polite and friendly to customers such as employees can provide information service news building trust and safety. 5) Empathy is knowing and understanding customers is easy access to communication and understand customers, such as the attention of service personnel, service time is convenient for customers, opportunity to receive information to service recipients, attention to customers, and clearly understand the specific needs of customers etc. The service business must try to set the quality of service to meet the expectations of the service recipient in order to influence the best attitude for the implementation which was found that the perception of good service quality resulted in a positive attitude towards the use of services (Chen et al., 2018).

Customer Satisfaction

According to English business dictionary, customer satisfaction is the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. In addition, service satisfaction is the selecting of satisfaction or disappointment in service users which is caused by the user experience. It is the result of a comparison between your expectations and your experience with the service. Moreover, the service can meet the customer needs create customer satisfaction and reduce the risk of customer switching to another service provider (Kotler & Armstrong, 2016). This is a process that comes after a good service experience from provider leads to positive attitudes, brand engagement and customer loyalty. Customer satisfaction is an important factor for service business and will be created competitive advantage for business competition in highly competitive markets. On the other hand, the customer feedback be sent to the service provide should not be ignored because you able to improve the service and satisfy your customer next

time. Customer loyalty occurs when the customer is satisfied with the product and service and repurchase which have a positive effect on the performance of the business. In the other side, the customer is dissatisfied with the product or service. They will switch to the other provider, business have a chance to loss income and market share. In collecting customer complaints, both formal and informal forms of complaints are the key of creation customer loyalty.

Brand image

Kotler (2000) defined organizational image as the sum of beliefs, ideas and impression that a person has on something Which attitudes and actions that people have towards that will have highly correlated with image. Components of corporate image are important in the management of systems and mechanisms that drive organization to achieve goals, vision and mission of the organization as well as understanding that the organization. It becomes a valuable and sustainable image management opportunity. Image is a key factor. It is important to create cooperation and support from the group.people and relevant organization. Therefore, to achieve the objectives, the organization must good image reliable and consistent with operation of the organization

Waiyawuththanapoom, P. (2020) said Moderating effect of Innovation on the Relationship of Supply Chain Management Practices and Firm Performance : A Study of SMEs. using cross sectional research design, 250 questionnaires were distributed among the supply chain managers of the SMEs by using a convenient sampling technique which yield an 80% response rate. The data was analyzed by using the Structural Equation Modeling (SEM) technique. The findings of the study have shown that all the management practices have a positive and significant relationship with the FP of Indonesia SMEs. Therefore, the current study added a body of literature in the existing empirical findings. The research limitation and future directions are also discussed at the last of the study.

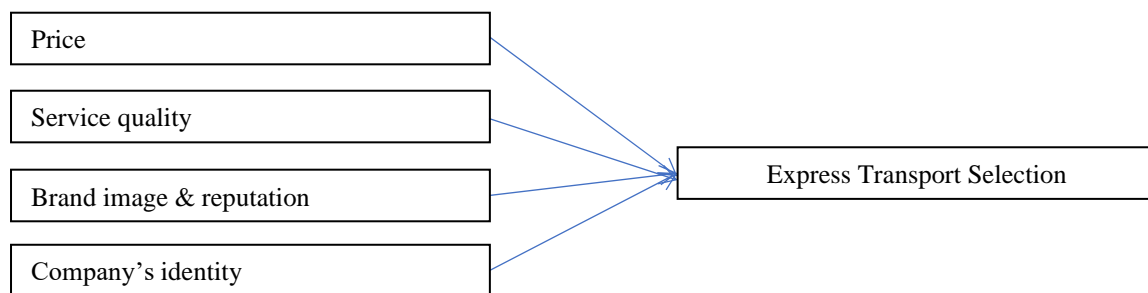


Figure 1: Conceptual Framework

METHODS

Population and sample

The populations were e-commerce entrepreneurs in Thailand and were selected by simple random sampling technique of 150 samples (Cohen, 1962).

Data collecting

The five-point Likert scale questionnaire was used to collecting data among e-commerce entrepreneurs in Thailand 150 samples. The Questionnaire was an instrument used as research instrument to collect data. The instrument accuracy was checked for validity and reliability. The validity consisted of content validity using IOC >0.5. While the reliability was checked for Cronbachs' alpha coefficient > 0.8.

Data analysis

Descriptive statistics are used in the analysis of personal data and other data at the nominal and ordinal scales, while inferential statistics are used in the data analyze factors affecting the transportation service selection which has data measurement level in the interval and ratio scale.

RESULTS

The research result about the level of importance of factors affecting the decision to use express delivery service among Thailand e-commerce business. Most of responders accounted were male, age between 31 and 40 years, and had the highest level of education at the bachelor's degree, were private enterprise employees, and average monthly income more than 30,001 baht.

About the study of important level in price factor, service quality factor, and brand Image factor were analyzed with descriptive statistics consist of mean and standard deviation. Hypothesis testing is the results influence of price, service quality, and brand Image affecting customer satisfaction in express delivery service, as shown in Table .1.

Table 1: Mean and standard deviation of price, service quality, and brand Image factors

Factors	Mean	S.D.
Price	4.29	0.58
Service quality	4.40	0.50
Brand image and reputaion	4.33	0.47
Company's identity	4.03	0.54

As shown in Table 1, the service quality factor had the highest score from 150 respondents. The second is the brand image factor and the last is the company's identity factor. However, there was a little difference score value between the second and third place. In summary, Thailand e-commerce entrepreneur in decide on an express delivery service provider based on price factors. Price and brand image has a lower score than service quality but value score show that a main factors for respondents

CONCLUSION AND FUTURE WORK

From study result, it was found that most of the respondents have the highest level of all factors that affect the decision to select express delivery service. The overall was at the highest level. However, when considering the details of research result found that the price and company's identity factor were not effect on the express delivery service selection. While, service quality and brand image and reputation were effect on the express delivery service selection. This is consistent with the research of Poodanklang and Visitnitikija (2021) about service quality that affect user satisfaction of Flash Express was found that service quality had a statistically significant influence on the transportation service of Flash Express Company Limited. This may be due to the concreteness of the service, credibility, customer response, trust, and understanding and knowing customers will lead to satisfaction and confidence in the service.

Business operators involved in the delivery of private parcel delivery services in Thailand or various agencies related can be used the results of the study as follows:

1. Express transportation service should be a clear policy on the performance of the service to process the personal information of consumers who use the service to give consumers a sense of security in using the service. Including there should be a standardized service, delivered on time, without causing any mistakes in order to create trust among consumers in using the service.

2. Express transportation service should be established to create communication channels that allow consumers to contact the parcel delivery company conveniently, creating a channel to receive services that are convenient and fast to make the service convenient and fast including in case of problems can be solved quickly.

3. The study of such issues will gain a better understanding of the perceptions and needs of consumers who receive services, including applying the results to a study that is different from the to be presented in this research or not to compare with this research whether there is a conformance or how they are different until they can be used in practice.

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