Research Paper   **Management**

Customer Behaviour of Courier Service in Erode District

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ABSTRACT

Customer Behaviour plays very important role in courier services. By understanding Behaviour, Organization can design the suitable strategies. The results of this study can provide important insights to courier service providers.

Keywords: Courier service, consumer behavior, service quality

Introduction:

Communication plays a very important role in business. It is now widely recognized that the success of any business greatly depends on efficient and effective communication. Its importance was highlighted by Alvin Dodd, then president of American Management Association when he said, "The No.1 Management problem is communication. The study conducted by Mr.H.Miniz berg more than 75 percent of managers time is spend in communication with others (Mintz berg. H , 1973) Hudson viewed: A communication in its simplest form is conveying of information from one person to another. (Cyril Hodson.L)

Customer who wanted to send their documents promptly were ready to pay more amounts for safe and time-bound delivery. Even though postal system existed in our country, the customer started looking for a better means of service. The oxford dictionary defines courier as "An organization that provides a special delivery for parcels, documents etc. (The university of Chicago press, 1954)

The positive effect of globalization can be seen in courier industry. With the onset of globalization, the restrictions in international business markets are decreasing, reduced tariff, and much improved infrastructure introducing large number of airlines are the few factors fostering the growth of courier service.

Review of Literature:

While scanning through customer satisfaction on courier service, many studies have been conducted.

Customer satisfaction is the feeling or attitude of a consumer toward a product / service after it has been used. (Solomon, 1996; Wells and Prensky, 1996). A satisfied consumer will repeat the purchase of product and convey positive message about it to others (Dispensa, 1997) high customer satisfaction should indicate increased loyalty for current customers, reduced price elasticity insulation of current customers from competitive efforts, lower costs of future transactions, reduced failure costs, lower costs of attracting new customers, and an enhanced reputation of the firm (Anderson et al, 1994)

Jessica sze yin ho et al (2012) observed that most significant variable in achieving satisfaction among customers in the courier service industry is the condition accuracy of order.

Qiang et al (2010) suggested four type of innovation that can be applied in the logistic service such as postal and courier service. They are, service technology innovation, service concept innovation, service delivery system innovation and customer service interface innovation.

Tansug – Sheng Chang etal., studied routing and scheduling strategies to help city couriers to reduce operating cost.

Nelson Jagero (2012) studied the relationship between on the job training and employee's performance in courier companies. He found that working environment, employees skill and knowledge, motivation and rewards, communication how and organizational management have directly (or) indirectly contributed to the performance.

Statement of the problem:

Each of us is a customer. Customers use different services right from birth to death. Entire business is revolving around the customer. A customer is considered as the king of any product or service. Customers are creatures of unique characteristics. Each one behaves differently from time to time and place to place. Most of the people prefer to use a courier service instead of standing in line at the local post office. The courier industry is highly labour intensive and annually contributes Rs. 5 billion to the government funds in the form of service tax. Many factors contributed growth of courier service in India. Economic growth, increasing population, technological advancement, Escalation of industrial sector, increase in export and import and large scale effect of liberalization are few of the major reasons. The term consumer behavior refers to the customer display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. An understanding of the economic, psychological and sociological characteristics of the consumers and their motive, attitudes, cognition and personalities can help to discover new market and a meaningful product diversification and to formulate marketing strategies based on consumer response as a major variable.

Objectives of the study:

The study was carried out with the following objectives.

1. To know the reason for preferring courier services.
2. To understand the consumer perception towards courier services.
3. To offer valuable suggestions on the basis of findings.
4. To know the normal use of courier services.

Research Methodology:
Research Design:
The study is descriptive in nature. The major part of the study is based on primary data.

Study Area:
Erode city has been chosen for the purpose of study, because the city is the financial hub for the entire Tamilnadu and more number of Industries, Educational Institution are situated in Erode City.

Sources of Data:
The study is based on primary data and necessary data required for the study were collected through the interview

schedule from the customer. Secondary data was collected from various published Journals, Magazines, Publications, reports, Websites and Manuals.

Sampling Techniques:
The researcher used simple random sampling method to collect primary data. The respondents for the purpose of the study are selected systematically. The researcher approached the customers of a courier service personally who are coming out of the courier office.

Statistical Tool Used:
For analysis purpose of this study Chi-square was used and suitable hypothesis has been framed.

Profile of Respondents:
Table 1 illustrates the profile of the respondents on the blasis of socio economic factors.
Table 1

Profile	Description	No of Respondents	Percentage
Gender	Male	306	76.5
	Female	94	23.5
Age	Below 20 Years	40	10
	21-30	90	22.5
	31-40	110	27.5
	41-50	112	28
	Above 50	48	12
Educational Qualification	Illiterate	21	5.25
	School Level	181	45.25
	College Level	110	27.50
	Others	88	22
Occupation	Business	220	55
	Government Employment	60	15
	Private Employment	68	17
	Agriculture	39	9.75
	Others	13	3.25
Monthly Income	Less than Rs. 10,000	49	12.25
	Rs. 10,001-Rs. 15,000	66	16.50
	Rs.15,001-Rs.20,000	117	29.25
	Above Rs. 20,000	168	42.00
Frequency of using Courier Service	Daily	268	67
	Occasionally	41	10.25
	During Festival Time	31	7.75
	Very Often	60	15.00
Number of years customers	Less than one year	66	16.50
	1 to 3 years	93	23.25
	3 to 5 Years	101	25.25
	5 to 7 Years	77	19.25
	Above 7 Years	63	15.75

The analysis noticed that majority of the respondents are male 28 percent of the respondents are in the age group of 41 to 50 years. 45.25 percent of the respondents educational qualification is school level relating to occupation, 55 percent of respondents belong to business, 29.25 percent of the respondents earn monthly income above Rs. 15,000/- to Rs. 20,000/-, 67 percent of the respondents using courier service daily and 25.25 percent of the respondents are customer fo the courier service from 1 to 3 years.

Reasons for preferring Courier Service:
The table given below (Table 2) lists down the reasons for preferring courier service.
Table 2

S.No	Reasons	Number of Responds	Mean Score	Rank
1.	Safety Reason	79	1.58	II
2.	Reasonable Charges	48	0.48	VI
3.	Easy Accessibility	37	0.55	IV
4.	Courier Agent is Known Person	12	0.06	VIII
5.	Less Formalities while booking mail	41	0.51	V
6.	Credit Facilities offered by courier Company	28	0.21	VII
7.	Issuing proof of delivery	19	0.04	IX
8.	Prompt delivery or mail	88	1.98	I
9.	Wide Coverage	48	0.84	III

It is clear that prompt delivery of mail gets the first rank, safety reasons gets the second rank, wide coverage gets third ranks,

easy accessibility gets forth rank, less formalities wile booking mail gets fifth rank, reasonable charges gets sixth rank credit

facilities offered by courier company gets seventh rank influence of courier agents gets eight rank and issuing proof of delivery got last rank.

Normal use of courier service
The following table (Table 3) lists down the respondents views on the normal use of courier firms.

Table 3

S.No	Usage	Number of Respondents	Percentage
1.	Letters Only	320	80.00
2.	Documents	16	4.00
3.	Samples	19	4.75
4.	Gift Articles	39	9.75
5.	Others	6	1.50

From table it is noticed that 80% of the respondents were using courier only for sending letter only.

Table 4: Ranking of the Services of Courier Services

S.No.	Factors	Very Good	Good	Satisfaction	Not Bad	Bad	No. of Respondents	Total Weight	Mean Score	Rank
1.	Booking the Mail to Office	40 (200)	182 (728)	110 (330)	68 (136)	0 (0)	400	1394	3.32	II
2.	Explaining terms and Conditions	18 (90)	52 (208)	49 (147)	113 (226)	168 (168)	400	8.39	2.90	VI
3.	Delivering the mail	67 (335)	168 (672)	110 (330)	41 (82)	14 (14)	400	1433	3.58	I
4.	Answering Business Related Questions	42 (210)	156 (624)	60 (180)	128 (256)	14 (14)	400	1284	3.21	V
5.	Clear Explanation of delay in mail	14 (70)	78 (312)	66 (198)	110 (220)	132 (132)	400	932	2.33	VII
6.	Handling of mail	69 (345)	87 (348)	169 (507)	48 (96)	27 (27)	400	1323	3.30	III
7.	Submission of accounts in case of credit	47 (235)	62 (248)	98 (1249)	108 (216)	85 (85)	400	1078	2.69	VII
8.	Maintenance of Secrecy of mail	110 (550)	46 (184)	137 (411)	58 (116)	49 (49)	400	1310	3.275	IV

From the above table (Table 4) it is clear that delivering the mail gets first rank, booking the mail at office gets second rank, handling of mail gets third rank, maintenance of secrecy of the mail gets fourth rank, answering business related question fifth rank, clear explanation of delay in mail gets sixth rank, submission of accounts gets seventh rank, maintenance of secrecy of mail gets eighth rank.

Hypothesis of the study:
Ho: There is no significant relationship between the level of education of respondents and the purpose of using courier service.
H1: There is significant relationship between the level of education of respondents and purpose of using courier service
Chi-square is the moist appropriate test. At 5% level of significance $X2$ value is 16.9.
Degrees of freedom = (r – 1) (c – 1)

$$= (4-1) (4-1) = 9$$

Calculated $X2$ = 24.978

Since the calculated value is greater than table value, the null hypothesis is rejected. Hence there is significant relationship between the level of education of respondents and purpose of using courier service.

Suggestions:
The following suggestions have been made to enhance the courier service in Erode District.

Ø   The courier company should design the strategy to attract non-business customers.

Ø   Courier company should avoid late delivery of mail. It is further recommended that, awareness should be created among the terms and conditions of courier service. The courier receipt should be printed in local language which will enable the customer to understand the terms and conditions better. In additions, customers expecting clear explanation in case of delay in mail. Since courier will come under service marketing, 100 percent perfect service delivery is very important, so that courier companies can flourish well in the market.

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