

Research on Reverse Logistics Service as Moderator between Service Quality and Customer Satisfaction and Loyalty

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Abstract

The main purpose of business is to be able to long-term relationship between customers and businesses seeking to improve customer loyalty. For the 3C industry, the positive quality of logistics services need to be important, but for the reverse logistics services such as change or return goods, increasing, so its service quality also need to be taken significantly.

In this study, the method adopted the convenient sampling, the questionnaires interviewees were been to purchase the 3C products and has a experience related returned the goods. The research analysis method were adopts description statistical analysis, regression analysis, and hierarchical analysis.

Empirical results show that customer satisfaction has a positive and significantly impact on attitude loyalty; and customer satisfaction also has a positive and significantly impact on behavioral loyalty. Reverse logistics service quality had a significant moderating effect between customer satisfaction and attitude loyalty. Also, reverse logistics service quality between customer satisfaction and behavioral loyalty, has the effect of moderating.

Keyword: Reverse Logistic Service, Customer Satisfaction, Customer Loyalty, Moderating Effect, Hierarchical Analysis.

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Motivation

The products of Computer, Communication, and Consumer (3C) stores was sales of more popular, in line with the needs of people use of technology products; cause the more 3C stores were to set up. Number of competitors, the satisfaction after customer purchase, there is an important factor to affect the customer whether is willing to re-purchase. Therefore, that is an important factor to search the differentiation with related competitive advantage for retailers and other competitors, in order to enable the 3C retails

can existing in the survive competitive environment.

How to maintain the relationship between customers and enterprises, firstly, is the service quality factor. Business expecting providing a normal positive service, the customer after the purchase of goods for the return procedures and efficiency of service quality, which is an important differentiated services for business. Due to the consumers to buy can choose numbers of homogenesis stores, the reverse logistics services and it provides good quality of service, that is factor to attract customers to buy and can keep a good reputation.

Review Literature

Satisfaction, is the level of pleasure with a person feels, that is individual's percept performance for the product, compared to the individual's expectations for the product (Kotler, 1999). Caruana (2002) argue that customer satisfaction is the reaction of all their emotions after the customer to buy products or consumer services, which that the difference is taken from the customer's

assessment of the hearts of customers.

Oliver (1981) points that customer satisfaction is determined by the extent to which the customer's expected product benefits are realized, and whether is consistency of the customer's expectations and the actual results. Day (1997) presents that customer satisfaction, which is a response to the perceived and assessing pre-purchase and post-purchase performance after the purchase of a product or consumer service.

Customer satisfaction will be expressed in their behavior, the behavior loyalty is to respond whether the customer is satisfaction. Neal (1999) argues that actual customer loyalty is an act, the customer satisfaction is just an attitude. Deighton et al. (1994) defines that customer loyalty as the customer's experience of the previous purchase, that making the customer's attitude to the vendor's preference now. Dick and Basu (1994) present that structure of loyalty, indicated that customer loyalty is the relationship of strength degree which that between the personal attitudes and

re-patronage.

Bowen and Shoemaker (1998) present that customer loyalty is the probability that customers will to the store or re-purchase. Lee and Cunningham (2001) argue that the customer loyalty is the company will be try to sell him more goods, in other words, to allow customers to spend more on the company's goods or services. If the customer will spend more money in the company, that shown they were more loyal. Ingrid (2004) argues that characteristic of loyal customers they should spending more money on buying the company's products or services, and meanwhile to encouraging others to buy the company's products, and also believing that buying the company's products is valuable.

The customer loyalty includes the possibility of future purchases, the sustainability of service contracts, the possibility of converting brands and positive word of mouth, in general, the high level of loyalty can creates a difficult of transfer for customers' buy (Selnes, 1993). Stum and Thiry (1991) suggested that customer

loyalty focus on four behavioral indicators, which are: repurchase, purchase of the company's other products, recommendation to others, and resist the attractiveness of competitors. Thus, the loyalty concept include these factors of re-buying intentions and recommendations to others (Selnes, 1993).

Reverse logistics is the type of logistics service. From the point of view of the retailer, the reverse logistics is customers returns the goods to the seller (Buxbaum, 1998). From the manufacturer's point of view, the process of recovering defective or reusable containers from the customer's end, that is called reverse logistics (Rogers and Tibben-Lembke, 1998). Stock (1998) also proposes the definition of reverse logistics: refers to the logistics activities such as product return, production reduction, regeneration, replacement of goods, re-use, reprocessing, maintenance and reproduction, and waste disposal.

Methods

1. Hypotheses

This study aims to explore the relationship between customer satisfaction and attitude loyalty and behavioral loyalty, and increase the role of reverse logistics services to discuss whether the moderating effects between them. Based on the literatures review and propose the following hypotheses were developed:

H1: Customer Satisfaction had a positively effects on the attitude loyalty.

H2: Customer Satisfaction had a positively effects on the behavior loyalty.

H3: The reverse logistics had a moderating effect between customer satisfaction and attitude loyalty.

H4: The reverse logistics had a moderating effect between customer satisfaction and behavior loyalty.

2. Method of Data Analysis

SPSS 12.0 statistical application software for research data analysis and analysis in this study. The analysis techniques was use the regression analysis to test whether the hypothesis is supported. And the hierarchical regression analysis was to test whether the effects of reverse logistic service moderator

role.

Results

1. Hypotheses Test Results

Customer satisfaction as a self-variable, respectively, test for the "attitude of loyalty" and "behavioral loyalty" hypothesis.

The results showed that the customer satisfaction was positively and significantly related with attitude and loyalty ($p < 0.01$; β value was 0.641; adjusted R² value was 0.411; F value was 533.96). The hypothesis H1 was supported.

In addition, customer satisfaction for behavioral loyalty also test the effect. The results showed that customer satisfaction was positively and significantly related with behavioral loyalty ($p < 0.01$; β value was 0.647; adjusted R² value was 0.417; F value was 548.66). Therefore, the study assumes that H2 is also supported.

2. Moderating Effects

For the inverse logistics service quality as a moderator role and whether had a effects between in customer satisfaction, attitude of loyalty and behavioral loyalty. Because the H1 had a supported and the

power of adjusted interpreting is 41.1%, and the reverse logistics services had the power of adjusted interpreting is 47.5% and to present a significant level. Further, the reverse logistics services had a significantly effects on the customer satisfaction and attitude loyalty with the power of adjusted interpreting is 52.7%. However, added the moderator role of reverse logistics services, shown that the power of interpreting of H3 is increase 10.8%, and had a significantly level ($p < 0.01$), the empirical the H3 was be confirmed.

The H4 also the steps same as H3. Following the H2 was supported, the reverse logistics services as a moderator role between customer satisfaction and behavior loyalty had reach on the threshold of significant level ($p < 0.01$), and with the power of adjusted interpreting is 53.2%. The power of interpreting of H3 is increase 10.8%, and had a significantly level ($p < 0.01$), the also to empirical the H4 was be confirmed.

Conclusion

The results of empirical were suggest

that the hypothesis H1 and the hypothesis H2 are supported. And to response the research results of the previous scholars in above literatures reviews. Related the moderators roles of reverse logistics services, this study also were get empirically supported. The implication that the business not only concern the sell process of products, but also paid more concern in the return or change the sold products.

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