

Strategies to enhance service quality and customer loyalty in emerging market supply chains: evidence from Sri Lanka

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Abstract

Purpose – This study explores how import service providers (ISPs) in Sri Lanka leverage service quality as a strategic capability to expand their customer base, enhance customer satisfaction and strengthen long-term loyalty. It examines how operational, technological and relational service practices influence customer perceptions and business growth in the import services sector.

Design/methodology/approach – An interpretive qualitative research design was adopted. Data were generated through 10 semi-structured interviews involving seven customers from import-dependent industries and three ISPs in Sri Lanka. Participants were selected through purposive sampling based on direct experience with import logistics services. Data were analysed using reflexive thematic analysis to identify patterns relating to service quality and customer relationships.

Findings – The analysis generated four themes: shipping rates and process transparency, logistics and operations, technology and accessibility, and customer service and after-sales support. Findings indicate that transparent pricing, reliable logistics performance, technology-enabled visibility, responsive communication and proactive post-service engagement are critical drivers of customer satisfaction and trust. These practices enhance customer loyalty and support customer base expansion by reducing uncertainty and strengthening relationships. The study further demonstrates that service quality functions as a strategic capability combining operational excellence and relational value creation.

Originality/value – The study contributes to supply chain and service management literature by integrating SERVQUAL, Expectation–Confirmation Theory and Commitment–Trust Theory to explain how service quality influences customer acquisition, satisfaction, loyalty and business growth. It extends understanding of service quality as a strategic capability in Global South supply chains and provides practical insights for ISPs seeking sustainable competitive advantage.

Keywords Service quality, Import service providers, Customer satisfaction, Customer loyalty, Supply chain management, Strategic capability

Paper type Research article

Introduction

Sri Lanka has long occupied a strategically significant position within international maritime trade networks due to its location along major shipping routes in the Indian Ocean (United Nations Conference on Trade and Development, 2023; World Bank, 2023). In recent decades, the country's dependence on imported goods has increased alongside expanding trade relationships, particularly with Asian economies such as China, which has emerged as one of

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Sri Lanka's most important trading partners (Kelegama, 2014; World Trade Organization, 2024). Within this increasingly interconnected trading environment, Import Service Providers (ISPs) play a critical role by facilitating customs clearance, freight coordination, documentation processing, warehousing, and delivery activities that enable firms to participate in international trade (Christopher, 2016; Murphy and Knemeyer, 2018). Their role is particularly important for small and medium-sized enterprises (SMEs), which often lack the resources and expertise required to manage the complexities of cross-border logistics independently (International Trade Centre, 2022). Consequently, ISPs have become essential intermediaries that support business continuity and supply chain efficiency within Sri Lanka's import-dependent economy.

Despite their growing importance, many ISPs in Sri Lanka face persistent challenges in attracting and retaining customers. A considerable number of providers operate in a highly competitive environment characterized by limited service differentiation, relatively weak branding, and varying levels of technological sophistication (Mentzer *et al.*, 2001; Christopher, 2016). In addition, inefficiencies associated with customs clearance procedures, port congestion, documentation requirements, and fragmented logistics systems continue to create delays and uncertainty for importers (World Bank, 2023; United Nations Conference on Trade and Development, 2023). These operational challenges increase customer dissatisfaction and place pressure on service providers to improve service performance while simultaneously maintaining competitive pricing. In such an environment, service quality becomes a critical strategic resource through which ISPs can differentiate themselves, build customer confidence, and achieve sustainable growth.

Service quality has long been recognized as a key determinant of customer satisfaction and business performance. Grönroos (1984, 2009) argues that customer evaluations of service quality are shaped by both technical quality, referring to what customers receive, and functional quality, referring to how services are delivered. Building on this foundation, Parasuraman *et al.* (1988, 1994) developed the SERVQUAL framework, identifying reliability, responsiveness, assurance, empathy, and tangibles as critical dimensions influencing customer perceptions of service quality. In logistics and supply chain contexts, these dimensions become particularly important because customers often assess providers based on their ability to deliver shipments accurately, communicate effectively, respond promptly to issues, and provide reliable service outcomes (Mentzer *et al.*, 2001). For ISPs operating in emerging economies, service quality extends beyond operational performance and includes pricing transparency, communication effectiveness, technological accessibility, and responsiveness to customer concerns.

The relationship between service quality and customer satisfaction can be further explained through Expectation–Confirmation Theory (Oliver, 1980, 1993). According to this perspective, customers evaluate service experiences by comparing actual service performance with their prior expectations. Satisfaction occurs when service performance meets or exceeds expectations, whereas dissatisfaction arises when performance falls short. Within import service contexts, expectations are often shaped by delivery reliability, customs clearance efficiency, shipment visibility, pricing transparency, and communication quality (Christopher, 2016; World Bank, 2023). Consequently, service providers that consistently deliver reliable and transparent services are more likely to generate positive evaluations and encourage repeat business. However, customer satisfaction alone may not be sufficient to ensure long-term customer retention in increasingly competitive markets.

The Commitment–Trust Theory developed by Morgan and Hunt (1994) suggests that enduring customer relationships depend on the development of trust and commitment between service providers and customers. Trust reduces perceived uncertainty and risk, while commitment encourages customers to maintain ongoing relationships despite the availability of alternative providers. Within logistics and import service settings, trust is often influenced by transparent communication, reliable service delivery, fair pricing practices, and effective after-sales support. These relational dimensions are particularly important in service industries

where customers rely heavily on providers to manage critical business processes. As Grönroos (2009) notes, sustainable customer relationships emerge not only from successful service delivery but also from continuous relational engagement that reinforces confidence and credibility.

From a strategic management perspective, service quality can be understood as a strategic capability that contributes to sustainable competitive advantage. Porter (1998) argues that competitive advantage emerges from activities that create superior value for customers and are difficult for competitors to replicate. Similarly, contemporary supply chain research suggests that competitive success increasingly depends on customer-centric capabilities rather than cost efficiency alone (Christopher, 2016; Flynn *et al.*, 2010). For ISPs, capabilities such as transparent pricing, reliable logistics operations, technology-enabled visibility, responsive communication, and proactive customer support represent valuable organizational resources that contribute directly to customer acquisition and retention. Service quality therefore becomes more than an operational outcome; it becomes a strategic mechanism through which firms strengthen customer relationships and expand their market presence.

Despite the growing significance of import services in Sri Lanka, limited research has examined how service quality functions as a strategic capability that enables customer acquisition, satisfaction, loyalty, and business growth within this context. Existing studies have often focused on logistics performance, customer satisfaction, or service quality in isolation, providing limited understanding of how operational, technological, and relational dimensions interact to influence long-term customer relationships. Addressing this gap, the present study investigates how import service providers in Sri Lanka strategically enhance service quality to expand their customer base, strengthen customer satisfaction, and build customer loyalty. By integrating insights from SERVQUAL, Expectation–Confirmation Theory, and Commitment–Trust Theory, the study contributes to supply chain and service management literature by demonstrating how service quality operates as a strategic capability through which ISPs in emerging economies can achieve sustainable competitive advantage and long-term business growth.

Literature review

Import Service Providers (ISPs) occupy a critical position within contemporary supply chains by facilitating customs clearance, freight coordination, documentation processing, warehousing, and delivery activities that enable firms to engage in international trade (Christopher, 2016; Murphy and Knemeyer, 2018). Their role is particularly significant in emerging economies, where institutional complexity, infrastructural constraints, and regulatory uncertainty increase the challenges associated with cross-border transactions. In Sri Lanka, growing dependence on imported goods and expanding trade relationships have increased the importance of ISPs as intermediaries connecting global suppliers with local businesses (Kelegama, 2014; World Bank, 2023). For many small and medium-sized enterprises (SMEs), ISPs serve not merely as logistics facilitators but as essential partners that reduce the complexity and risks associated with importing. Consequently, their ability to attract and retain customers increasingly depends on the quality of services they provide.

Service quality has long been recognized as a central determinant of customer evaluations and business performance. Grönroos (1984, 2009) conceptualized service quality as comprising technical quality, referring to what customers receive, and functional quality, referring to how services are delivered. Building on this foundation, Parasuraman *et al.* (1988) developed the SERVQUAL framework, which identifies reliability, responsiveness, assurance, empathy, and tangibles as key dimensions influencing customer perceptions of service quality. Within logistics and supply chain settings, these dimensions are particularly important because customers often assess service providers based on their ability to deliver shipments accurately, respond promptly to issues, communicate effectively, and provide confidence throughout the service process (Mentzer *et al.*, 2001). For ISPs operating in

uncertain and complex environments, service quality therefore extends beyond operational efficiency and encompasses the broader customer experience.

While service quality influences customer perceptions, its primary strategic value emerges through its effect on customer satisfaction. Expectation–Confirmation Theory (Oliver, 1980, 1993) suggests that customers evaluate services by comparing actual performance with prior expectations. Satisfaction occurs when perceived performance meets or exceeds expectations, whereas dissatisfaction arises when performance falls short. In import service contexts, expectations are often shaped by delivery reliability, customs clearance efficiency, pricing transparency, shipment visibility, and communication quality (Christopher, 2016; World Bank, 2023). Delays, unexpected costs, and inadequate communication can therefore generate negative disconfirmation and dissatisfaction. Conversely, timely delivery, transparent pricing, and proactive communication enhance positive confirmation and strengthen customer satisfaction. As a result, service quality functions as a critical mechanism through which ISPs influence customer evaluations and subsequent behavioural intentions.

However, customer satisfaction alone does not guarantee customer retention. Satisfied customers may still switch providers when alternatives offer superior value or stronger relationships. This limitation has directed attention towards the relational dimensions of service provision. Morgan and Hunt's (1994) Commitment–Trust Theory argues that successful long-term exchanges depend on the development of trust and commitment between exchange partners. Trust reduces perceptions of risk and uncertainty, while commitment encourages customers to maintain ongoing relationships. Within logistics and import service settings, trust is often established through consistent service delivery, transparent communication, pricing fairness, responsiveness, and effective problem resolution. Research in service industries consistently demonstrates that trust acts as a critical mediator between service quality and customer loyalty (Grönroos, 2009; Palmatier *et al.*, 2006). Consequently, ISPs seeking to expand their customer base must not only satisfy customers but also cultivate trust-based relationships that encourage repeat business and positive word-of-mouth referrals.

The growing digitalization of supply chains has further transformed customer expectations regarding service quality. Customers increasingly expect real-time tracking, automated notifications, digital payment systems, and immediate access to information regarding shipment status and customs procedures. Such technologies enhance transparency, reduce uncertainty, and improve customer control over logistics processes. However, many service providers in emerging economies continue to face technological limitations and fragmented logistics infrastructures (World Bank, 2023). Consequently, technology-enabled service quality has emerged as an important source of differentiation. Providers that successfully integrate digital capabilities with customer-oriented service practices are better positioned to create superior customer experiences and strengthen customer loyalty.

From a strategic management perspective, these operational, technological, and relational dimensions of service quality can be understood as strategic capabilities. Porter (1998) argues that sustainable competitive advantage emerges from activities that create unique value for customers and are difficult for competitors to replicate. Similarly, contemporary supply chain research emphasizes that competitive advantage increasingly derives from customer-centric capabilities rather than cost efficiency alone (Christopher, 2016; Flynn *et al.*, 2010). In the context of import services, capabilities such as transparent pricing, responsive communication, technology-enabled visibility, reliable logistics operations, and proactive after-sales support represent valuable organizational resources that contribute to customer acquisition and retention. Service quality therefore becomes more than an operational outcome; it becomes a strategic mechanism through which firms differentiate themselves and achieve sustained growth.

Despite extensive research on service quality, logistics performance, and customer satisfaction, several gaps remain. First, existing studies have largely examined operational service quality, customer satisfaction, or customer loyalty separately, with limited attention to

how these elements interact as part of a broader strategic capability. Second, research focusing specifically on import service providers remains limited, particularly within emerging economy contexts such as Sri Lanka. Third, few studies have integrated SERVQUAL, Expectation–Confirmation Theory, and Commitment–Trust Theory to explain how operational, technological, and relational dimensions of service quality collectively influence customer acquisition, satisfaction, loyalty, and business growth. Addressing these gaps, this study explores how ISPs in Sri Lanka enact service quality as a strategic capability for customer base expansion by drawing on the perspectives of both service providers and customers.

Methodology

This study adopted a qualitative research design grounded in a constructivist ontology and an interpretivist epistemology to explore how import service providers (ISPs) in Sri Lanka enact service quality as a strategic capability for customer acquisition and retention. A qualitative approach was considered appropriate because the study sought to understand participants' lived experiences, interpretations, and evaluations of service encounters rather than measure predefined variables (Creswell, 2014). Given the limited empirical understanding of service quality strategies among ISPs in Sri Lanka, an interpretive design enabled a rich exploration of how customers and service providers construct meanings around trust, satisfaction, loyalty, and service performance within the context of international trade and logistics.

The study was informed by Expectation–Confirmation Theory (Oliver, 1980, 1993) and Commitment–Trust Theory (Morgan and Hunt, 1994). Expectation–Confirmation Theory provided a lens for understanding how customers evaluate service experiences by comparing actual service performance with prior expectations, while Commitment–Trust Theory helped explain how satisfaction develops into long-term loyalty through trust, commitment, and relational exchanges. These theoretical perspectives informed the development of the interview protocol and guided the interpretation of findings while allowing themes to emerge inductively from the data.

Data were generated through semi-structured interviews. This method was selected because it provides sufficient structure to address the research objectives while allowing participants to elaborate on issues that they considered important (Gill *et al.*, 2008). Separate interview guides were developed for import service providers and customers to capture both service provision and service consumption perspectives. The guides explored perceptions of service quality, operational challenges, technology use, communication practices, pricing transparency, and relationship management.

Participants were selected using purposive sampling. The sampling strategy sought information-rich participants who possessed direct experience with import logistics services and could provide detailed insights into the phenomenon under investigation. Seven customers representing different import-dependent industries and three import service providers operating in Sri Lanka were recruited (See Table 1). The customer participants represented sectors including information technology, manufacturing, machinery imports, food imports, automotive imports, textiles, and mobile technology, thereby ensuring variation in service expectations and usage experiences. The ISP participants represented logistics and freight-forwarding organizations directly involved in facilitating imports from international suppliers.

The final sample consisted of ten interviews. This sample size was considered adequate based on the principle of information power (Malterud *et al.*, 2016), which suggests that fewer participants may be required when the study aim is focused, participants possess substantial experiential knowledge, the theoretical framework is clearly defined, and the quality of dialogue is strong. The present study addressed a specific research question concerning service quality strategies among ISPs, involved knowledgeable participants with direct industry experience, and generated rich accounts through in-depth interviews. Consequently, the ten interviews provided sufficient information power to develop meaningful thematic insights relevant to the study objectives.

Table 1. Presents the profiles of the interview participants

Participant type	Participant	Position/Role	Sector/Industry
Customer	Rodrigo	Managing Director	Information Technology
Customer	Samera Perera	Supply Chain Executive	Manufacturing
Customer	Silva	Proprietor	Machinery Imports
Customer	Jayawardena	Managing Director	Food Imports
Customer	Wijesinghe	Chief Executive Officer	Automotive Imports
Customer	Gamage	Director	Textile Imports
Customer	Rathnayake	Managing Director	Mobile Technology Imports
ISP	Rajapaksha	Managing Director	Import Logistics and Freight Services
ISP	Nimesh	Managing Director	Cargo and Logistics Services
ISP	Adesha Perera	Operations Manager	Freight Forwarding and Logistics

All interviews were conducted in Sinhala to facilitate natural expression and minimize language-related barriers. Interviews lasted between 30 and 45 minutes and were conducted face-to-face at locations convenient to participants. Prior informed consent was obtained before each interview. All interviews were audio-recorded, transcribed verbatim in Sinhala, and subsequently translated into English. Where direct translations did not adequately capture contextual meanings, original Sinhala terms were retained and accompanied by explanatory notes.

Thematic analysis was employed following [Braun and Clarke’s \(2006, 2021\)](#) reflexive thematic analysis approach. Analysis began with repeated reading of interview transcripts to achieve familiarity with the data. Initial codes were then generated across the dataset and subsequently grouped into broader conceptual categories. Through an iterative process of comparison, interpretation, and refinement, patterns of shared meaning were identified and developed into overarching themes. The analysis ultimately generated four themes: shipping rates and process transparency, logistics and operations, technology and accessibility, and customer service and after-sales support.

While coding frequencies were reviewed during analysis to assist data organization and management within Excel, frequency counts were not used to determine theme importance or analytical significance. Consistent with reflexive thematic analysis, themes were developed through interpretive engagement with patterns of meaning across the dataset rather than through quantitative aggregation of codes ([Braun and Clarke, 2006, 2021](#)). Consequently, references to coding structures are presented solely to demonstrate analytical transparency rather than to imply statistical significance.

To enhance trustworthiness, both researchers were involved in reviewing emerging interpretations and discussing thematic development. Reflexive memo writing was used throughout the analytical process to document assumptions, analytical decisions, and emerging insights. In addition, the inclusion of both customer and provider perspectives enabled triangulation of viewpoints, enhancing the credibility and depth of interpretation ([Lincoln and Guba, 1985](#)).

Ethical considerations were maintained throughout the study. Participants were informed about the purpose of the research, the voluntary nature of participation, and their right to withdraw at any stage without consequence. Confidentiality was protected through anonymization and the removal of identifying information from transcripts and reporting. Interview recordings and transcripts were stored securely using password-protected devices accessible only to the research team.

Findings and discussion

This section presents the key findings from the ten interviews conducted with import service providers (ISPs) and their customers, highlighting how service quality strategies influence

satisfaction, trust, loyalty, and ultimately customer base expansion in Sri Lanka. Findings are organized under four central themes: Shipping Rates and Process Transparency, Logistics and Operations, Technology and Accessibility, and Customer Service and After-Sales Support. Each theme begins with evidence from interviews, followed by a discussion that integrates relevant literature and theoretical perspectives. This approach ensures that participant voices remain central while situating their experiences within broader academic and practical contexts.

Shipping rates and process transparency

One of the strongest expectations voiced by customers was fair and transparent pricing. Many participants highlighted that SMEs are highly price-sensitive, with inconsistent or hidden charges undermining trust. As Rodrigo emphasized:

Some have offered unfair prices, possibly due to their popularity in Sri Lanka. However, most customers are highly price-sensitive at present, and unfair pricing should not occur, especially since all goods are shipped from the same port to the same destination.

Unexpected charges were another source of dissatisfaction, particularly fees arising from customs delays or inadequate storage facilities. Jayawardena observed:

Most providers offer competitive pricing, but unexpected costs related to customs delays or improper storage can be frustrating. Clear cost breakdowns and fair pricing for cold storage facilities are needed.

The lack of transparency in customs procedures also caused operational disruptions and financial losses. Wijesinghe recalled:

One of the worst experiences I faced was a shipment of vehicle parts that was delayed at customs for over a month due to a customs strike. This caused financial losses and disrupted our business operations.

Similarly, Rathnayake recounted challenges with labelling errors:

A shipment of premium smartphones was delayed at customs for over a month due to improper labeling and packaging. This resulted in financial losses and affected our product launch schedules.

Customers also emphasized the need for flexible payment options, particularly for capital-intensive industries. As Silva suggested:

Providing leasing options for customers who need to purchase machinery, but cannot afford large upfront payments would be beneficial.

These findings suggest that pricing fairness, customs transparency, and flexible payment mechanisms are important for building trust and expanding the customer base of ISPs.

The importance of pricing transparency and process clarity resonates with prior research on logistics and import services in emerging markets. SMEs are highly cost-sensitive and frequently experience cash-flow constraints when engaging in international trade (Christopher, 2016; World Bank, 2023). This aligns with Expectation–Confirmation Theory (Oliver, 1980, 1993), which suggests that satisfaction occurs when service performance meets expectations, while unexpected costs generate dissatisfaction.

Rodrigo's observation that customers perceive unfair pricing despite standardized routes reflects findings that pricing transparency significantly influences customer trust and perceived service quality in logistics services (Thai, 2013; Mentzer *et al.*, 2001). Customers expect a clear relationship between service inputs and charges, and violations of this expectation increase the likelihood of switching providers. In Sri Lanka's highly competitive ISP sector, such switching behaviour can weaken long-term customer relationships.

Delays at customs further illustrate how process transparency shapes customer satisfaction. The World Bank (2023) reports that customs efficiency, border compliance, and documentation remain major determinants of logistics performance in developing economies. From an

Expectation–Confirmation Theory perspective, delays beyond expectations generate dissatisfaction. Moreover, Commitment–Trust Theory suggests that repeated exposure to such uncertainty erodes trust and discourages repeat transactions ([Morgan and Hunt, 1994](#)).

The interview evidence also highlights the financial and reputational risks associated with labelling or documentation errors. International logistics research demonstrates that documentation accuracy and customs compliance are fundamental components of logistics service quality because documentation failures directly increase delays, costs, and customer dissatisfaction ([Mentzer et al., 2001](#); [Thai, 2013](#)). Customers perceive such errors as violations of reliability, a key SERVQUAL dimension ([Parasuraman et al., 1988](#)), which directly undermines service quality perceptions.

The expectation of flexible payment options, particularly leasing for machinery imports, reflects broader SME financing challenges. SMEs commonly experience financial constraints that affect their participation in international trade and frequently require flexible financing arrangements to support business growth ([International Finance Corporation, 2017](#)). Flexible payment schemes therefore function not only as transactional conveniences but also as relational strategies that communicate empathy and commitment ([Grönroos, 2009](#)). Such practices strengthen trust and loyalty by demonstrating an understanding of customer realities.

The findings suggest that transparent pricing structures offer one of the most effective ways for ISPs in Sri Lanka to differentiate themselves. By providing standardized and itemized cost breakdowns, providers can reduce perceptions of hidden charges and enhance credibility. Research consistently identifies pricing transparency as an important determinant of customer trust, satisfaction, and long-term relationship development in logistics services ([Thai, 2013](#); [Mentzer et al., 2001](#)).

Equally important is enhancing transparency in customs clearance. Interview evidence shows that delays caused by documentation errors or strikes significantly undermine customer satisfaction and trust. As the [World Bank \(2023\)](#) emphasizes, inefficient border procedures continue to expose firms in developing economies to both predictable and unpredictable disruptions. Effective communication, proactive sharing of documentation requirements, and continuous updates during clearance can reduce uncertainty and narrow the gap between customer expectations and actual outcomes ([Oliver, 1993](#)).

Another strategic avenue lies in flexible financial solutions tailored to SME liquidity constraints. Several participants indicated that leasing or instalment-based payment schemes would enable larger import transactions without overextending working capital. The [International Finance Corporation \(2017\)](#) highlights the importance of improving SME access to finance to strengthen business competitiveness and international trade participation. By introducing flexible financing options, ISPs not only improve accessibility but also strengthen relational bonds with customers. In the language of Commitment–Trust Theory, these practices encourage loyalty and positive recommendations ([Morgan and Hunt, 1994](#)).

Logistics and operations

Operational efficiency emerged as a decisive factor shaping customer satisfaction and loyalty. Participants consistently highlighted the importance of effective warehousing, careful handling of goods, and reliable port operations. Rodrigo described the advantage of proximity in warehousing:

Their office and warehouse are nearby, allowing goods to be collected immediately upon arrival.

Perera stressed the need for climate-controlled facilities when importing sensitive electronic components:

Warehousing facilities should be improved, as electronic components require climate-controlled storage to prevent damage.

Jayawardena similarly expressed frustration at the lack of appropriate cold-storage facilities at the port:

The lack of proper cold storage facilities at the port caused significant financial damage.

Customers also highlighted that multiple freight options—air freight for urgent shipments and sea freight for bulk goods—were necessary to meet diverse business requirements. In addition, shipping insurance was seen as a critical safeguard. As one customer explained:

Insurance remains essential to protect against loss or damage, especially with high-value shipments.

Collectively, these findings show that customers value ISPs not only for competitive pricing but also for their ability to ensure safe, timely, and efficient logistics operations across warehousing, handling, freight choice, and risk management.

The emphasis customers placed on logistics and operations reflects broader insights from logistics service quality research. [Mentzer et al. \(2001\)](#) argue that timeliness, reliability, responsiveness, and accuracy directly influence customer satisfaction and retention. The evidence confirms that Sri Lankan customers assess ISP quality not only in terms of cost but also through reliability and security of logistics services.

Rodrigo's comments about warehouse proximity highlight how convenience shapes customer satisfaction. This aligns with [Richards \(2014\)](#), who emphasizes that effective warehouse management systems, including location, storage design, inventory control, and handling efficiency, reduce delays and operational disruptions. For SMEs operating on tight margins, inefficiencies in warehousing and retrieval processes can cause significant business interruptions and weaken customer loyalty.

The concerns raised by Perera and Jayawardena regarding climate-controlled and cold-storage facilities further demonstrate the importance of logistics infrastructure. [Christopher \(2016\)](#) argues that logistics performance depends not only on transportation efficiency but also on supporting infrastructure such as warehousing and cargo handling systems. Similarly, the [World Bank \(2023\)](#) highlights that infrastructure quality and port efficiency remain major determinants of logistics performance in developing economies. From the perspective of Expectation–Confirmation Theory ([Oliver, 1993](#)), such shortcomings create negative disconfirmation when service performance falls below customer expectations.

The findings on freight choices also connect to the literature on supply chain flexibility. [Christopher \(2016\)](#) notes that offering multiple transport modes enables firms to tailor logistics solutions according to cost, speed, and reliability requirements. For Sri Lankan ISPs, the ability to provide both sea and air freight demonstrates responsiveness, a key SERVQUAL dimension ([Parasuraman et al., 1988](#)). Similarly, customers' emphasis on insurance reflects the need to manage uncertainty in international trade. [International Chamber of Commerce \(2020\)](#) identifies cargo insurance as a fundamental component of international trade risk management because it protects organizations against financial losses arising from cargo damage, theft, delays, and other supply chain disruptions.

From the perspective of Commitment–Trust Theory ([Morgan and Hunt, 1994](#)), reliable logistics operations and effective risk management contribute directly to trust development. When customers perceive ISPs as capable of protecting goods, minimizing delays, and communicating proactively about risks, they are more likely to engage in repeat transactions. Conversely, failures in warehousing, handling, transportation, or risk management undermine trust and weaken loyalty. Logistics and operational performance should therefore be viewed not merely as technical functions but as strategic capabilities that support customer satisfaction and long-term relationship development.

The findings underscore that ISPs in Sri Lanka must view logistics and operational performance as strategic levers of customer satisfaction and loyalty. First, warehousing infrastructure requires systematic upgrading. The absence of climate-controlled facilities for electronics or cold storage for perishables directly undermines satisfaction. Strategic investments in shared warehousing facilities or partnerships with logistics hubs can help providers meet diverse customer needs and strengthen loyalty.

Second, handling practices and operational reliability must become a focal point of service quality strategies. [Christopher \(2016\)](#) emphasizes that operational consistency and process reliability are fundamental to effective logistics performance. Implementing standardized handling procedures, staff training, and performance monitoring can reduce avoidable losses while reinforcing perceptions of professionalism and reliability.

Third, multi-modal transport offerings and risk management services can serve as important differentiators. The ability to switch between air and sea freight demonstrates flexibility and responsiveness, while comprehensive insurance options address customer concerns regarding risk and uncertainty.

Finally, ISPs must recognize that logistics efficiency is relational as well as operational. Reliable handling, clear updates on delays, and proactive risk communication signal commitment to customer interests. By aligning operational strategies with relational practices, providers strengthen both satisfaction and trust, thereby enhancing loyalty and positioning themselves as indispensable partners in customer success.

Technology and accessibility

Participants repeatedly emphasized the importance of digital accessibility and technology-enabled services in shaping their satisfaction with ISPs. Customers valued features such as online tracking, real-time communication, and mobile-friendly payment options, which made the import process more convenient and transparent. As Fernando noted:

The ability to track shipments online and get real-time updates makes a huge difference. It gives us confidence and allows us to plan better.

Perera highlighted how automation reduced dependency on manual follow-ups:

Earlier we had to constantly call and check the status. Now, automation has reduced that need and saved us time.

For some customers, the accessibility of mobile payment solutions was equally critical. As Silva explained:

Providing options for digital or mobile payments makes transactions faster and more convenient, especially for SMEs like us.

Rathnayake underscored the value of consistent communication, particularly during customs clearance:

Timely updates through email or WhatsApp help us anticipate delays and adjust our operations accordingly.

Overall, customers indicated that technology-enabled services created a more reliable, transparent, and user-friendly experience, whereas the absence of digital tools generated frustration and inefficiencies.

The findings align with evidence that technology integration enhances logistics service quality and customer experience. [Wamba et al. \(2017\)](#) emphasize that digital technologies improve visibility, operational efficiency, and decision-making throughout supply chains. Fernando's observation regarding online tracking reflects these benefits, while [Queiroz et al. \(2020\)](#) similarly demonstrate that real-time visibility systems enhance customer confidence by providing accurate shipment information and reducing uncertainty. In the Sri Lankan context, where customs procedures and infrastructure constraints may create delays, such visibility helps customers manage expectations and plan operations more effectively. From the perspective of Expectation–Confirmation Theory ([Oliver, 1993](#)), timely information can reduce dissatisfaction by ensuring customers remain informed about service progress.

The shift from manual status inquiries to automated updates, as highlighted by Perera, illustrates the growing importance of digitalization in logistics services. Christopher (2016) argues that information visibility and timely information sharing are fundamental to effective supply chain management because they support coordination and responsiveness. Automated communication systems reduce information asymmetries while reinforcing perceptions of professionalism and reliability, which are important dimensions of service quality (Parasuraman *et al.*, 1988).

Digital payment accessibility, highlighted by Silva, further demonstrates how technology contributes to customer convenience and satisfaction. Verhoef *et al.* (2021) argue that digital transformation enhances customer experiences by improving accessibility, service responsiveness, and transaction efficiency. By offering mobile and online payment options, ISPs reduce transaction delays and improve accessibility for customers operating under time and resource constraints, thereby strengthening perceptions of responsiveness and customer orientation.

Communication practices such as WhatsApp updates and email notifications also play an important role in relationship development. Payne and Frow (2017) argue that effective customer relationship management depends on continuous, transparent, and technology-enabled communication that strengthens customer engagement throughout the service process. From the perspective of Commitment–Trust Theory (Morgan and Hunt, 1994), such communication fosters trust by reducing uncertainty and demonstrating commitment to customer interests. Consequently, customers are more likely to perceive technology-enabled communication as evidence of reliability and professionalism.

Collectively, these findings demonstrate that technology serves both operational and relational functions within import service provision. Beyond improving efficiency, technology enhances transparency, facilitates communication, and strengthens trust between providers and customers. In Sri Lanka's import services sector, investments in tracking systems, automated updates, digital payment platforms, and multi-channel communication can therefore contribute to customer satisfaction, loyalty, and long-term business growth.

The findings suggest that ISPs in Sri Lanka can strengthen customer loyalty by embedding technology and accessibility at the centre of their service quality strategies. First, investment in real-time tracking systems is crucial because it reassures customers and enables better operational planning. Such transparency reduces the gap between customer expectations and actual performance, supporting satisfaction as described by Expectation–Confirmation Theory.

Second, the adoption of automation in routine communication enhances responsiveness while reducing manual inefficiencies. Automated notifications regarding shipment status or customs procedures ensure that customers remain consistently informed, thereby strengthening perceived service quality and relational trust.

Third, digital payment integration should become standard practice. Mobile and online payment options enhance convenience for SMEs facing liquidity and time constraints while positioning ISPs as modern, customer-oriented service providers.

Finally, multi-channel communication practices, including WhatsApp, email, and online dashboards, should be embedded within service delivery. By maintaining transparent dialogue with customers, ISPs can mitigate uncertainty associated with international trade processes and strengthen the trust and commitment that underpin customer loyalty.

Customer service and after-sales support

Many participants viewed service providers not merely as transactional facilitators but as long-term partners in their business growth. Rathnayake highlighted the value of partnership-based relationships:

It is not just about delivering the shipment on time. We expect providers to be genuine partners, giving us advice, solutions, and after-sales support when issues arise.

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For some customers, after-sales support took the form of warranties or extended assistance beyond the immediate service. As Perera explained:

One time, when some equipment was damaged during handling, the provider stepped in and offered compensation and replacement options. That level of responsibility makes us want to continue with them.

Other participants highlighted the importance of consistent communication after service delivery, particularly in addressing post-clearance issues or unexpected costs. Silva stressed this point:

Even after delivery, providers who follow up with us and check whether everything is in order show that they really care about our business.

Similarly, Jayawardena emphasized the reassurance that comes from proactive customer service:

It builds confidence when providers don't disappear after the shipment but instead follow through to make sure no problems remain. That is what makes me trust them.

These excerpts suggest that customers associate after-sales engagement with reliability, care, and trustworthiness. ISPs that remain engaged beyond the transaction are perceived as committed partners, whereas those that disengage after delivery risk being viewed as opportunistic.

The findings support the argument that relational quality is as important as operational efficiency in building customer loyalty. [Grönroos \(2009\)](#) notes that service quality comprises both technical outcomes and functional dimensions of service delivery. While technical quality relates to whether shipments arrive on time and in good condition, functional quality concerns how customers are treated throughout and beyond the service encounter. In the context of import services, after-sales support, responsiveness, and ongoing engagement significantly influence customers' perceptions of service quality and their willingness to maintain long-term relationships.

Rathnayake's emphasis on partnership-based relationships aligns with Commitment–Trust Theory, which identifies trust and commitment as the primary determinants of successful long-term exchanges ([Morgan and Hunt, 1994](#)). Customers who perceive providers as genuine partners rather than transactional intermediaries are more likely to develop commitment and maintain ongoing business relationships. By offering advice, guidance, and support beyond immediate logistics requirements, ISPs demonstrate a commitment to customer success that extends beyond individual transactions.

The importance of warranties, compensation, and assistance in resolving service failures, as highlighted by Perera, further illustrates how responsiveness influences customer trust. [Tax et al. \(1998\)](#) argue that customers evaluate service providers not only based on successful service delivery but also on the effectiveness of service recovery following failures. Although disruptions may arise in complex logistics environments, customers expect providers to take responsibility, communicate openly, and implement fair solutions. From the perspective of Expectation–Confirmation Theory, effective service recovery can reduce dissatisfaction and even exceed customer expectations by demonstrating accountability and concern for customer welfare ([Oliver, 1993](#)).

Silva's and Jayawardena's comments regarding post-delivery follow-up further highlight the relational dimensions of service quality. [Palmatier et al. \(2006\)](#) demonstrate that relationship marketing activities, including ongoing communication and customer engagement, strengthen trust, commitment, and long-term loyalty. Follow-up interactions reassure customers that providers remain committed after service completion, thereby reducing perceptions of opportunism and strengthening confidence in future transactions.

Collectively, these findings demonstrate that customer service and after-sales support are not peripheral activities but strategic mechanisms through which ISPs cultivate trust, commitment, and loyalty. By maintaining communication after service delivery, responding effectively to problems, and positioning themselves as long-term partners, ISPs can strengthen customer relationships and encourage repeat business. Consistent with Commitment–Trust Theory (Morgan and Hunt, 1994), these relational practices transform customer satisfaction into enduring loyalty and support customer retention in a highly competitive service environment.

The findings suggest that ISPs in Sri Lanka should embed customer service and after-sales support into their core service strategies. First, providers should reframe their role from transactional facilitators to long-term business partners. Customers increasingly seek providers who advise, follow up, and remain engaged beyond delivery. By adopting a partnership orientation, ISPs can strengthen trust and position themselves as valuable contributors to customer success.

Second, service recovery mechanisms such as warranties, compensation policies, and responsive problem resolution should be formalized. The interviews demonstrate that customers value providers who accept responsibility during service failures. Such mechanisms enhance perceptions of accountability and reliability while reinforcing customer trust.

Third, systematic post-service follow-up should be integrated into operations. Checking customer satisfaction after delivery and proactively addressing unresolved issues strengthens emotional bonds and increases the likelihood of repeat transactions.

Finally, customer relationship management (CRM) systems can be leveraged to institutionalize these practices. By tracking customer histories, preferences, and service issues, ISPs can provide personalized support and tailor solutions to specific business needs. This approach enhances both operational efficiency and relational quality, contributing to customer retention and long-term business growth.

Conclusion

This study examined how import service providers (ISPs) in Sri Lanka utilize service quality as a strategic capability to attract, retain, and expand their customer base. Drawing on qualitative insights from both customers and service providers, the findings reveal that service quality is shaped by four interconnected dimensions: shipping rates and process transparency, logistics and operational performance, technology and accessibility, and customer service and after-sales support. Collectively, these dimensions influence customer satisfaction, trust, commitment, and loyalty, thereby shaping the competitiveness and long-term sustainability of ISPs operating within an increasingly dynamic import environment. The study demonstrates that customers value not only competitive pricing and efficient logistics operations but also transparent communication, technology-enabled visibility, responsive service delivery, and sustained engagement beyond the point of transaction. By integrating SERVQUAL, Expectation–Confirmation Theory, and Commitment–Trust Theory, the findings show that customer loyalty emerges through the interaction of operational, technological, and relational practices that consistently meet customer expectations, reduce uncertainty, and foster trust-based relationships. Consequently, service quality should be understood not merely as an operational outcome but as a strategic capability that enables firms to create value, differentiate themselves from competitors, and achieve sustainable competitive advantage. From a practical perspective, the study suggests that ISPs can strengthen customer acquisition and retention by investing in transparent pricing structures, logistics infrastructure, digital technologies, customer relationship management systems, and formalized after-sales support mechanisms. Such initiatives enhance customer confidence, encourage repeat business, and strengthen long-term partnerships. The study contributes to

supply chain and service management literature by extending understanding of how service quality functions as a strategic capability within an emerging economy context and highlights the importance of integrating operational excellence with relational value creation. Future research may build on these findings by examining larger samples, comparing different logistics sectors, or exploring how service quality strategies vary across diverse institutional and national contexts.

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