

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

**DETERMINANTS OF CUSTOMER SATISFACTION AND
LOYALTY IN YANG MING (MYANMAR) CO., LTD**

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EMBA II - 44

EMBA 17th BATCH

OCTOBER, 2022

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ACADEMIC YEAR (2018-2022)**

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A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

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ACCEPTANCE

This is to certify that the thesis entitled “**Determinants of Customer Satisfaction and Loyalty in Yang Ming (Myanmar) Co., Ltd**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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ABSTRACT

This study intends to investigate the factors that affect customer satisfaction and assess how that affects customer loyalty at Yang Ming (Myanmar) Co., Ltd. Additionally, it examines how moderating effect of switching costs affect the correlation between customer loyalty and satisfaction at Yang Ming (Myanmar) Co., Ltd. In this study, multiple linear regression and descriptive research methods are both applied. In this study, primary and secondary data are also utilized. The sample population for the Yamane formula is 89 forwarders. The core data is collected via a Google form. This study shows that consumer satisfaction is positively impacted by all four categories (customer service, complaint handling, branding, and price). The most powerful influence on consumer satisfaction is price. Additionally, research shows that customer pleasure has a big, beneficial impact on loyalty. Additionally, the link between customer loyalty and customer pleasure is found to be fully moderated by switching costs. Myanmar's Yang Ming should provide rates that entice forwarders to form enduring partnerships with the shipping line. Yang Ming (Myanmar) needs to designate who is in charge of each department's complaint handling procedures. To establish enduring relationships with consumers, Yang Min (Myanmar) needs to support them with any questions they may have regarding their orders. Conclusively, Yang Min (Myanmar) should practice corporate social responsibility (CSR) by offering discounts or no fee for the transportation of medical supplies for use in pandemic or crisis situations.

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CHAPTER 1

INTRODUCTION

Offering high levels of customer satisfaction is essential to maintaining businesses in the face of increased competition in the shipping sector noted by (Midoro et al., 2005). Generally, (Kotler & Armstrong, 2010) highlighted that a shipping company can please its clients by providing affordable or distinctive services. Offering high quality services, by (Dadfar & Brege, 2012), is one way a company may set itself apart from its rivals.

The providing of services to clients before, during, and after a transaction is known as customer service. A series of actions known as "customer service", mentioned by (Ekinici, 2003), are intended to raise the level of customer satisfaction, or the conviction that a good or service has lived up to a customer's expectations.

An expression of disagreement between the client and the business is known as a complaint. Customers should choose or stick with a company based on solutions that they perceive to be fair and impartial (Cho, 2003). An internal or external customer's verbal or written statement of discontent with a good or service is known as a customer complaint (QFinance Dictionary, 2016). If complaints are handled properly, (Tronvoll, 2012) noted that they may present businesses with a fantastic opportunity to enhance the caliber of their goods and consumer services as well as to learn about program flaws and issues with service delivery.

According to Stuart and Muzellec (2004), rebranding is possible with brand identity adjustments, which may be divided into three primary categories: name, logo, and slogan alterations. Making rebranding a regular component of business operations would satisfy customers by exceeding their expectations, which would result in a variety of advantages (Deng et al., 2009).

The amount of money or other measurement used as a means of exchange in order to get a good or service is known as the price (Tjiptono, 2014). Prices, by the finding of (Kotler & Armstrong, 1996), can be described in their most basic form as the nominal amount charged to the customer to purchase things and to profit from product ownership or use.

Ocean shipping has changed as a result of containerization in a fairly uniform manner. Despite this, there is product differentiation due to factors like route densities, cargo and client categories, schedule, punctuality, and digitization levels. According to Notteboom (2004), liner-shipping services can be distinguished by factors including transit duration, dependability, and frequency of operation.

The level of a client's happiness and delight with a business's goods and services is referred to as customer satisfaction (Saxena, 2017). Customer loyalty and repurchase rates, in terms of finding by (Bowen & Chen, 2001), are frequently seen as being strongly influenced by customer satisfaction.

Client retention initiatives, claimed by Anderson and Jacobsen (2000) that constantly urge customers to remain actively choosing their brand are what lead to customer loyalty. Oliver (1999) defined customer loyalty as a strongly held determination to repeatedly purchase or patronize a preferred good or service, leading to persistent same-brand or same-brand-set purchases despite external factors and marketing initiatives having the potential to lead to switching behavior.

The expenditures associated with switching providers are known as switching costs. The expenses a consumer incurs as a result of switching brands or products are known as switching costs. Financial, psychological, effort-based, and time-based switching costs are all possible. High switching costs and low switching costs are two different categories of switching expenses.

The backbone of the shipping sector, container shipping lines, has continued to face financial difficulties in recent years. Financial crisis is mostly caused by the erratic nature of the global economy, massive overproduction, ferocious competition, and cost-cutting measures taken by customers who are better informed and aware of the competitive marketplaces (Balci et al., 2018). A high level of customer satisfaction, explained by (Midoro et al., 2005), is essential for survival in contemporary market conditions.

Yang Ming (Myanmar) Co., Ltd. is one of the container shipping companies. On May 7, 2013, Yang Ming (Myanmar) Co., Ltd was founded. The primary business of Yang Ming Marine Transport Corporation is marine transportation. 114 forwarders are currently being served in Myanmar.

1.1 Rationale of the Study

The level of customer happiness is crucial for every firm. Customer pleasure encourages brand loyalty and repeat business. According to Hoyer and MacLins (2001), happy customers are the cornerstone of a successful company and boost its profitability. Therefore, the expansion and survival of the business are intimately related to client happiness. Customer loyalty will undoubtedly follow if the business is successful in making its clients happy with its goods or services. Sales and profits rise as a result of a devoted clientele.

The foundation of international trade and the global economy is shipping. Shipping lines have worked to discover strategies to preserve a continuing relationship with shippers, which can be accomplished through winning their loyalty, in order to gain a distinct advantage over rivals and safeguard their long-term interests. Loyal customers have the potential to be very advantageous because they produce steady streams of income and save costs as compared to finding new customers.

Due to intense competition, container lines have recently endured low or even negative profitability. Additionally, Myanmar's export has been declining, and shipping companies are having trouble obtaining goods from clients. Container lines perform capacity optimization and route planning, join forces with other companies, and pool vessels to address these issues. Container lines must improve customer satisfaction, forge lasting bonds with clients and investors, as well as develop strategies for capacity utilization and cost minimization in order to thrive in a fiercely competitive industry.

Building long-lasting relationships, which are crucial for client loyalty, allows shipping lines to partially defend themselves from price competition. Retailers have long believed that keeping current customers costs less than acquiring new ones (Reichheld, 1996). To ensure their survival in a cutthroat market, container lines must therefore cultivate client pleasure and loyalty.

The necessity for shipping lines to comprehend the factors that influence customer happiness and loyalty has grown as a result of the industry's slow expansion and fierce competition in recent years. To increase client loyalty and promote their brands, certain businesses around the world have embraced a switching cost strategy.

Consequently, in order to increase customer satisfaction and loyalty while switching costs function as a moderating factor, it is crucial to identify the characteristics that

determine consumer satisfaction in Yang Ming Myanmar. This study investigates the factors that influence customer loyalty and satisfaction at Yang Ming (Myanmar) Co., Ltd.

1.2 Objectives of the Study

The main objectives of this study are as follows:

- 1) To examine the factors influencing customer satisfaction in Yang Ming (Myanmar) Co., Ltd
- 2) To analyze the effect of customer satisfaction on customer loyalty in Yang Ming (Myanmar) Co., Ltd
- 3) To analyze the moderating effect of switching costs on the relationship between customer satisfaction and customer loyalty in Yang Ming (Myanmar) Co., Ltd

1.3 Scope and Method of the Study

Only the determinants of customer satisfaction and loyalty at Yang Ming Myanmar Co., Ltd. are the subject of this study. In this study, both an analytical and descriptive research methodology were applied. Data collection for this study uses a straightforward random sample procedure. Out of 114 forwarders, the Yamane formula selects 89 forwarders as a sample. This study uses both primary and secondary data in terms of information. Using a 5-point Likert scale, a structured questionnaire is utilized to collect primary data. Secondary information is gathered from published studies, publications, websites, and reports from Yang Ming (Myanmar) Co., Ltd. July 2022 through August 2022 are the data collection months.

1.4 Organization of the Study

There are five chapters in this research project. introduction, rationale of the study, objectives of the study, the scope and method, and organization of the study are all included in the first chapter. The second chapter covers literature reviews on service management, factors that affect customer satisfaction, switching costs, and customer loyalty. The profile and client services of Yang Ming (Myanmar) Co., Ltd.'s are presented in Chapter 3. The analysis of the factors influencing customer satisfaction and loyalty to Yang Ming

(Myanmar) Co., Ltd. is covered in Chapter 4. Chapter five concludes with conclusions and discussions, as well as suggestions and recommendations and need for further research.

CHAPTER 2

LITERATURE REVIEW

This chapter presents literature review relating to service management, determinants of customer satisfaction, switching costs and customer loyalty. It also presents previous studies and conceptual framework of the study.

2.1 Service Management

Service Management focuses on providing value to the customer and also on the customer relationship. When a business has fast, easy access to customer information, it can better strategize and control its interactions with them. By exceeding customers' expectations with superior service, this aids businesses in increasing client loyalty and retention. Services are business ventures that one party offers to another, frequently involving time-based performances to produce desired outcomes in recipients or in things or other assets that buyers are responsible for. Service clients expect to receive value in exchange for their money, time, and effort from access to goods, labor, professional skills, facilities, networks, and systems; nevertheless, they often do not assume ownership of any of the physical elements involved (Fitzsimmons & Fitzsimmons, 2019). Service firms have the opportunity to build long-term relationships because customers conduct their transactions directly with the service provider, most often in person. An important consideration in providing a service is the realization that the customer can play an active part in the process.

As Figure (2.1) shows, the service act can be considered across two dimensions: who or what is the direct recipient of the service, and the tangible nature of the service. As a result, there are four categories that could be used to categorize the actions: (1) tangible actions performed for the customer, such as financial services and passenger transportation; (2) tangible actions performed for the customer's possessions, such as laundry and janitorial services; (3) intangible actions performed for the customer's intellect; and (4) intangible actions performed on the customer's assets.

Figure (2.1) Nature of the Service Act

Nature of the service act	Direct recipient of the service	
	People	Things
Tangible actions	People's bodies:	Physical possessions:
	Health care	Freight transportation
	Passenger transportation	Equipment repair and maintenance
	Beauty salons	Veterinary care
	Exercise clinics	Janitorial services
	Restaurants	Laundry and dry cleaning
Intangible actions	People's minds:	Intangible assets:
	Education	Banking
	Broadcasting	Legal services
	Information services	Accounting
	Theaters	Securities
	Museums	

Source: Lovelock, 1983

The kind of the service may identify more convenient forms of delivery or even a product that can substitute for the service. The classification scheme helps the manager to develop business strategies to solve marketing problems and building up the customer loyalty.

2.2 Determinants of Customer Satisfaction

Some of the determinants of customer satisfaction and customer loyalty include commitment, service fairness, switching barrier, communication, dispute handling, price fairness, and relational benefit. The determinants vary depending on the scope of the particular industry (Maminiaina, 2019).

(a) Customer Service

The providing of services to clients before, during, and after a transaction is known as customer service. A series of actions known as "customer service" are intended to raise

the level of customer satisfaction, or the conviction that a good or service has lived up to a customer's expectations (Ekinici, 2003).

Customer service is anything a company does for customers that enhances the experience of customers. Customer service can be defined as the totality of what an organisation does to add value to its products and services from the perspective of customers. Customers have wide-ranging ideas of what they expect from customer interactions with service providers and service providers must get to know its customers and strive for customer service excellence. It is crucial for a business to meet its customers' views and expectations of customer service because customer happiness and loyalty are any company's ultimate goals (Machando & Diggines, 2013).

Customer service, according to Lucas (2005), is the capacity of knowledgeable, competent, and enthusiastic employees to provide goods and services to their internal and external customers in a way that satisfies both their identified and unidentified needs. This, in turn, generates favorable word-of-mouth publicity and repeat business.

It is the interaction that takes place between somebody from the company and the customer and that it is not limited to sales, for example, but links to all tasks and functions in a company (Fogli, 2006). It also means serving the customer, and involves all contacts with the customer, be it face-to-face, or indirect contact (i.e. dealing with complaint letters). Jamier (2002) asserts once more that customer service is a collection of actions intended to raise the level of customer satisfaction, or the conviction that a good or service has lived up to expectations. Personal and interpersonal skills like communication, listening, language, body language, posture, and telephone tactics can all be used to demonstrate excellent customer service. Turban et al. (2002) define it as a set of actions intended to raise the level of customer satisfaction, or the conviction that a good or service has lived up to a customer's expectations. A person (such as a sales or service representative) or an automated system known as self-service can offer customer service.

In daily business, cargo shipping lines have a contact with various customer types, whose requirements are different, whether it is logistics time, place, delivery type or other various details. By making no classification of customers and distributing services equally, enterprises are risking with spending too many resources on customers who provide minimal profit, while customers with greater profitability are left aside. Such situation is

unfavorable to companies, who wish to develop a close relationship with special customers and consistently, they are wasting great resources (Tao & Zhixiong, 2006).

In container shipping industry, the client service is a very complex environment. Container shipping companies are usually divided into specialized departments. These departments are having an interface with the customers, directly or indirectly. Most common departments in the shipping companies are sales and marketing, bookings, operations, documentations and customer claims. In addition, customers also use telephone services and personally visit the office of the shipping companies. (Mehta & Durvasula, 1998).

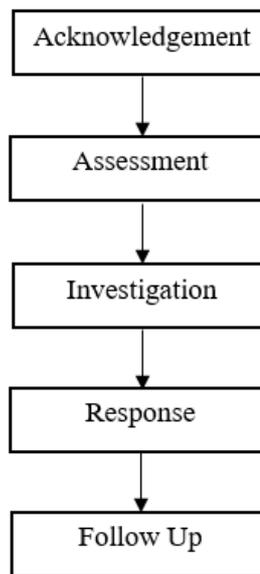
(b) Complaint Handling

According to Hart et al. (1990), complaint handling is the strategy being used by firms to resolve and learn from service failures in order to regain customers' confidence in its reliability. Dealing with complaints can be useful for preventing problems from getting worse, helping clients who have had disadvantages, and fostering positive relationships between suppliers and customers (Commonwealth, 2009). Some businesses make an effort to handle complaints, offering clients several ways to address their issues, including prompt response to complaints, investigations into or justifications for complaints, and compensations including refunds, price breaks, and product replacements. However, customers still have various responses to the activities companies provide (Fierro et al., 2015).

Handling complaint process involves appropriate actions taken to resolve customer dissatisfaction (Razali & Jaafar, 2012). This process usually goes through several stages from receipt, assessment, and investigating to final decision (Sultan et al., 2008). Figure (2.2) presents complaint handling procedure of Yang and Li (2016).

Once complaints are received, the first step is to send an acknowledgement as soon as possible to let the clients know that their complaints have been paid attention (Ombudsman, 2010). Conlon & Murray (1996) discovered that prompt response had a favorable impact on customer satisfaction and repurchase intentions. In other words, if complaints are promptly addressed, complainants are more likely to return. The acknowledgement should specify the complaint procedure, the responsible party's contact information, and the anticipated turnaround time (Ombudsman, 2010).

Figure (2.2) Complaint Handling Procedure



Source: Yang & Li (2016)

Early assessment of a complaint attaches great importance to effective complaint handling. During the assessment, whether the priority should be given to certain aspects of complaint need to be considered. Another important element is customers' expectation which describes that it is good to ask clients how they expect their complaints to be solved and what benefit they are seeking for. There is a gap between the clients' expectation and companies' offer, namely managers should not only pay attention to the recovery effort itself, but also customers' expectation (Gelbrich & Roschk, 2010).

The purpose of investigating is to resolve complaints with a fair and adjective view and come up with appropriate remedies (Ombudsman, 2010). When the investing is closed, companies should inform their clients about the investigating, including the cause of problems, actions proposed to solve to problem, and measures to be taken to avoid similar problems in the future (Filip, 2013).

It is likely to form a secondary damage to the relationship if customers feel they have not been treated fairly or receive adequate responses or solutions from the company (Grégoire & Fisher, 2008). As a result, follow-up is crucial since businesses need to develop long-term connections with their clients (Zineldin, 2006). In the meantime, one of the crucial methods used by businesses to assess the success of service recovery is to ask customers for feedback on how their complaints are handled and resolved (Gonzalez et al., 2010).

Handling client complaints is seen as a hard process because different consumers have a wide range of complaints. Apart from that, the benefits that customers seek differ from what companies plan to provide (Crié, 2003). Even the same strategy applies to compensate customers for similar problem can be effective for some customers but ineffective for others (Grégoire et al., 2009).

Generally, for companies, people who handle customer complaints are expected to be competent and flexible, capable and willing to solve problems properly, so that customer expectations can be met and the endangered relationship can be recovered and strengthened (Gruber et al., 2009). In the meantime, complaint-handling staff is required to be good communicators, warm and empathetic, non-defensive, astute, creative, decisive, firm and resilient (Hultman et al., 2015).

(c) Price

Price is a measure of an item's value or the sum of money that is charged for a good or service. Price is one factor that must be controlled harmoniously and in harmony with the goals to be achieved by every business (Kotler, 2009). Price is an obvious aspect for buyers (Tjiptono, 2005). Basically rate or price is an offer to buyer or market. Whether or not the market is accepted, the buyer and the market will determine. Conversely, if the market refuses then the company should review the pricing (Hasan, 2013).

Price is the unit value assigned to a commodity as information on the counter-performance of the producer/ owner of the commodity. In economic theory, it is stated that, in a competitive market, the cost of a good or service is determined through supply and demand (Kotler, 2011). Price is critical in customer decision-making (Konuk, 2019). Customers will decide based on various priority and problem-based. The price is still among the list included for evaluation and comparison before the customer makes decision-making (Hassan & Shamsudin, 2019). That is why understanding the right role of pricing from both perspectives, service providers and customers, is essential (Konuk, 2019).

According to Zeithaml and Bitner (2000), price is what consumers can afford to get the desired products and services. Customers often rely on their opinion of the price and feel of what they receive to assess the characteristic of service they are using. The price factor is expressed through price competition compared to other companies in the same industry (Yuen, 2015). If the price it was too high, it will eventually lead to losing sales

(Kaura et al., 2015). Simultaneously, if it were set too low, it would lose business (Minbashrazgah et al., 2017).

Service providers need to certify that the price setting and its role meet customer expectations. Price can lead to a business's survival (Weisstein et al., 2014). Customers enjoyed the services but may not afford to come regularly. The outrageous price will tarnish the overall customer experience from satisfaction with frustration. The role of price towards service providers may lead to the maximization of cash flow and improved profit (Shafei & Tabaa, 2016). The proper implementation of a pricing strategy will lead to maximum sales growth by the service provider.

According to Shamsudin et al. (2020), customers perceived whether it is low or high based on their comparison against referent price. Customers will make a comparison of the price against the price offered by competitors in the market. Reference pricing is also related to psychological pricing, where it may influence customers to purchase with positive price perceptions. Accurate pricing opinions can gain the service provider to sustain in business and lead the industry.

(d) Branding

Brands may have been in existence for well over 1,000 years but never has any society before seen the power of branding as it is witnessed today. Brands are prevalent in every aspect of human life: production and consumption, food and clothing, personality and lifestyle; and from pop culture to politics even.

In addition to being what leaves a lasting impression on customers, branding helps customers and clients understand what to expect from a business. Branding represents and promotes lifestyles, and brands themselves take on a life of their own as a kind of culture. It is no longer just about giving a product more value. Currently, brands are vying for a piece of consumers' inner selves, as well as their values, views, politics, and souls. Branding and its effects extend far beyond the realms of marketing and advertising. Both a social and an economic creation, branding is. Brands have been investigated as an economic entity from the marketing and financial angles. Due to a lack of academic study in this field, brands as a social construct are still not fully understood. Any marketing communication is thought to revolve around branding (Ying, 2005).

According to Aaker (1991), the overall branding intention is to give a brand a distinct identity that distinguishes it from other competing brand. It stimulates creation of awareness to enable consumers recognize and distinguish a brand from others. Branding adversely influences the consumer decision making process by bringing three advantages; choice advantage; consideration decision, and learning advantage (Keller, 2001).

The primary step in building brand equity is by creating awareness about the brand through informative communication as a first entry point into the consumers mind. It helps create a favourable position in consumer's memory, enhancing familiarity hence giving a reason for the consumer to buy the brand. Simply, it enhances the possibility of the brand to be included in the consumer's consideration set (Andre & Salinas, 2007). Tse (2001) observed that corporate image directly or indirectly influences consumer brand evaluation hence affecting the level of satisfaction with the band.

The process of branding originated as a means by which a firm could differentiate its goods or services from those of its competitors. Initially, branding acted as a promise of consistency and quality for consumers. Now, however, brands are renowned for offering consumers a unique set of perceived benefits not found in other products. These perceived benefits potentially both simplify consumers' purchase decision making and provide a basis for customer loyalty. According to Boyle (2007), products that match consumers' needs most closely become brands.

Brand management practices contribute to creating more clear and reliable image in customer mind which gradually, result in increased attraction towards an organization's offering. In the long run, such practices influence consumers' judgment towards the brand. The level of satisfaction will depend on the customers' interpretation of the extent to which they perceive the brand has met their expectation. Mitchell (1999) argued that any inconsistency between the promised benefit and the actual benefit will lead to dissatisfaction.

2.3 Customer Satisfaction

Kotler and Keller (2007) defined customer satisfaction as the level of one's feelings as a result of the comparison between reality and expectations received by a product and service. According to Akbar and Parves (2009), customer satisfaction is an assessment of a product or service based on how well it satisfies the wants and expectations of the

customer. Customer satisfaction plays an important role because there is a big difference in loyalty, between satisfied and completely satisfied customers (Lovelock & Wright, 2007).

Customer satisfaction has been one of the top tools for a successful business. Customer satisfaction is described as a general assessment based on the entire purchasing and using the good or service experience across time (Fornell et al., 1996). Customer satisfaction is a component of marketing since it identifies what the consumer expects from the way businesses will provide the goods and services (Oliver, 1999). Customer retention, product repurchase, and customer happiness are all critical elements of a corporate strategy. Companies should market concepts and approaches after completing all required paperwork in order to increase client satisfaction. Customer satisfaction is a barometer that predicts the future customer behaviour (Hill et al., 2007.)

There is added complexity to satisfying customers in liner shipping. Although shippers are the ultimate clients, other parties may act on their behalf and have the discretion to choose a service (Frankel, 1993). For instance, the choice of routes, the combination of intermodal transport, the choice of carriers, and the choice of warehouse operators are all decisions that a freight forwarder acting on behalf of a shipper, who may be an exporting producer or an importing distributor, has. This shows that, in addition to satisfying shippers, it's critical for shipping companies to meet the quality requirements of its direct clients, or freight forwarders.

While improving customer satisfaction, customer expectations should be noticed. Service quality, product quality and value for money have a direct positive impact on customer satisfaction. Employee satisfaction is equally important before achieving the customer satisfaction. (Lovelock & Wright, 2007). Customer satisfaction is influenced by specific product or service features and perceptions of quality. Satisfaction is also influenced by customer's emotional responses (Zeithaml & Bitner, 2003). When the customer is satisfied with the product or service of the company, it can make the customer to purchase frequently and to recommend products or services to potential customers. If a corporate organization ignores or disregards the needs of its clients, it cannot develop into a successful enterprise (Tao, 2014).

2.4 Switching Costs

The sacrifices or penalties that consumers incur when they migrate from one service provider to another are referred to as switching costs (Jones et al., 2007). Burnham et al. (2003) developed a switching cost typology that identified three types of switching costs which are: Procedural switching costs, Relational switching costs, and financial switching costs. Jones et al. (2007) recently identified the dimensions of switching costs: social switching costs, procedural switching costs, and lost benefits costs. The high cost of switching created by the company is expected to bind the customers not to reveal to different companies. Zhang (2009) mentioned switching costs are negatively related to the switching behavior of a customer.

Costs associated with switching include both financial (fines, fees, contractual duties) and non-financial (time or psychological effort) costs (Dick & Basu, 1994). The psychological work may include dealing with the loss of benefits for loyalty that have accumulated through tenure with a corporation (Lam et al., 2004). Customers might, for instance, invest in their service providers' employees' interpersonal relationships. As a result, clients may benefit from becoming familiar with the practices used by their service providers. Additionally, when dealing with staff members at their service providers, customers could potentially enjoy additional benefits (Colgate & Lang, 2001). Jones (2000) divided switching obstacles into three categories, including interpersonal relationships, perceived switching costs, and attractiveness of alternatives.

Positive switching costs (PSC) comprise a variety of benefits from interpersonal connections and loyalty that strengthen the customer's emotional bond with service providers (Jones et al., 2007). Customers at the present service providers undoubtedly take use of these advantages. Negative switching costs (NSC) domains, on the other hand, include monetary costs as well as procedural costs like time and effort that make it harder for customers to switch. They don't benefit the customer relationships with service providers throughout the time of interaction and only show up when clients are about to leave (Sharma & Patterson, 2000).

2.5 Customer Loyalty

Loyalty, according to Oliver (1999), is "a strongly held commitment to rebuild and re-patronize a preferred product or service in the future despite situational influences and

marketing efforts having the potential to cause switching behaviors." Customer loyalty is defined as the degree to which a person's general attitude and repeat business are correlated. To establish client loyalty, a business must emphasize the benefits of its goods and services and demonstrate that it cares about meeting consumer needs and fostering relationships (Griffin, 2002).

Recognizing customer loyalty is crucial for marketers in order to choose the methods required to establish, grow, and sustain markets. Brand loyalty and shop loyalty are the two types of customer loyalty that can be categorized (store loyalty). Store loyalty is demonstrated by consistently visiting a location where customers can purchase the desired brand. Brand loyalty is a favorable attitude toward a brand that is represented in consistent purchases of that brand over time (Kotler & Keller, 2007). According to Akbar and Parves (2009), a group of customers are considered to be loyal if they support the business, promise to repurchase its goods and services, and refer other people to it.

The expenses to gain a new customer is much more than retaining existing one. Loyal customers will encourage others to buy from you and think more than twice before changing their mind to buy other services. Customer loyalty is not something that just happens; it is something that is built via sourcing and design choices. Designing for customer loyalty necessitates client-centered strategies that take service recipients' wants and interests into consideration. Customer loyalty is developed over time and through a number of transactions (Thomas & Tobe, 2013).

Customer relationships are equally crucial for retaining customers, and since no business can excel at everything, this necessitates working in a larger context (McDonald & Keen, 2000). Customer loyalty is broken down into three separate categories by Gremler and Brown (1999), including behavior loyalty, purposeful loyalty, and emotional loyalty. While intentional loyalty refers to a potential purchase intention, behavior loyalty is the repetition of a purchasing behavior. Emotional loyalty, however, is achieved when a customer feels that a brand corresponds with their value, ideas, and passion.

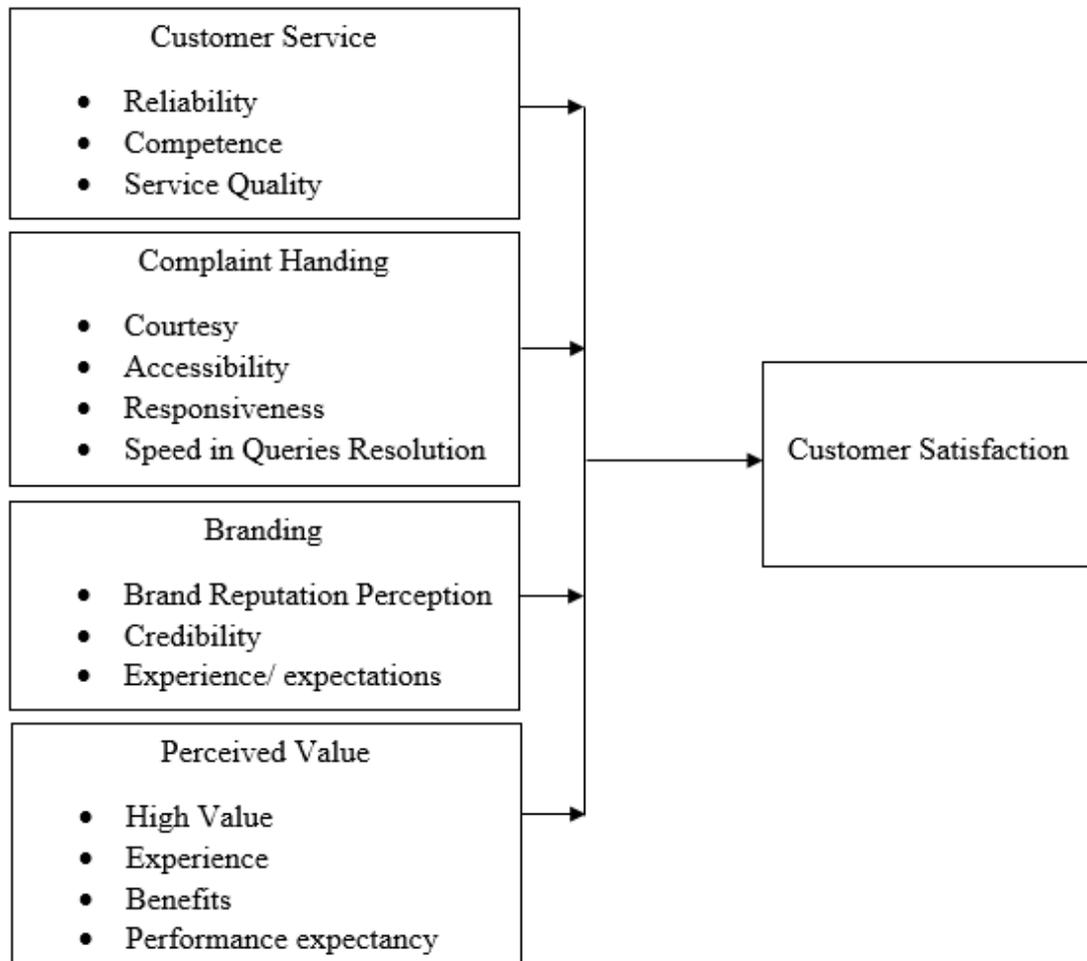
Loyalty is used to indicate when a customer wants to continue using the product in the long run and provide recommendations to business partners and associations (Lovelock et al., 2009). According to Rust and Zahornik (1993), acquiring new consumers presents more challenges than keeping existing ones. Customer retention, which is crucial for ensuring income, according to Matzler and Stahl (2000), typically arises from clients

paying less for transactions. Recurring purchases (loyalty in product purchases), retention (rejection of detrimental impacts on businesses), and referrals are all examples of customer loyalty indicators (referring to the total existence of the company).

2.6 Previous Studies

Kamau (2011) did the research titled determinant of client satisfaction in organizations. The study's purpose was to investigate the factors of fulfillment on services rendered by Kenya Power. The study targeted 40 Kenya Power customers as sample population who are categorized as domestic, commercial and institutional from Nyeri town. The conceptual framework of Kamau (2011) is shown in Figure (2.3).

Figure (2.3) Conceptual Framework of Kamau

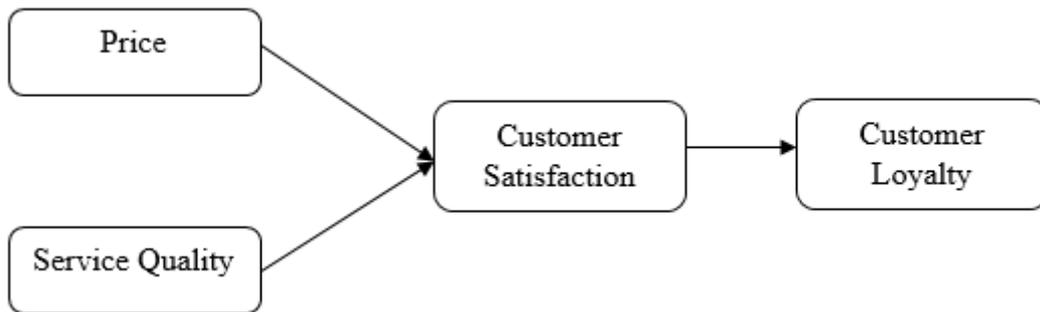


Source: Kamau (2013)

It is found that the constructive dealings are occurred between the predictors and customer satisfaction. Customer satisfaction at Kenya Power depends on customer service, complaint handling, branding and perceived value.

The impact of price and service quality on client satisfaction and its effects on client loyalty were examined by Haryanto and Sitio (2022). Causal research type was the methodology employed in this investigation. The population in this study were all patients who had visited and had received health services at PT. XYZ in 2018 as many as 43,476 people. Determination of the number of samples was used Slovin so as to get 100 respondents. The conceptual framework of Haryanto and Sitio (2022) is shown in Figure (2.4).

Figure (2.4) Conceptual Framework of Haryanto & Sitio

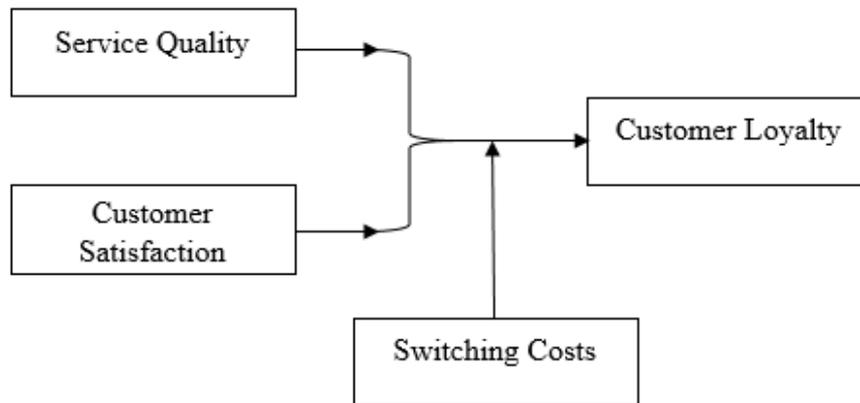


Source: Haryanto & Sitio (2022)

The findings of this study showed that Patient Satisfaction was positively and significantly influenced by Price and by Service Quality. There was a confident indirect effect between Price and Quality of Service on loyalty through patient satisfaction, meaning through patient satisfaction can increase patient loyalty.

The study "The Impact of Quality of Services and Satisfaction on Customer Loyalty: The Moderate Role of Switching Costs" was also conducted by Harazneha et al. in 2020. This study looked into the relationship between customer happiness and service quality in Jordanian telecommunications. Switching costs were also examined in the study as a moderate variable. According to the employees' perspectives at the Aqaba Special Economic Zone Authority, the study looked at the effects (ASEZA). Figure (2.5) depicts the conceptual framework of Harazneha et al. (2020).

Figure (2.5) Conceptual Framework of Harazneha et al.



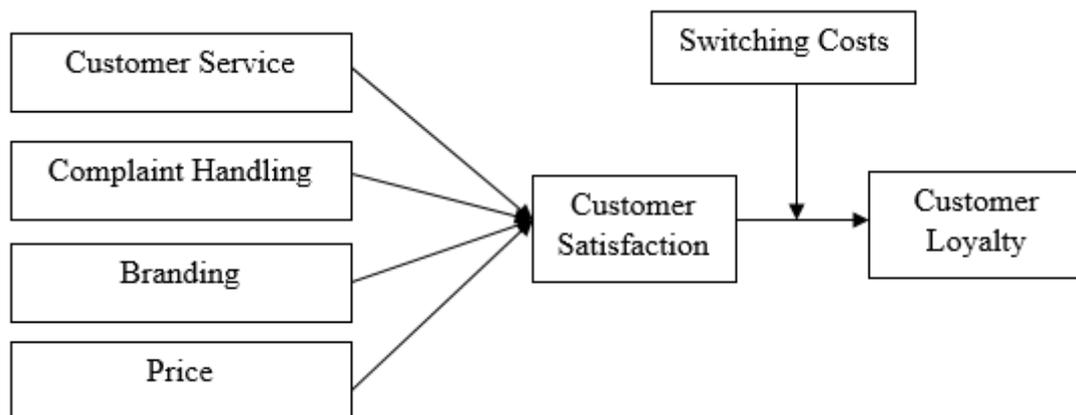
Source: Harazneha et al. (2020)

The study's findings demonstrated a direct correlation between customer happiness and customer loyalty and the quality of Jordanian telecommunications service. Additionally, the switching cost moderator model significantly improved the link between service quality and customer happiness and ultimately customer loyalty.

2.7 Conceptual Framework of the Study

Based on the previous literatures and previous studies, the conceptual framework of the study is developed. Figure (2.6) presents the conceptual framework of the study.

Figure (2.6) Conceptual Framework of the Study



Source: Own Compilation (2022)

This study intends to determine whether determinants have an impact on customer satisfaction, as shown in Figure (2.6). Additionally, the impact of customer satisfaction on repeat business will be examined. Finally, this study investigates whether switching costs at Yang Ming (Myanmar) Co., Ltd. have a moderating impact on customer loyalty and satisfaction.

CHAPTER 3

PROFILE AND CUSTOMER SERVICES IN YANG MING (MYANMAR) CO., LTD

The profile of Yang Ming (Myanmar) Co., Ltd. is delivered in this chapter. Additionally, it lists the services of Yang Ming (Myanmar) Co., Ltd. Furthermore, it contains the respondent's profile.

3.1 Profile of Yang Ming (Myanmar) Co., Ltd

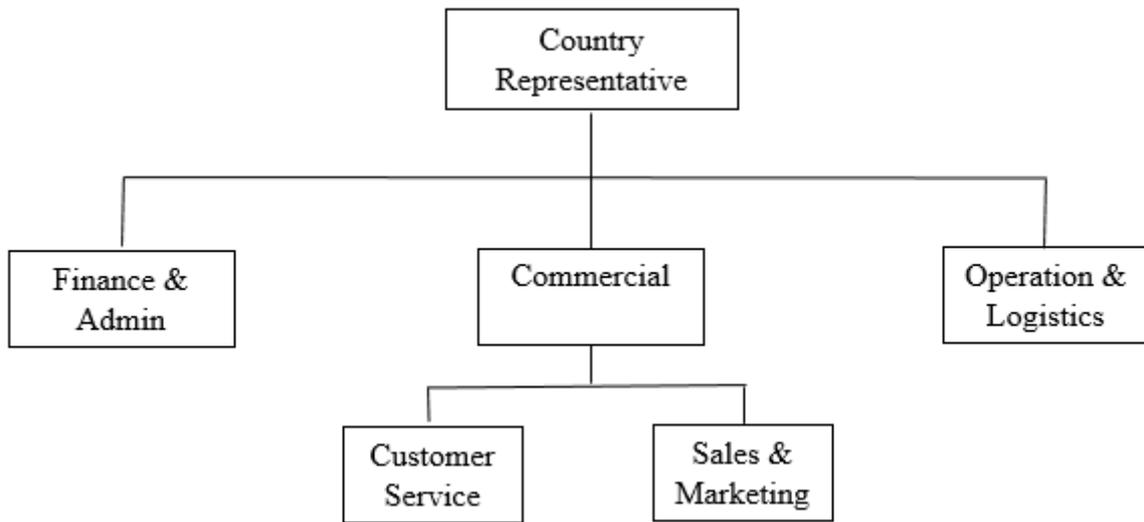
On May 7, 2013, Yang Ming (Myanmar) Co., Ltd. was established. The primary business of Yang Ming Marine Transport Corporation is marine transportation. The business offers marine shipping. The office is located in No.79-81, Room No.803, 8th Floor, Central Tower Coner of Anawrahta Road and 39th Street, Kyauktatar, Yangon, Myanmar. Currently, Yang Ming Shipping Line runs 17 bulk carriers and 101 container ships with a capacity of up to 14,000 (20 foot equivalent units TEUs) worldwide.

Customers can put their trust in Yang Ming (Myanmar), which provides excellent scheduled container transportation service throughout Asia, Europe, America, and Australia. In an effort to rank among the greatest carriers in the world, Yang Ming Shipping Line has continued to improve both its fleet and its offerings. The variety of containers offered by Yang Ming includes 20' Dry Vans, 40' Dry Vans, 40' High Cubes, and 20' Reefers.

Yang Ming also runs warehouse, wharf, tug, barge, and container freight station operations in addition to selling, leasing, repairing, selling containers and renting chassis. Teamwork, Innovation, Integrity, and Pragmatism are the organization's core values. The business provides services to both forwarders and direct shippers. The majority of the company's clients are forwarders, and the company gives them service contracts.

Different departments of Yang Ming (Myanmar) have various objectives to achieve the corporate goals. The Yang Ming (Myanmar) Co., Ltd.'s organizational structure is shown in Figure (3.1).

Figure (3.1) Organizational Structure of Yang Ming (Myanmar)



Source: Yang Ming (Myanmar)

Yang Ming (Myanmar), as depicted in Figure (3.1), comprises three key departments named finance and administration, commercial, and operations. Customer service, sales, and marketing sectors are arranged under the commercial department.

(a) Finance and Admin Department

The primary responsibilities of the finance and administration department are to oversee all financial operations, ensure accurate and prompt financial closing, and prepare financial and management reports. Additionally, it must assure that all financial reports are compliant with legal requirements and accounting standards. It coordinates with auditors and tax agents, administers budgeting, forecasting, financial analysis, and offers strategic recommendations to enhance the company's financial business performance. Additionally, it controls the freight payment procedures, freight and export/import documentation fees. Improve internal control, create and implement financial policies, and drive improvements. It oversees the administration of office supplies and daily chores. It is in charge of applying laws and regulations.

(b) Commercial Department

The commercial department is in charge of supervising business expansion initiatives on behalf of the company, working with company leadership to undertake risk

assessments, and sustaining advantageous business ties with customers, suppliers, and other partners. It once carried out market research to find fresh client leads and commercial prospects. Through direct management of the Sales & Marketing team and Customer Service departments, it monitors client relationships and spots chances for new clients. In order to find potential opportunities for business growth, it must also analyze data and produce reports for Head Quarter.

(c) Operation Department

The operation department is in charge of the ship's daily activities, including container (cleaning & safety) status. In addition to managing the environment, maintaining safety standards and procedures is a crucial aspect of the work. This department also ensures that there is an adequate number of operational personnel on hand for emergency reaction, if necessary. Additionally, it oversees and manages the handling of Laden/Empties (gate in/out), reporting, handling imported cargo processes, and trucking arrangements for timely container movement.

3.2 Services of Yang Ming (Myanmar) Co., Ltd

Yang Ming (Myanmar) offers high-caliber services to ensure quick and dependable transportation. In order to obtain client pleasure and loyalty, the business focuses on providing excellent customer service, addressing complaints, branding, and fair pricing.

(a) Customer Service

The initial point of contact with customers is customer service. Yang Ming and Myanmar create a mutually beneficial alliance. consistently outstanding customer service. Open communication, subject matter expertise, and building on prior experiences are the three main areas on which the organization concentrates to give exceptional customer service. It gives clients information along the journey, informing them of the ship's destination's arrival time, the delivery date for the freight, and any other desired updates.

When consumers need to know the status of their shipments, Yang Ming (Myanmar) responds quickly. In addition, the business offers clients an easy way to track their shipments online. Customer service works with the relevant departments to provide

feedback to customers as soon as possible if they have specific questions about payments, route changes, or detention. The shipping company has its own ships and a large network of other shipping companies, so it can deliver the cargo by the Estimated Time of Arrival (ETA).

If forwarding companies incur costs before the package arrived, Yang Ming (Myanmar) withholds the advance payment or excess payment within a week. Additionally, if the forwarders return the container seals to the corporation, the company will reimburse the forwarders who purchased the seals.

(b) Complaint Handling System

Yang Ming (Myanmar) understands that it is first crucial to respond to any complaint as quickly as possible. The company has online complaint system by which customers can send the complaint message directly to respective department. Customers can also make the complaints via an email, online review or call. Once the company receives the complaints, official first apologizes for any inconvenience caused.

Official asks the demands of customers and give possible solutions along with waiting time. Customers can choose the prefer solution according to their business nature. Shipping line solves the problems accordingly. After addressing customer's complaints, the company makes sure to follow up with them. By doing so, you show that you care about providing the best possible experience. Depending on how you handle the situation, you can gain a one-time client or a devoted supporter.

(c) Branding

Yang Ming (Myanmar) is a capital-intensive business with intense competition that involves B2B transactions. Customers' confidence in their decision is increased by the company's creation of a trustworthy brand image. It is able to maintain a consistent schedule and enough containers. It makes an effort to avoid canceling the reservations and agreed-upon rate already granted to forwarders. Once a customer has been offered an all-inclusive freight quote, the company never requests additional fees. Social media is a tactical tool that Yang Ming (Myanmar) can use to build brand engagement and implement brand

positioning initiatives. In order to keep the public informed about updates to their products and services, businesses frequently post material on their websites and social media accounts.

(d) Pricing Policy

Depending on the circumstances and conditions, Yang Ming (Myanmar) has varying pricing policies for customers. If consumers want to obtain freight cost for a one-time use, the company offers spot pricing or market price. By keeping an eye on competitors, it provides a competitive spot pricing. Additionally, it includes the contract pricing for forwarders based on the quantity of containers and destination they want. By making sure that containers are used frequently, forwarders can help reduce the high rate. The organization then provides forwarders with a predetermined rate based on the quantity of containers and length of the contract. The price given to each forwarder is kept secret. Giving the all-in rate to purchasers or consignees allows shippers to more easily locate overseas markets or buyers by permitting set contract rates. Yang Ming (Myanmar) used to need approval from central office in order to offer the special prices that forwarders requested.

3.3 Reliability Test

The variable's stability or consistency in the structured questionnaire is measured by reliability. The 5-point Likert scale is used to construct questions. Table (3.1) displays the findings of the Cronbach's Alpha reliability test.

Table (3.1) Reliability Test

Sr. No.	Variable	No. of Items	Cronbach's Alpha	Reliability Level
1	Customer Service	5	.738	Reliable
2	Complaint Handling	5	.856	Reliable
3	Branding	5	.857	Reliable
4	Price	5	.908	Reliable
5	Customer Satisfaction	5	.924	Reliable
6	Customer Loyalty	5	.814	Reliable
7	Switching Cost	5	.821	Reliable

Source: Survey Data, 2022

Table (3.1) shows that all the variables (customer service, complaint handling, branding, price, customer satisfaction, customer loyalty, and switching costs). All variables have higher Cronbach's alpha values than (0.7). Because of this, it is considered to have strong reliability, and the results are relevant to this study.

3.4 Profile of the Respondents

The profiles of the respondents are significant that forwarding companies are the shipping line's direct customers. Gender, age, education, position, and the number of years (experience) working with Yang Ming (Myanmar) Shipping Line are all included in this profile. The respondents' profiles are shown in Table (3.2).

Table (3.2) Profile of the Respondents

Sr.No	Particular	No. of Respondents	Percent
	Total	89	100
1.	Gender		
	Male	51	57.3
	Female	38	42.7
2.	Age		
	≤ 25 years	18	20.2
	26 ~ 35 years	27	30.3
	36 ~ 45 years	38	42.7
	Over 45 years	6	6.7
3.	Education		
	High School	21	23.6
	Bachelor	65	73.0
	Other	3	3.4
4.	Occupation		
	Executive	39	43.8
	Manager	32	36.0
	General Manager	6	6.7
	Director	9	10.1
	Owner	3	3.4
5.	Experience		
	1-3 years	14	15.73
	4-6 years	73	82.02
	Above 7 years	2	2.25

Source: Survey Data, 2022

The majority of responders from forwarding companies are male, according to Table (3.2). The forwarding industry is dominated by men because they frequently travel for business. The majority of respondents are also aged between 36 and 45. At their forwarding businesses, they are employed executives and managers. They have spent four to six years working in the forwarding sector.

CHAPTER 4

**ANALYSIS ON THE EFFECT OF DETERMINANTS OF
CUSTOMER SATISFACTION AND LOYALTY
TOWARDS YANG MING (MYANMAR) CO., LTD**

This chapter analyses the effect of influencing factors on customer satisfaction. In addition, it presents the Effect of Customer Satisfaction on Customer Loyalty. Finally, it describes the moderating effects of switching costs on the relationship between customer satisfaction and customer loyalty.

4.1 Analysis on the Effect of Determinants on Customer Satisfaction

Customers' satisfaction with Yang Ming delivery service in a cargo firm can be influenced by a number of variables such as customer service, complaint handling, branding, and price.

(a) Customer Service

Customer satisfaction is a related to how well a company's products or services encounters customer expectations (Best, 1977). The customer's perception towards the customer service of Yang Ming Myanmar Co., Ltd. is shown in Table (4.1).

Table (4.1) Customer Service

Sr. No.	Customer Service	Mean Score	Std. Dev
1.	Offering customer service promptly	3.70	0.86
2.	Giving consistency of customer service	3.83	0.73
3.	Having accuracy of cargo tracking system	3.85	0.70
4.	Able to claim advanced payment easily and fast	3.56	0.80
5.	Always delivering cargo on time	3.87	0.88
	Overall Mean	3.76	

Source: Survey Data, 2022

According to Table (4.1), it is found that Yang Ming (Myanmar) always deliver their cargo on time since Yang Ming (Myanmar) has own vessels and partners with other shipping lines so that it can deliver the cargo according to the Estimated Time of Arrival (ETA). However, it is also found that respondents cannot easily claim Yang Ming (Myanmar) to return advanced payment quickly because shipping line often check with the financial officers at the head office. The overall mean score 3.76 indicates that the respondents feel that Yang Ming’s customer service is acceptable.

(b) Complaint Handling

Compliant handling is the way of handling situations when there are conflicts between customers and the business. Table (4.2) presents the perceptions of forwarders towards complaint handling of Yang Ming Co., Ltd.

Table (4.2) Complaint Handling

Sr. No.	Complaint Handling	Mean Score	Std. Dev
1.	Managing complaint quickly.	3.65	0.77
2.	Follow up system for customer complaints.	3.66	0.87
3.	Skilful staff for complaint handling.	3.83	0.89
4.	Polite staff while handling complaints.	3.93	0.72
5.	Happy with the way the Yang Ming (Myanmar) worked out problem.	3.99	0.76
	Overall Mean	3.81	

Source: Survey Data, 2022

According to Table (4.2), the forwarders are happy with the complaint solution of the Yang Ming (Myanmar) since official asks the demands of customers and give possible solutions along with waiting time. However, many forwarders state that handling complaint system is not very fast because Yan Ming (Myanmar) always check with departure or destination sites for crosschecking the shipment details. Respondents think complaint system takes a lot of time when shippers need urgent action to take their cargos from the port. According to the overall mean score 3.81, the respondents have positive perception towards the complaint handling of Yang Ming (Myanmar).

(c) Perception of Forwarders towards Branding

A brand is related to the reputation of the company. Forwarders usually look for the good reputation services. Table (4.3) shows the perceptions of forwarders towards branding of Yang Ming Co., Ltd.

Table (4.3) Branding

Sr. No.	Branding	Mean Score	Std. Dev.
1.	A good reputation	3.93	0.77
2.	No hidden fees	3.53	1.17
3.	Always updating its products and websites	3.76	0.88
4.	Reliable schedule	3.94	0.87
5.	Having enough containers and equipment to give service	3.66	0.87
	Overall Mean	3.77	

Source: Survey Data, 2022

According to Table (4.3), the customers state that Yang Ming (Myanmar) is reliable for their cargos because Yang Ming (Myanmar) has reliable schedule. It maintains a consistent timetable and an adequate supply of containers. It makes an effort to avoid canceling the reservation and pre-agreed rate that was granted to forwarders. Additionally, clients claim Yang Ming (Myanmar) has a solid reputation because the business cultivates a respectable reputation and increases Forwarders' confidence in their choice. However, forwarders sometimes have to pay unstated or hidden fees as shipping line increases charges for seals or detention charges without giving prior notice. The overall mean score (3.77) indicates that the respondents have a positive perception of branding features of Yang Ming Myanmar company.

(d) Perception of Forwarders towards Price

Pricing is the value of products or services that shipping line will receive in exchange for their goods and services. Table (4.4) shows the perceptions of customers towards pricing of Yang Ming (Myanmar) Co., Ltd.

Table (4.4) Price

Sr. No.	Price	Mean Score	Std. Dev.
1.	Giving special rate for forwarders with contracts	3.67	0.96
2.	Reasonable and fair price	3.60	0.84
3.	Granting special rates if forwarders have many cargos	3.83	0.73
4.	Able to negotiate freight rate	3.61	0.75
5.	Good value for money	3.70	0.82
	Overall Mean	3.68	

Source: Survey Data, 2022

According to Table (4.4), Yang Ming (Myanmar) offers special prices to forwarders with large cargo loads. Forwarders can also negotiate the demanding rate by ensuring regular container usage. On the other hand, sometimes forwarders do not think that Yang Min (Myanmar)'s price are reasonable and fair since shipping line raise the price when the cargo destination is not their favorite place. The overall mean score 3.68 shows that the respondents have moderate level of good perception towards pricing policy of Yang Ming (Myanmar).

(e) Customer Satisfaction

Customer satisfaction is a measurement that determines how happy customers are with a company's products, services, and capabilities. Table (4.5) demonstrates the perceptions of customers towards customer service of Yang Ming Co., Ltd.

Table (4.5) Customer Satisfaction

Sr. No.	Customer Satisfaction	Mean Score	Std. Dev.
1.	Satisfying with fast customer service of Yang Ming (Myanmar).	3.79	0.86
2.	Satisfying with the freight rate.	3.56	0.92
3.	Satisfying with the complaint handling procedure of Yang Ming (Myanmar)	3.73	0.81
4.	Trust the reputation of Yang Ming (Myanmar).	3.92	0.76
5.	Able to deliver the cargo safely and on time.	3.73	0.77
	Overall Mean	3.75	

Source: Survey Data, 2022

According to Table (4.5), the forwarders trust the reputation of Yang Ming (Myanmar) since Yang Ming (Myanmar) have a good reputation among forwarders. However, they perceive that freight rate is not very satisfactory as shipping line sometimes raise the price without giving the reasons. The overall mean score of (3.75) shows that respondents are moderately satisfied with Yang Ming (Myanmar).

To find out the relationship between factor influencing and customer satisfaction of Yang Ming (Myanmar) companies, regression analysis is applied. Table (4.6) presents the regression result that indicates the effect of four influencing factor in customer satisfaction.

According to the regression result, the value of adjusted R square is 0.872 and this specified model can explain 87.2 % of variation of customer satisfaction of Yang Ming (Myanmar) which is predicted by four influencing factor (customer service, complaint handling, branding and price). The overall significance of the model, F value, is highly significant at 1 percent level and this model is valid.

Table (4.6) Effect of Determinants on Customer Satisfaction

Variable	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig
	B	Std Error			
(Constant)	.076	.191		.399	.691
Customer Service	.244***	.085	.188	2.881	.005
Complaint Handling	.491***	.084	.436	5.852	.000
Branding	.140*	.084	.142	1.673	.098
Price	.595***	.083	.579	7.172	.000
R Square	.878				
Adjusted R Square	.872				
F Value	150.507***				

Source: Survey Data, 2022

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

Customer services has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction of Yang Ming (Myanmar) at 1 percent level. The positive effect means that the better customer services leads to more customer satisfaction. Yang Ming (Myanmar) offers reliable schedules with own vessels and partners so that it can deliver the cargo according to the Estimated Time of Arrival (ETA). In addition,

shipping line has accuracy of cargo tracking system. Hence, forwarders are satisfied with customer service of Yang Ming (Myanmar).

Complaint handling has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction of Yang Ming (Myanmar) at 1 percent level. The positive effect means that the better complaint handling leads to more customer satisfaction. Because official apologises for any inconvenience caused and offer fast solutions. In addition, Yang Ming (Myanmar) follows up every complaint solved. Therefore, forwarders are satisfied with complaint handlings of the shipping line.

Branding has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction of Yang Ming (Myanmar) at 10 percent level. The positive effect means that the better branding leads to more customer satisfaction. Because Yang Ming (Myanmar) has good reputation for reliable services, enough containers and equipment. In addition, it builds its good image by posting update schedules and new services at online. Thus, forwarders are satisfied with branding practice of the shipping line.

Price has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction. The positive effect means that the better price leads to more customer satisfaction. Because forwarders can also negotiate the demanding rate by ensuring regular container usage. Forwarders in turn gives the fair price to shippers. Hence, shippers are able to find the oversea markets or buyers more easily by giving the all-in rate to buyers or consignees. Forwarders are satisfied as Yang Ming (Myanmar) has different pricing policy based on terms and regulations.

According to Standardized coefficient (Beta) score, price is the most effective factor on customer satisfaction. As forwarders have to find the fair rate for their customers or shippers, they find the pricing policies of Yang Ming (Myanmar) is fair for all stakeholders.

4.2 Analysis on the Effect of Customer Satisfaction in Customer Loyalty in Yang Ming (Myanmar) Co., ltd.

High levels of customer satisfaction result in greater customer loyalty, retention, a higher lifetime value, and a stronger reputation for the business. Consumer loyalty is focused on forecasting customer behavior and attitudes, whereas customer satisfaction is focused on gauging actual customer attitudes.

(a) Customer Loyalty

The ongoing beneficial relationship between a customer and a firm is known as customer loyalty. When a business continually meets and exceeds customers' expectations, it gains loyal customers. Table (4.7) expresses the levels of customer to Yang Ming Co., Ltd.

Table (4.7) Customer Loyalty

Sr. No.	Customer Loyalty	Mean Score	Std. Dev.
1.	Willing to use Yang Ming (Myanmar)	3.75	0.94
2.	Recommending my shippers to transport cargos by Yang Ming (Myanmar)	3.81	0.81
3.	Not willing to use other shipping lines even if they offer better price rates	3.43	0.88
4.	Considering shipping lines, Yang Ming (Myanmar) comes first	3.60	0.75
5.	Saying positive things about Yang Ming (Myanmar) to other people	3.91	0.85
	Overall Mean	3.70	

Source: Survey Data, 2022

In accordance with Table (4.7), the forwarders say positive things about Yang Ming (Myanmar) to other people because respondents are satisfied with the service of Yang Ming shipping line, which provides special rates to forwarders, and acceptable level of complaint handling. However, it is found that forwarders may be inclined to other shipping lines when they get better freight offer. Forwarders used to look for the cheaper rate so that they can give competitive rate to their customers. The overall mean score 3.70 reveals that forwarders are moderately loyal to Yang Ming (Myanmar).

(b) Customer Satisfaction

According to Table (4.8), since the value of adjusted R square is 0.724, it can be concluded that this specified model can explain 72.4% of variation of customer loyalty

which is predicted by customer satisfaction. As overall significance of the model, F value is highly significant at 1 percent level, this model can be said valid.

Table (4.8) Effect of Customer Satisfaction on Customer Loyalty

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std Error	Beta		
(Constant)	.854	.190		4.493	.000
Customer Satisfaction	.759***	.050	.853	15.231	.000
R Square	.727				
Adjusted R Square	.724				
F Value	231.994***				

Source: Survey Data, 2022

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

The variable of customer satisfaction has the expected positive sign, and the coefficient of the variable is strongly significant at 1 percent level. The positive effect means that the increase in customer satisfaction leads to raise the customer loyalty. Because most of the respondents are happy with reliable service, good complaint handling, and fair price of the Yang Ming (Myanmar), they recommend others to use service of Yang Ming (Myanmar) and they are willing to use Yang Ming (Myanmar) whenever they have shipments.

4.3 Moderating Effects of Switching Costs on the Relationship between Customer Satisfaction and Customer Loyalty

Switching costs may effect on the continue usage of particular product or service. This section analyzes the moderating effects of switching costs on the relationship between customer satisfaction and customer loyalty.

(a) Switching Costs

Switching costs are the costs that a client obtains as a result of switching suppliers, or products. Controlling switching costs (SCs) is a crucial tactic for maintaining client

loyalty in the shipping sector. Table (4.9) presents the perceptions of respondents towards switching costs in shipping industry.

Table (4.9) Switching Costs

Sr. No.	Switching Costs	Mean Score	Std. Dev.
1.	Having to take a lot of effort changing shipping line	3.82	0.85
2.	Taking a lot of time changing shipping line	3.84	0.75
3.	Hassle procedures to switch shipping line	3.45	0.87
4.	Changing shipping line would increase expenses for the forwarder.	3.62	0.73
5.	Some difficulties to switch the shipping line normally used	3.94	0.79
	Overall Mean	3.73	

Source: Survey Data, 2022

According to Table (4.9), forwarders agrees that there will be some difficulties to switch the shipping line normally used since forwarders have to consider many things such as price, reliable schedule, enough containers, and equipment etc. Forwarders do not want to change current line as new lines are not familiar with their demands like BL description, and cargo holding situation at the destination etc. The overall mean score (3.73) specifies that forwarders have some degree of switching costs.

Table (4.10) presents the regression result that indicates moderating effect of switching cost between customer satisfaction and customer loyalty. It indicates that switching has a significant moderating effect on the relationship between customer satisfaction and customer loyalty. The reason is that the addition of switching cost resulted in change delta R Square value of .016 which means overall 1.6 % moderating effect of switching cost.

Switching cost has the complete moderating effect on relationship between customer satisfaction and customer loyalty according to multiple regression results in Model 2. Therefore, most respondents agree that switching costs improve the effect between customer satisfaction and customer loyalty. As for the forwarders, switching to new shipping line takes time in order to find the right shipping line for the shippers.

Table (4.10) Effects of Switching Costs on the Relationship between Customer Satisfaction and Customer Loyalty

Variables	Model 1				Model 2			
	Unstandardized Coefficients		Standardized Coefficients (Beta)	Sig	Unstandardized Coefficients		Standardized Coefficients (Beta)	Sig
	B	Std. Error			B	Std. Error		
(Constant)	.125	.119		.297	1.218	.296		.000
Customer Satisfaction	.340	.038	.382	.000	.024	.082	.026	.775
Switching Costs	.682	.045	.648	.000	.284	.091	.270	.003
CS_SC					.105***	.022	.742	.000
R Square Change	.016							
R Square	.925				.941			
Adjusted R Square	.923				.939			
F Value	531.650***				455.909***			

Source: Survey Data, 2022

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to the regression result of Model 2, a positive moderating effect is detected where switching costs reinforces the positive relationship between customer satisfaction and customer loyalty. Generally, customer satisfaction can be the main determinant factor of customer loyalty. However, when switching cost is exist, customer will not use other shipping lines and they will continue using the current shipping line regardless of whether they are satisfied or not with the current shipping line.

CHAPTER 5

CONCLUSION

This chapter expresses the findings and discussions. It also presents suggestions and recommendations based on survey findings. Lastly, this chapter comprises limitation and need for further research.

5.1 Findings and Discussions

This study aims to examine the factors influencing customer satisfaction, analyze the effect of customer satisfaction on customer loyalty and analyze the moderating effect of switching costs on the relationship between customer satisfaction and customer loyalty in Yang Ming (Myanmar) Co., Ltd. 89 forwarders are chosen as sample out of 114 forwarders using Yang Ming (Myanmar) Co., Ltd.

Majority of the respondents from forwarding companies are males respondents and they are between 36 and 45 years old. Most of the respondents are as executives followed by managers at their forwarding companies. It is found that majority of the respondents have been working in the forwarding industry from 4 to 6 years.

Regression analysis presents all four influencing factors have positive effect on customer satisfaction. Among those factors, price is the most effective factor on customer satisfaction. This is because forwarders usually look for the fair freight rate so that they can offer good rate to their shippers in turn. Hence, price is important for the forwarders to achieve a competitive advantage.

This is because respondents are satisfied with reliable service, good complaint handling, and fair price of the Yang Ming (Myanmar). Hence, they recommend others to use service of Yang Ming (Myanmar). The respondents are also willing to use Yang Ming (Myanmar) whenever they have shipments.

The study reveals that the complete moderating effect of switching cost is found on relationship between customer satisfaction and customer loyalty. Switching to new shipping line takes time, and needs a lot of efforts. Finding the right partners are difficult

according to the cargo nature of the shippers. Hence, switching cost is totally effect on the customer satisfaction and customer loyalty of the forwarders.

5.2 Suggestions and Recommendations

Yang Ming (Myanmar) has opportunities to improve customer satisfaction and customer loyalty based on the findings. First, the shipping line should focus on pricing strategies for forwarders. Yang Ming (Myanmar) should offer the competitive freight rates by focusing those of other lines. Then, it will encourage the customer to develop further relationships with the shipping line. Sometimes, Yang Min (Myanmar) should offer special rate by evaluating the forwarders' long-term ability or growth potential. In addition, Yang Ming (Myanmar) should provide price incentives as point system for forwarders based on usage per month so that forwarders will continue using Yang Ming (Myanmar).

Yang Ming (Myanmar) should set the responsible people for complaint handlings at each department so that they could pay more attention to customers case by case. In addition, all the complaints should be stored in the system and this can be useful to reduce similar complaints or learn the past solutions. It should provide gifts to forwarders and shippers who did some complaints. In these ways, Yang Ming (Myanmar) could develop the relationship with forwarders to get loyal customers.

Regarding customer service, Yang Min (Myanmar) should provide support for the customers on all the queries about their orders to build long-term relationships with customers. It should train employees at customer service department to have basic knowledge for the whole shipping line operation. By good customer service, forwarders and shippers will be satisfied with Yang Ming (Myanmar). As the result, forwarders will not use other shipping lines when they have shipments.

For branding, Yang Min (Myanmar) should do Corporate Social Responsibility (CSR) by giving discounts or free charge for medical items transported for donation purposes during crisis or pandemic. In addition, the shipping line should focus social media like Facebook for branding. The company should learn the needs of the customers and provide the services accordingly. It should also maintain consistent service from time to time so that it can maintain its brand image among forwarders. As the result, forwarders will be satisfied and loyal to Yang Min (Myanmar).

Regarding switching costs, Yang Ming (Myanmar) should try to make high switching cost in the contract by offering performance based incentives for the one year or specified volume of containers. In addition, it can also raise the switching costs by granting credits for 3 months, 6 months or 1 year. By doing the above suggestions, forwarders will lose those incentives when they switch to other shipping lines. Hence, Yang Ming (Myanmar) will be able to retain its customers by high switching costs.

5.3 Needs for Further Research

This study only pays attention to four influencing factors that affect customer satisfaction and loyalty to Yang Ming (Myanmar) shipping line by focusing on feedbacks of forwarders. Thus, this study does not cover the other possible influencing factors and other shipping lines in Myanmar. In addition, switching cost is determined as the moderating variable. Hence, future studies should be conducted by focusing on other relevant influencing factors by focusing on the whole shipping line industry. In addition, future studies should compare the perceptions of direct shippers with forwarders. Then, all the customers' perceptions of the shipping line will be covered.

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APPENDIX A
Structured Questionnaire

Part (A) Demographic Data

1. Gender:

- Male
- Female

2. Age:

- ≤ 25 years
- 26 ~ 35 years
- 36 ~ 45 years
- Over 45 years

3. Education Level:

- No Academic School
- Middle School
- High School
- Bachelor
- Other

4. Occupation:

- Executive
- Manager
- General Manager
- Director
- Owner

5. How long have you been a customer of this organization?

- 1-3 years
- 4-6 years
- Above 7 years

Part (B) INFLUENCING FACTOR

Instruction: Please choose one of the following numbers on each line according to the index.

Index: 1 = Strongly disagreed

2 = Disagreed

3 = Neutral

4 = Agreed

5 = Strongly agreed

Please rate your influencing rate over the following influencing factor items.

Influencing Factor

No.	Customer Service	1	2	3	4	5
1.	Yang Ming gives promptness of customer service.					
2.	Yang Ming gives consistency of customer service.					
3.	Yang Ming has accuracy of cargo tracking system.					
4.	I can claim advanced payment easily and fast.					
5.	Yang Ming always delivers my cargo on time which enables me to meet my customer's requirements.					
	Complaint Handling					
6.	Yang Ming (Myanmar) handles complaint fast.					
7.	It has the follow up system for customer complaints.					
8.	Yang Ming (Myanmar) has skillful staff for complaint handling.					
9.	Staff are polite while handling complaints.					
10.	I am very satisfied with the way the Yang Ming (Myanmar) worked out my problem.					
	Branding					
11.	Yang Min (Myanmar) has good reputation.					
12.	Yang Min (Myanmar) has no hidden fees.					
13.	Yang Min (Myanmar) always update its products and websites.					
14.	Yang Min (Myanmar) has reliable schedule.					
15.	Yang Min (Myanmar) has enough containers and equipment to give service.					

	Price					
16.	Yang Ming (Myanmar) gives special rate for forwarders that have contract with shipping line.					
17.	The price is reasonable.					
18.	Yang Min (Myanmar) gives special rates if forwarders have many cargos.					
19.	Forwarder can negotiate freight rate.					
20.	Comparing with other shipping lines, Yang Min (Myanmar) is good value for money.					

Part (C) CUSTOMER SATISFACTION

Instruction: Please choose one of the following numbers on each line according to the index.

Index: 1 = Strongly disagreed

2 = Disagreed

3 = Neutral

4 = Agreed

5 = Strongly agreed

Please rate your influencing rate over the following Customer Satisfaction items.

No.	Customer Satisfaction	1	2	3	4	5
21.	I am satisfied with fast customer service of Yang Ming (Myanmar).					
22.	I am satisfied with the freight rate.					
23.	I am satisfied with the complaint handling procedure of Yang Ming (Myanmar)					
24.	I trust the reputation of Yang Ming (Myanmar).					
25.	Yang Ming (Myanmar) can deliver the cargo safely and on time.					

Part (D) CUSTOMER LOYALTY

Instruction: Please choose one of the following numbers on each line according to the index.

Index: 1 = Strongly disagreed

2 = Disagreed

3 = Neutral

4 = Agreed

5 = Strongly agreed

Please rate your influencing rate over the following Customer Loyalty items.

No.	Customer Loyalty	1	2	3	4	5
26.	When I have shipments, I will use Yang Ming (Myanmar).					
27.	I recommend my shippers to transport cargos by Yang Ming (Myanmar)					
28.	I will not use other shipping lines even if they offer better price rates.					
29.	Whenever I consider shipping lines, Yang Ming (Myanmar) comes first.					
30.	I say positive things about Yang Ming (Myanmar) to other people.					

Part (E) SWITCHING COSTS

Instruction: Please choose one of the following numbers on each line according to the index.

Index: 1 = Strongly disagreed

2 = Disagreed

3 = Neutral

4 = Agreed

5 = Strongly agreed

Please rate your influencing rate over the following Switching Costs items.

No.	Switching Costs	1	2	3	4	5
31.	It would take a lot of effort changing shipping line.					
32.	It would take a lot of time changing shipping line.					
33.	There are hassle procedures to switch shipping line					
34.	Changing shipping line would increase expenses for the forwarder.					
35.	There will be some difficulties if I switch the shipping line normally used.					

APPENDIX B

Effect of Factor Influencing in Customer Satisfaction

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.937 ^a	.878	.872	.25844

a. Predictors: (Constant), Price Mean, Customer Service Mean, Complaint Handling Mean, Branding Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.211	4	10.053	150.507	.000 ^b
	Residual	5.611	84	.067		
	Total	45.821	88			

a. Dependent Variable: Customer Satisfaction Mean

b. Predictors: (Constant), Price Mean, Customer Service Mean, Complaint Handling Mean, Branding Mean

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.076	.191		.399	.691
	Customer Service Mean	.244	.085	.188	2.881	.005
	Complaint Handling Mean	.491	.084	.436	5.852	.000
	Branding Mean	.140	.084	.142	1.673	.098
	Price Mean	.595	.083	.579	7.172	.000

a. Dependent Variable: Customer Satisfaction Mean

Effect of Customer Satisfaction in Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.853 ^a	.727	.724	.33747

a. Predictors: (Constant), Customer Satisfaction Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.422	1	26.422	231.994	.000 ^b
	Residual	9.908	87	.114		
	Total	36.330	88			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.854	.190		4.493	.000
	Customer Satisfaction Mean	.759	.050	.853	15.231	.000

a. Dependent Variable: Customer Loyalty Mean

Effects of Switching Costs on the Relationship between Customer Satisfaction and Customer Loyalty

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.962 ^a	.925	.923	.17779	.925	531.650	2	86	.000
2	.970 ^b	.941	.939	.15814	.016	23.705	1	85	.000

a. Predictors: (Constant), Switching Costs Mean, Customer Satisfaction Mean

b. Predictors: (Constant), Switching Costs Mean, Customer Satisfaction Mean, SF_SC

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.611	2	16.806	531.650	.000 ^b
	Residual	2.719	86	.032		
	Total	36.330	88			
2	Regression	34.204	3	11.401	455.909	.000 ^c
	Residual	2.126	85	.025		
	Total	36.330	88			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Switching Costs Mean, Customer Satisfaction Mean

c. Predictors: (Constant), Switching Costs Mean, Customer Satisfaction Mean, SF_SC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.125	.119		1.049	.297
	Customer Satisfaction Mean	.340	.038	.382	8.905	.000
	Switching Costs Mean	.682	.045	.648	15.081	.000
2	(Constant)	1.218	.296		4.120	.000
	Customer Satisfaction Mean	.024	.082	.026	.287	.775
	Switching Costs Mean	.284	.091	.270	3.116	.003
	SF_SC	.105	.022	.742	4.869	.000

a. Dependent Variable: Customer Loyalty Mean