

# PURCHASE DECISION ON CONSUMER GOODS IN THE SERVICE VALUE OF THIRD-PARTY LOGISTICS SERVICE PROVIDER

Thanasuwit Thabhiranrak<sup>1\*</sup>

<sup>1\*</sup>Graduate School, Suan Sunandha Rajabhat University, Bangkok, Thailand

E-Mail: [thanasuwit.th@ssru.ac.th](mailto:thanasuwit.th@ssru.ac.th) <sup>1\*</sup>

## ABSTRACT

The use of freight forwarders can therefore influence the purchase decisions of consumers. The purpose of this research is to study the value of transport companies' services, influencing the purchase decisions of customers who purchase consumer goods online. The research model is quantitative research. A sample was 400 online product customers from fan pages, who had more than one online shopping experience in a period of no more than 6 months. The data were analyzed by second order confirmatory factor analysis and multiple regression analysis. The results have shown that high-performance data management is the most dominant factor in consumer purchasing decisions, next the quality of the delivery staff, and operations with social and environmental development. These results are beneficial for online selling businesses because it can be used as a guideline for choosing the transportation service provider that customers have expected.

**Keywords:** Service Value, Buying decision, third party logistics service provider

## INTRODUCTION

The purchase decision of today's customers is based on a variety of pre-purchase data studies by searching for information from people who have used the service in the past and from the experience of buying it for yourself and being impressed, there will be a repeat purchase when you want that product. This is in line with the concept of the consumer's purchasing decision process, starting from the customer's awareness of the need and then searching for information to evaluate the alternatives. After that, a purchase decision was made. When the customer has a purchase experience, the customer will behave after the purchase according to the experience they have received [1]. Therefore, the seller of goods and services has good control over the quality of the goods and services themselves. But when buying products online, the seller will choose to use the service of a transport company, which is a Third Party Logistics Provider (3PL), where the seller cannot control the quality of the service by himself. Therefore, it may be a problem with the decision to buy products for consumers who want to buy that product. Because the freight forwarding company is a service provider who has direct contact with customers.

The study therefore aims to examine the value of the services of freight forwarding companies to their customers that influence the purchasing decisions of consumers who purchase consumer goods online in the age of COVID-19 to find out the guideline to value the transport company for customers as well as to discover how customers make buying decisions online based on the value of the service of a shipping company. The results of this study will have a positive impact on online merchants and shipping companies. Because today's customers have expectations that the products they buy are of the quality they want. Customers also expect to receive their products from quick and safe transport in COVID-19 crisis.

## **OBJECTIVE**

To study the value of transport companies' services, influencing the purchase decisions of customers who purchase consumer goods online

## **VALUE PROPOSITION**

The service value of a carrier delivered to a customer refers to the marketing activities that benefit the customer as well as the promises made to the customer to meet their needs. It will be based on the differentiation of goods and services. It is an activity that service providers offer their customers and is a distinctive image in the minds of their target customers [1, 2]. The components of logistics service quality that service providers need to be most concerned about include: Service value in customer focus [3], order fulfillment [4], timeliness [5], information [6] and corporate image [7] will result in the user's perception of the value of the logistics service provider. Subsequently, further research on the quality of service in the transportation business found that service quality in terms of fast delivery as scheduled, easy ordering, customer problem solving, service truthfulness, maintaining customer information and accurate delivery makes customers satisfied with the logistics service of the service provider. They will be interested in choosing the service and result in referrals to others to use the service [8]. Moreover, now the values of high performance data management, ease of services, and operations with social and environmental developments play an important role in the entrepreneurs of e-commerce freight forwarding services in order to develop their economic, social and environmental sustainability [9]. This study,

## **METHODOLOGY**

This research is quantitative research. Populations are people who have had more than one experience of purchasing groceries online in a period of no more than 6 months because these populations have the ability to remember their online shopping experiences well [10] and are expected to continue to be online shoppers. Therefore, it should be a population that has quality in research, but the exact population size is unknown. The sample size of 400 was determined according to Cochran [11]. The authors therefore chose non-probability randomization. Non-probability sampling was performed using a simple purposive sampling method, which was a sample selection that the researcher considered from a group of online sellers because it is appropriate for the population studied.

For research instrument, the questionnaire was checked its Content Validity by 5 experts, it was found that the whole questionnaire had a validity value (IOC) in the range of 0.67-1.00 which passed a

threshold of 0.50 or higher, along with revised questions according to the advice of experts to make the questions more quality. Next, the revised questionnaire was tested with a sample of 30 similar samples to find reliability. It was found that this questionnaire had Cronbach's alpha value of 0.948. It could be considered that the questionnaire had a high level of confidence. After that, the questionnaire was taken to collect real samples with the sample group until the required numbers of questionnaires were obtained by focusing on understanding the survey participants to comprehend the content of the questionnaire to prevent misunderstandings in questions. This may cause the questionnaire to not have the desired quality. Then, the data were analyzed by using descriptive statistics such as frequency, percentage, and inferential statistical analysis, including Confirmatory Factor Analysis (CFA) to test construct validity as well as multiple regression to test the effects of variables.

## CONCLUSION AND DISCUSSION

The results showed that high performance data management, service quality of staff and operations with social and environmental developments are outstanding activities that will influence consumers' purchasing decisions. This is because users have behaviors that require comfort and want to receive quality service from a courier along with the use of highly efficient communication technology. For online merchants who have a delivery team or use a courier service with 3PL, the faster their delivery service, the more active their counterparts are and the more popular they are with consumers. This is consistent with past research that the success of transportation services is influenced by high-performance information management factors, service convenience, operations with social and environmental developments [9]. Transportation services must be accompanied by convenient and fast services. Therefore, it requires personnel to provide high quality services, especially the delivery personnel who come in direct contact with consumers. Doing so in a positive way will create satisfaction for consumers. Responding to customer requirement [12] and satisfying customers [13] are therefore a driving force for a business to increase sales, higher market share and higher growth. Furthermore, the COVID-19, conflict between vehicle/traffic uses, smoke dust caused by automobile exhaust pipes used as a means of transporting goods all are directly social and environmental problems. At present, the issues of social and environmental protections of business entrepreneurs in all sectors are important to the success of businesses in many businesses [13, 14]. These issues depict that online consumers probably focus on the use of high-performance communication technology. Along with wanting to receive quality service from freight forwarders and would like to see vendors and couriers to be concerned about social and environmental issues at the same time.

Further study should focus on service value in a different perspective according to the changing era, such as the value of service provided to customers in the context of the digital economy, which is a new economy driven by digital technology and innovation, as suggested by Sommanawat et al. [12], Tirasittam [13], Waiyawuththanapoom et al. [5, 4]. These will be the core driving force for the Thai economy in the next 10 - 20 years from now. It may be studied in conjunction with the success of the freight forwarder and the business success of the e-commerce seller in the same model. In order to know the results of the e-commerce business

## REFERENCES

- [1] Kotler, P., & Keller, K.L. (2012). *Marketing Management*. (14th). United States of America: Pearson Prentice Hall.
- [2] Kotler, P. & Armstrong, G. (2012). *Principles of Marketing* (14th). New Jersey: Pearson Prentice Hall.
- [3] Pintuma, S., & Aunyawong, W. (2021). The effect of green supply chain management practices on environmental, operational and organizational performances of seafood manufacturers in Thailand. *International Journal of eBusiness and eGovernment Studies*, 13(2), 33-48.
- [4] Aunyawong, W., Wararatchai, P., & Hotrawaisaya, C. (2020b). The influence of supply chain integration on supply chain performance of auto-parts manufacturers in Thailand: a mediation approach. *International Journal of Supply Chain Management*, 9(3), 578-590.
- [5] Aunyawong, W., Waiyawuththanapoom, P, Setthachotsombut, N., & Wisedsin, T. (2020a). Roles of 7R logistics management and consumer satisfaction on marketing performance of local bottled water SMEs in Thailand. *Test Engineering and Management Journal*, 83, 12220-12229.
- [6] Pintuma, S., Khaengkhan, M., Waiyawuththanapoom, P., & Aunyawong, W. (2020). Moderating effect of information sharing on the relationship of supply chain management capabilities and business performance: A study of the food industry. *International Journal of Supply Chain Management*, 9(2), 341-351.
- [7] Thai, V. V. (2013). Logistics Service Quality: Conceptual Model and Empirical Evidence, *International Journal of Logistics: Research and Applications*, 16(2), 114 - 131.
- [8] Fernandes, D.W., Moori, R.G., & Filho, V.A.V. (2018). Logistic service quality as a mediator between logistics capabilities and customer satisfaction. *Emerald*, 25(4), 358-372.
- [9] Nualkaw, S., Wararatchai, P., Sommanawat, K., & Aunyawong, W. (2021). Service value of transportation service providers for e-commerce products in the new economy era: creativity, society and environment. *Psychology and Education Journal*, 58(4), 2016-2023.
- [10] Roche, I. D. (2014). An empirical investigation of internet banking service quality, corporate image and the impact on customer satisfaction; with special reference to Sri Lankan banking sector. *Journal of Internet Banking and Commerce*, 19(2), 1-18.
- [11] Cochran, W. G. (1977). *Sampling Techniques*. 3rd Edition. New York, John Wiley.
- [12] Sommanawat, K., Hotrawaisaya, C., Waiyawuththanapoom, P., Srisawat, S., Aunyawong, W., Jermstiparsert, K. (2021). The role of technological management, idea implementation, sustainable process innovation and logistic competency. *Journal of Management Information and Decision Sciences* 24(S1), 1-13.
- [13] Khan, S.A.R. (2019). The Effect of Green Logistics on Economic growth, Social and Environmental Sustainability: An Empirical Study of Developing Countries in Asia. Preprints, 2019010104 (doi: 10.20944/preprints201901.0104.v1)
- [14] Klinkajon, S. and Donkwa, K. (2020). Sustainability, Environmental Management and Green Innovation Industrial Business in Thailand. *Journal of Social Sciences and Humanities*, 46(2): 19-47.