

# Chapter 1

## Introduction

### Background and Importance of Research Problem

Under the background that China's economy continues to maintain steady and rapid growth, national consumer demand continues to upgrade, and food safety awareness continues to improve, consumers' growing demand for cold fresh food provides a broader market and greater development chances to develop the cold chain logistics industry. According to the analysis report released by the research report network, the gross amount of social logistics in China has increased to 335.2 trillion yuan by 2022, with more growth. The annual growth of China's total social logistics can be seen in recent years, its cold chain economic environment is relatively good. However, the rapid development of it is also a test for the enhancement of its service quality. (View research report network, 2022)

In 2021, in the notice on the issuance of the "14th Five-Year Plan" development plan, it is required to improve the layout of the national backbone cold chain logistics base, strengthen the construction, supplement the short board of cold chain logistics facilities at both ends, rely on the national comprehensive three-dimensional transportation network, and build two major systems serving domestic production and marketing and international import and export. Build an integrated cold chain logistics network with intensive facilities, efficient transportation, quality service, safety and reliability. In February 2023, the Chinese government issued the "Quality Power Construction Outline", which reflects the country's attention to it, reflecting that the improvement of its infrastructure is a promotion of its service quality. (Xinhua News Agency, 2023)

Shun Feng Logistics first contacted the cold chain industry in 2008, launched the SF Cold Transport brand in 2014, officially established SF Cold Chain Logistics Co., Ltd. in 2017, and began to explore a national cold chain logistics system.

With the market developing, the products transported by cold chain logistics are more and more diversified, the product environment is more and more complex, and the requirements on the quality of transportation such as warranty and timeliness are gradually strict. Currently, existing cold chain logistics services in China cannot satisfy consumers' demand for high quality cold chain logistics services. To meet the different

requirements of customers and enhance customer satisfaction, cold chain logistics services in timeliness, abilities of operation, service, information processing and long-term development still need a great space for development.

On September 25, 2014, Shun Feng Express Co., Ltd. established Cold transport Business Division and launched SF Cold Transport, dedicated to offering "one-stop supply chain solutions" to customers in the industry of fresh food. In January, 2015, in order to improve the industrial chain environmental protection system and promote the green process of express packaging, the packaging Technology Laboratory was established. In August 2016, "Frozen Food ground transportation Highway" was officially launched. During this process, only one company, Shun Feng Cold Chain Logistics Company, can provide services in major cities in Northeast, North, South and central China. By August 2020, SF Cold Transport has achieved the first place in China's Top 100 Cold chain logistics Enterprises in 2019 for a consecutive year, and constantly makes promotions in the transformation and upgrading of cold chain industry by means of technological empowerment and smart logistics, and serves customers with better service quality. (Cold Chain Logistics Network, 2022)

Shun feng Express cold transport resources statistics:

The area of professional cold storage is 220,000m<sup>2</sup>. At present, 34 food warehouses have been opened and operated, the total area of the warehouse is about 22+ million square meters, advanced automated refrigeration and cooling equipment.

There are 155 cold transport lines, 153 of which have been opened for food operation, covering more than 190 cities and running through key core cities across the country.

There are more than 17,000 professional refrigerated trucks, 256 of which belong to their own refrigerated trucks, and more than 14,000 refrigerated trucks have been used for outsourcing reserve, and there is a perfect logistics information system and a self-developed visual monitoring platform.

Packaging technology has 200 sets, the establishment of R & D and provide professional packaging solutions of the company, customized packaging solutions 200+ sets; Has applied for more than 450 national patents; Participated in the development of 12 national standards/industry standards.

As a high value-added industry, when improving the technologies in it, the service quality has become the key factors of restricting the cold chain logistics enterprises' development. Therefore, how to improve the quality of service and improve customer service satisfaction effectively have become the most important point in the development of Shun Feng logistics and one of the important problems Shun Feng cold chain

logistics is facing. Therefore, to solve the service quality problem of Shun Feng cold chain logistics, SF cold chain will seize the opportunity in the new pattern.

On the basis of above problems and background analysis, this paper will start from the perspective of customer relationship management, the service quality of Shun Feng Express cold chain logistics case analysis, such as order response, delivery timeliness, damage degree of goods, professional quality and ability of service personnel and other aspects of index analysis, and then analyze its operation ability, service ability, and long-term development ability. Finally, find out the corresponding development path, so that customers can be maintained and the quality of service can be improved.

In addition, for express delivery companies, the relationship between business maintenance and customers depends on the quality of service, it can make customers in the company's goodwill and loyalty to increase, effectively ensure customer demand. In the regional economy, it can stabilize the target market of customers, while through the company's strict requirements of their own service quality, get people's praise, to ensure the smooth development of new customers.

The increase of corporate profits cannot be separated from the improvement of service quality, the same to the expansion of market share, which are the key to the establishment of corporate brand image, but also an important method to increase the enterprises' competitiveness and customer trust, and also brings corresponding benefits to enterprises.

In the specific business, employees should focus on customers to improve its service quality, constantly strengthen the service level and service skills of employees, improve the quality of employees, contact customers more, understand customer habits, customer requirements and so on. Service quality is conducive to our accurate understanding of customer needs and the trend of the market economy, which is convenient to timely improve the business of the enterprise. Therefore, the improvement of it has a big impact on the enterprise's development.

Research significance:

This study has certain universality and expansibility, which can provide reference for other enterprises to develop cold chain. The information in this paper can be used by cold chain logistics enterprises to better cope with today's challenges, improve its service quality, stabilize and develop more customers, and expand market share. A cold chain logistics enterprise faces great pressure from the competition of the same type of enterprises in the same market; As a result, the customer satisfaction of the company's cold chain logistics service is declining and it has lost many customers. If enterprises want to maintain good customer relations and continue to develop in the

industry, they must find a way, which can enhance its service quality and cope with this challenge. The study of this paper can provide the company with a feasible way that enables to improve its service quality to help it turn around the situation.

This paper focuses on the cold chain logistics service of Shun Feng Logistics Company. Then, by referring to a large number of literatures and collecting the company's unique challenges in this field, a series of cold chain logistics service indicators are integrated to find out the key indicators and solve them. For customers, better cold chain transport services can be obtained, their satisfaction with cold chain logistics can be improved. For enterprises, make the enterprise become an important benchmark for the whole cold chain logistics industry.

## Research Objectives

1. To Study the relationship between customer relationship management and service quality in cold chain logistics industry.

2. To Investigate and analyze the current situation of Shun Feng Express logistics, and discuss the countermeasures and measures to enhance the service quality of SF Express cold chain logistics.

In the continuous upgrading of national consumption demand, the products transported by this kind of logistics are more and more diversified, the product environment is more and more complex, and the requirements on the quality of transportation such as warranty and timeliness are gradually strict. At present, the existing cold chain logistics services cannot meet consumers' demand for high quality services of it. Currently, the existing cold chain logistics services cannot meet consumers' demand for high quality cold chain logistics services, so the direction of its further development is studied.

## Research Hypothesis

The study proposes the following hypothesis:

H1: Tangible assets and reliability in service quality affect customer relationship management.

H2: Responsiveness, assurance and empathy affect customer relationship management.

## Scope of the Study

Scope of theory: This research is customer relationship management theory, service quality theory, customer satisfaction theory, service quality of it, etc. This article mainly analyzes the service quality status of SF's cold chain logistics and researches countermeasures to improve the service quality of the logistics of Shun Feng.

Scope Population and sample: This study is mainly conducted for users who have cold chain logistics services in the past 6 months.

Scope of location: The research area covers all customers of Shun Feng Cold Chain Logistics Co., Ltd. in China.

Scope Time: Data collection will be completed by July 2023.

## Conceptual Framework

This study follows the traditional framework of “problem spotting-problem analyzing-problem solving” to conduct a comprehensive analysis of SF cold chain. First, this study uses the service quality gap model to analyze; Secondly, it focuses on analyzing the status quo of SF Express cold chain logistics service quality, comprehensively considering corporate governance, marketing management, after-sales service, customer relations, local government support policies, enterprise management information system and other factors, and determines the Angle and countermeasures of the company's logistics service quality improvement. As shown in Figure 1.1.

### Independent Variables Dependent Variables

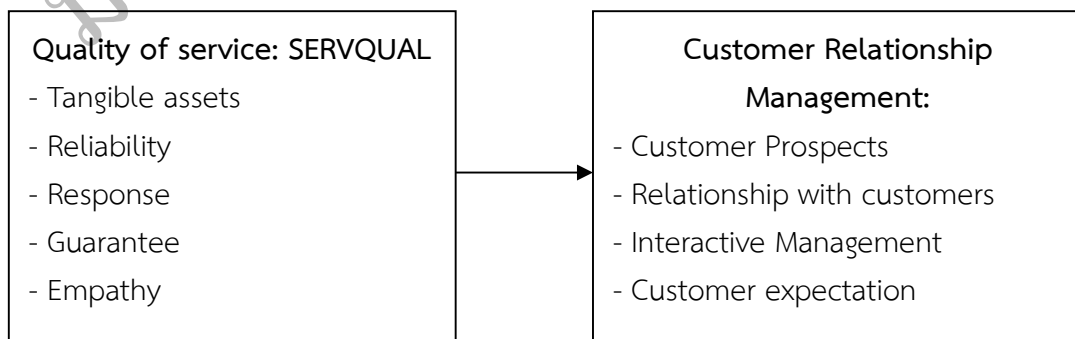


Figure 1.1 Conceptual framework

## Definition of Terms

Cold chain logistics: In the process of moving goods from the place of supply to the place of acceptance, in order to maintain good quality of the product, the goods are kept at the required low temperature to complete the movement of goods. (Li, 2020, p. 1284)

Customer relationship management: Take the customer as the core, leading the enterprise to respond to the changing market environment. Through the use of scientific methods, systematic management of customer information, insight into customer behavior, enhance customer relations, further enhance the comprehensive competitiveness of enterprises, and build a sustainable and stable business growth environment.

Customer prospect: Prospect refers to the possibility that a thing or a situation may develop or be realized in the future and the future. It represents the potential and possibility for things to grow, progress and develop. In the field of business, the prospect is usually used to describe the future development trend and prospects of a product, market or industry, in this case, the future development trend of customers.

Customer relationship: Describes the ways a company interacts with customers to improve the customer experience.

Interactive management: It is accompanied by the transformation of the relationship between enterprises and customers and enters the practice of enterprise management, thus becoming an important management tool. The core of interactive management is to achieve efficient, direct and systematic communication between enterprises and target customers through advanced electronic, communication and network means, so as to satisfy the individual requirements of customers, provide consultation or solve complaints, and even train customers.

Customer expectation: the level of customer expectation of the goods and services produced by the company. When this expectation is met, the customer will feel satisfied. If you do not do so, the customer will not be satisfied.

Service quality: It refers to the sum of the characteristics and characteristics of the actual needs and the services that may be needed, that is, the service work needed by the served object can be realized. (Parasuraman, et al., 1988, pp. 12-37)

Tangible assets: assets in physical form. The broad sense of tangible assets includes the enterprise's capital, resources, products, equipment, equipment, plant, talent information and other production factors.

Reliability: The ability of a business to deliver the promised services accurately and without error.

Response: A company is able to provide fast and effective service to customers at all times. Employees in a service company have a desire to assist customers and can provide timely and efficient solutions to problems faced by customers.

Guarantee: It refers to the friendly attitude of the service provider and the ability to work well, which can improve the customer's trust and guarantee of the company's service quality, which requires employees to provide services, not only to receive customers with a friendly and amiable attitude, but also to have extensive knowledge, and at the same time have the necessary skills to deal with customer problems.

Empathy: that is, the company should really care about the customer, regard the customer as his own family, convey the emotion to the customer naturally, consider the problem from the customer's point of view, and pay special attention to the customer and understand the customer's real needs. (Parasuraman, et al., 1988, pp. 12-37)

### **Expected Benefits**

1. Shun Feng cold chain logistics enterprises can use this study to expand customer relationship management.
2. Promote more extensive development of similar services of Shun Feng Logistics.
3. The enhancement of Shun Feng cold chain logistics service can improve customers' service satisfaction, expand market share and increase profits. Meanwhile, customers can receive better service and better cold chain products.