

# Service Reputation and Customer Loyalty in Ocean Freight Forwarders: An Exporters' Perspective in Mindanao Regions

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## Abstract


Customer loyalty is a vital component for businesses to achieve success and growth and that gaining customer loyalty can be sustainable by building a positive reputation. This study investigated the influence of customer satisfaction and trust as dimensions of the reputation of Ocean Freight Forwarders on customer loyalty. Data were collected from 180 exporting companies in Mindanao and a survey questionnaire was administered. A descriptive correlational design was employed, and the results showed positive and statistically significant relationship between customer loyalty, satisfaction, and trust. The findings revealed that exporters perceive ocean freight forwarders' reputation as highly satisfactory in terms of technical and functional qualities, and they have a very high level of trust in forwarders' benevolence and credibility. The results also showed strong loyalty in all dimensions of customer loyalty. Thus, the practical implications of this study are clear: prioritizing customer satisfaction and maintaining trust by the forwarders are essential for establishing a strong reputation. Therefore, ocean freight forwarders should consider these findings and continuously evaluate and improve their trust image and customer satisfaction strategies to enhance customer loyalty and maintain a competitive position in the dynamic export industry.

**Keywords:** service reputation, customer loyalty, freight forwarders, Mindanao region



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Sustainable customer loyalty can be achieved by building a positive reputation, particularly in highly competitive industries. Ocean Freight Forwarders (forwarding) must invest resources to cultivate a positive reputation since it is a critical factor in customer loyalty (Barajas, 2021).

However, the Philippines ranked 43rd out of 139 countries in the 2023 Logistics Performance Index (LPI). This highlights the need for enhanced competence within the country's logistics sector, particularly in freight forwarding, in terms of efficiency, quality of trade, competence, ability to track and trace, and timeliness.

Despite its potential to serve as the nation's primary food source, Mindanao still suffers due to inefficient logistics operations. These operations have elevated transportation and transaction costs and harm the reputation of local ocean freight forwarders. One possible cause of inefficiency is the difficulty in accessing current and advanced logistics services (Castro, 2011).

## INTRODUCTION

Customer loyalty is essential for long-term business success. All companies must assess this critical aspect to ensure their long-term survival and profitability. Customer loyalty helps attract new customers, guarantees repeat purchases, and leads to additional purchases and favorable referrals.

Customers have become increasingly skeptical of traditional advertising because of the growing significance of reputation in building customer trust and loyalty (World Federation of Advertiser, 2021). As intermediaries between carriers and exporters, ocean freight forwarders must carefully identify and understand aspects of their services that require improvement to satisfy customers, establish trust, and build an excellent reputation. In turn, this contributes to the development and maintenance of customer loyalty.

Several studies have emphasized that customer satisfaction and trust are the foundations for building a reputation that leads to customer loyalty. Customers place greater emphasis on service quality when it comes to logistics providers in a global setting (Cahill, 2006). Trust in the logistics industry is critical in establishing customer loyalty, especially through technical and functional qualities of freight forwarders (Soh, et al., 2015), leading to repurchase intentions.

Previous research on reputation often involves multiple stakeholder groups and overlooks customer-specific experiences, particularly among exporters in Mindanao, leading to a gap in understanding what drives their loyalty to forwarders. There is also a need for a comprehensive model to assess forwarders' reputation from a customer standpoint, enabling better decision-making and enhancing satisfaction and loyalty. The research aligns with the World Bank's recommendation for broader policy and private sector initiatives to boost logistics performance in low LPI-rated countries.

This study aims to explore the factors that influence the reputation of local ocean freight forwarders from exporters' perspectives and their impact on customer loyalty. It seeks to identify areas for improvement in current training programs, enhance the forwarders' reputation, and develop initiatives that foster customer satisfaction and trust to boost loyalty. The study also evaluates the services provided by local forwarders for various container types to align with exporters' needs and values, thereby helping forwarders understand and meet customer expectations. Additionally, it examines aspects of forwarder management,

marketing, and human resources, providing insights into key issues, new marketing strategies, and service delivery improvements. Ultimately, the research investigates the relationship between reputation and customer loyalty, using customer satisfaction and trust as key variables, and assesses how these reputation factors influence exporter loyalty.

## LITERATURES

**Customer Loyalty.** Empirical studies have explored the relationship between perceived reputation and customer loyalty, noting that reputation can indirectly impact customer retention by serving as a quality promise (Walsh et al., 2009). Customer loyalty drives companies to provide high-quality products and services with integrity, reducing transaction costs and perceived risk, and acting as a barrier to market entry. Loyalty is commonly viewed as a sequential process of cognition, affection, conation, and action (He, 2018). It includes repeat and additional purchases and referrals (Cahill, 2006). Referrals, as the highest expression of positive attitude, differentiate between behavior and intention in loyalty research. Customer loyalty is thus a commitment to consistently re-buy or re-patronize a preferred service, involving repetitive purchasing and positive word-of-mouth despite external influences. In marketing, a good company reputation leads consumers to judge new products more favorably if associated with a familiar brand (Walsh et al., 2009).

**Reputation.** Reputation is a valuable asset that enables organizations to differentiate themselves, maximize market share and profits, attract and retain customers, counteract competitors, and ensure market success and survival (Abd-El-Salam et al., 2013). It reflects an entity's consistent attributes over time and is linked to a product's price and quality, significantly impacting performance and survival (Nguyen & LeBlanc, 2018). A good reputation reduces stakeholder uncertainty, strengthens competitive advantage, and fosters trust and value creation, allowing organizations to offer high-value products and services (Pires & Trez, 2018).

**Customer Satisfaction.** Customer satisfaction is vital in the customer-supplier relationship,

reflecting the post-purchase evaluation of a product's performance compared to expectations (Soh, et al., 2015). To compete effectively, companies must offer unique, valuable products that meet customer needs (Andriana et al., 2019).

Satisfaction covers the entire purchase process and experience (Gul, 2014) and is crucial for loyalty, though it alone may not ensure it (Soh et al., 2015). Satisfaction is determined by the products actual versus expected utility, influencing loyalty. Strong customer relationships enhance satisfaction, loyalty, and business performance (Vasanth, 2018), and satisfied customers' recommendations attract new customers cost-effectively (Soh et al., 2015).

Reputation, Customer Loyalty, and Customer Satisfaction. Good reputation is a crucial driver of customer loyalty, with loyalty intention being a key outcome (Walsh et al., 2009). Reputation reduces perceived business risks and enables stakeholders to provide resources at lower costs. This enhances customer loyalty and confidence (Nicolò, 2015) and strongly influences brand attitude, satisfaction, purchase intention, and perceived company performance (Jung and Seock, 2016).

Customer satisfaction is widely recognized as a vital driver of long-term relationships between suppliers and customers (Soh et al. 2015). Customer loyalty and satisfaction are mutually reinforcing, and that satisfied customers are more likely to make repeat purchases and spread positive word-of-mouth (Andriana et al., 2019; Hadi and Indradewa, 2019; Vasanth, 2018; Soh et al., 2015; and Gul, 2014).

Corporate reputation mediates the relationship between value and loyalty, reflecting public perception based on the company's actions. Studies support that service quality is pivotal in building a company's reputation (Gul, 2014; Barakat Ali, 2022). Hadi and Indradewa (2019) further note that perceived service quality impacts customers' perceptions of a company's capability and social contributions, thus enhancing reputation and fostering customer loyalty. Consequently, customer satisfaction mediates the relationship between reputation and loyalty, with positive experiences leading to increased customer commitment.

Trust and Loyalty. Trust is a crucial element of customer behavior before and after purchasing a product. Trust is defined as confidence in a company. When a company consistently meets the needs and expectations of its customers, it can cultivate trust between the company and its customer base (Vasanth, 2018). A long-term relationship between the two parties fosters loyalty (Gul, 2014). When customers trust a firm, they hold strong confidence in the quality of their products and services. Trust extends beyond loyalty, wherein a customer who trusts the service provider is likely to remain in the relationship and commit to it.

There are two key factors that contribute to trust: perceived credibility and benevolence (Gul, 2014). Both of these are believed to mediate the relationship between customer loyalty and satisfaction, which is considered the primary factor influencing loyalty.

## METHODOLOGY

Population and Sampling. The study consisted of 180 respondents who were employed and had been handling logistics work for more than one year at exporting companies that uses the major international containerized ports (SOCSARGEN, Davao Region, and Northern Mindanao) in a specific location in the Mindanao Region. A random sample was drawn from each stratum after the strata were created based on the exporter's POL location characteristics.

Instrumentation. The instruments used for the study were administered using Google Form. The questionnaire was divided into five segments: the respondent's profile, the Customer Satisfaction Technical Quality questionnaire, the Customer Satisfaction Functional Quality questionnaire, an 11-item questionnaire regarding trust levels, and the Customer Loyalty instrument. To assess the indicators of each variable, a 4-point Likert scale was used. Please see Table 1 below:

Table 1  
*Likert Scale Range and Corresponding Verbal Interpretations*

Range	Customer Satisfaction	Trust	Customer Loyalty
3.26 – 4.00	Highly Satisfactory	Very High Trust	Very Strong Loyalty
2.51 – 3.25	Satisfactory	High Trust	Strong Loyalty
1.76 – 2.50	Unsatisfactory	Low Trust	Weak Loyalty
1.00 – 1.75	Highly Unsatisfactory	Very Low Trust	Very Weak Loyalty

Each questionnaire was adapted and modified from previous studies and were subjected to validity and reliability testing. Pilot testing was done on thirty (30) independent population, with an overall Cronbach Alpha of 0.944.

**Data Gathering Procedure.** A survey questionnaire was administered to selected participants with the permission of their company. The questionnaire was prepared through Google Forms and distributed through email. The data will, then, be sent to an application program for further processing, tabulation, coding, and statistical inspection.

**Data Analysis.** Numerical descriptive statistics was used to determine the demographic of the respondents. The level of forwarder's reputation of customer satisfaction with technical quality, customer satisfaction with functional quality, the level of the forwarder's reputation of trust, and the level of customer loyalty was determined using mean and standard deviation. Finally, the Pearson correlation coefficient (r) was computed using IBM SPSS Statistics version 29.0.2.0 to test the hypotheses about the relationship between service quality and customer satisfaction.

## RESULTS

**Table 2**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Order Release Quantities*

Indicators	Mean	SD	Interpretation
1 At Ocean Freight Forwarders, requisitioning quantities for a shipment is relatively easy.	3.42	0.62	Highly Satisfactory
2 At Ocean Freight Forwarders, difficulties due to the maximum release of shipment quantities never occurred.	3.29	0.66	Highly Satisfactory
3 At Ocean Freight Forwarders, difficulties due to the minimum release of shipment quantities never occurred.	3.21	0.69	Satisfactory
Overall	3.31	0.57	Highly Satisfactory

Table 2 shows the overall satisfaction of the respondents on technical quality in terms of order release quantity. Exporters expressed the effortless order booking from forwarders, even if it is in a maximum or minimum quantity of shipments, and that they always receive correct quantities every time they order for booking to release, including having one lot of shipments.

**Table 3**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Order Accuracy.*

Indicators	Mean	SD	Interpretation
4 At Ocean Freight Forwarders, shipments always contain the correct items.	3.29	0.64	Highly Satisfactory
5 At Ocean Freight Forwarders, shipments always contain the correct quantities.	3.34	0.65	Highly Satisfactory
6 At Ocean Freight Forwarders, shipments always contain unsubstituted items.	3.18	0.66	Satisfactory
Overall	3.27	0.55	Highly Satisfactory

Table 3 demonstrates respondents' satisfaction on technical quality in terms of order accuracy. The finding reveals that exporters received shipments that always contain the correct items, the correct quantities, and unsubstituted items. It exhibits highly satisfactory service quality in Order Accuracy in handling exporters' commodity items during shipments, which leads to customer satisfaction. Forwarders must focus on the accuracy of exported products to avoid extra penalties on misdeclaration of inaccurate content items.

**Table 4**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Order Condition*

Indicators	Mean	SD	Interpretation
7 At Ocean Freight Forwarders, materials received from the depot are undamaged.	3.26	0.66	Highly Satisfactory
8 At Ocean Freight Forwarders, materials received directly from vendors are undamaged.	3.21	0.66	Satisfactory
9 At Ocean Freight Forwarders, damage does not always occur because of the transport mode or carrier.	3.23	0.60	Satisfactory
Overall	3.24	0.54	Satisfactory

Table 4 presents the customer satisfaction rating of respondents on technical quality in terms of order condition and shows that exporters often receive undamaged cargo when they use ocean freight forwarders. Damage sometimes occurs only during transportation. This means that ocean freight forwarders have successfully met the expectations of exporters regarding the proper execution of orders.

**Table 5**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Order Quality*

Indicators	Mean	SD	Interpretation
10 At Ocean Freight Forwarders, substituted services work fine.	3.34	0.62	Highly Satisfactory
11 At Ocean Freight Forwarders, service orders meet technical requirements.	3.32	0.59	Highly Satisfactory
12 At Ocean Freight Forwarders, the equipment received is always conforming.	3.26	0.64	Highly Satisfactory
13 At Ocean Freight Forwarders, services received are always conforming.	3.28	0.63	Highly Satisfactory
Overall	3.30	0.51	Highly Satisfactory

Table 5 displays the exporter respondents' customer satisfaction rating on technical quality in terms of order quality. Based on the results, exporters perceive that the ocean freight forwarder's service in terms of order quality is doing well, considering that this aspect of work is one of the major functions of forwarders in assisting the preparation of good conditions and conforming equipment before delivery to exporters. Moreover, it indicates that exporters have good recognition of the reputation of order quality from forwarder services.

**Table 6**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Timeliness*

Indicators	Mean	SD	Interpretation
14 At Ocean Freight Forwarders, the time of delivery is accurate.	3.22	0.71	Highly Satisfactory
15 At Ocean Freight Forwarders, deliveries arrive on the time promised.	3.24	0.67	Highly Satisfactory
16 At Ocean Freight Forwarders, the time on the backorder requisition is short.	3.19	0.64	Highly Satisfactory
Overall	3.22	0.57	High Satisfactory

The data in Table 6 shows respondents' satisfaction rating on technical quality in terms of order quality. Exporters expressed that deliveries often arrive on time, which indicates their satisfaction with the timeliness of ocean freight forwarders, especially regarding transit time and backorder assistance. Meeting delivery requirements on time is essential for enhancing customer satisfaction.

**Table 7**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Personnel Contact Quality*

Indicators	Mean	SD	Interpretation
1 The Ocean Freight Forwarders' designated contact person makes an effort to understand my company's situation.	3.31	0.59	Highly Satisfactory
2 The Ocean Freight Forwarders' designated contact person has the ability to resolve problems.	3.41	0.61	Highly Satisfactory
3 The Ocean Freight Forwarders' service knowledge of personnel is adequate.	3.31	0.65	Highly Satisfactory
4 The Ocean Freight Forwarders' service personnel's experience is adequate.	3.31	0.62	Highly Satisfactory
Overall	3.33	0.50	Highly Satisfactory

Table 7 shows the customer satisfaction ratings of exporters on functional quality in terms of personnel contact quality. The positive interactions of ocean freight forwarders' personnel with exporters significantly impact customer perceptions and satisfaction, which includes attentiveness to details on problems and empathy with exporters' situations. However, some exporters are still unsatisfied on their forwarder experiences. This

emphasizes the importance of investing in training and development programs to enhance the quality of personnel contact, as this plays a crucial role in shaping customers' perceptions of service quality and overall satisfaction.

**Table 8**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Ordering Procedures*

Indicators	Mean	SD	Interpretation
5 The Ocean Freight Forwarders' Procedures are effective.	3.33	0.65	Highly Satisfactory
6 The Ocean Freight Forwarders' Procedures are easy to use.	3.31	0.64	Highly Satisfactory
7 The Ocean Freight Forwarders' Procedures are simple.	3.26	0.62	Highly Satisfactory
8 The Ocean Freight Forwarders' Procedures do not take much effort.	3.19	0.65	Satisfactory
9 The Ocean Freight Forwarders' Procedures do not take much time.	3.22	0.66	Satisfactory
10 The Ocean Freight Forwarders' procedures are flexible.	3.29	0.63	Highly Satisfactory
Overall	3.27	0.52	Highly Satisfactory

Table 8 reveals the exporters' satisfaction rating on functional quality in terms of ordering procedures. Exporters believe that most ocean freight forwarders exhibit better procedures for handling export processing than in-house employees. Because forwarders' procedures are effective, simple, and easy to use, they have become the main selling point of this industry to exporters, considering that the results show that the overall reputation of this service is highly satisfactory. Further, other exporters are not only influenced by traditional service quality factors but also by the ease of use, transparency, and reliability of the ordering procedure since some of the exporters are still struggling to deal with set-up procedures such as online processes, delays, and waiting times on the procedure to complete.

**Table 9**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Order Discrepancy Handling*

Indicators	Mean	SD	Interpretation
11 The Ocean Freight Forwarders' provided information is timely.	3.23	0.69	Satisfactory
12 The Ocean Freight Forwarders' provided information is accurate.	3.31	0.67	Highly Satisfactory
13 The Ocean Freight Forwarders' provided information is adequate.	3.30	0.65	Highly Satisfactory
14 The Ocean Freight Forwarders' provided information is complete.	3.29	0.61	Highly Satisfactory
15 The Ocean Freight Forwarders' provided information is credible.	3.34	0.62	Highly Satisfactory
Overall	3.30	0.54	Highly Satisfactory

As depicted in Table 9, exporters rate their experiences on freight forwarders' functional



quality in terms of order discrepancy handling. The results reveal that the almost half of exporters are highly satisfied with how ocean freight forwarder customer service provides prompt and efficient information as a resolution for order discrepancies, which significantly contributes to a higher level of customer assistance, as it demonstrates a commitment to customer satisfaction.

**Table 10**  
*Mean Distribution of Customer Satisfaction on Technical Quality in terms of Information Quality*

Indicators	Mean	SD	Interpretation
16 The Ocean Freight Forwarders' communicated information is timely.	3.28	0.63	Highly Satisfactory
17 The ocean freight forwarders' communicated information is accurate.	3.28	0.64	Highly Satisfactory
18 The Ocean Freight Forwarders' communicated information is adequate.	3.31	0.63	Highly Satisfactory
19 The Ocean Freight Forwarders' communicated information is complete.	3.27	0.61	Highly Satisfactory
20 The Ocean Freight Forwarders' communicated information is credible.	3.28	0.63	Highly Satisfactory
Overall	3.28	0.52	Highly Satisfactory

Table 10 displays the exporters' rating of their experiences on freight forwarders' functional quality in terms of information quality. Not only does the completeness of information satisfy the forwarders, but its timeliness, credibility, and adequacy also significantly contribute to exporters' customer satisfaction. Additionally, accurate information significantly enhances customer satisfaction. Exporters describe it as a quality service when forwarders provide them with consistent and transparent information, which not only augments customer satisfaction, as exporters feel valued and understood by the forwarders.

**Table 11**  
*Mean Distribution of Trust in terms of Benevolence*

Indicators	Mean	SD	Interpretation
1 I believe that ocean freight forwarders are honest with me.	3.23	0.68	High Trust
2 I believe that ocean freight forwarders are trustworthy.	3.30	0.64	Very High Trust
3 I believe that ocean freight forwarders are very thoughtful about my well-being.	3.23	0.64	High Trust
4 I believe that ocean freight forwarders can be relied on in critical situations.	3.28	0.65	Very High Trust
5 I believe that ocean freight forwarders will point out the best alternative for me at any time.	3.27	0.61	Very High Trust
6 I believe that ocean freight forwarders employees are committed to solving my problems.	3.31	0.68	Very High Trust
Overall	3.27	0.52	Very High Trust

Table 11 shows the exporters' trust rating on freight forwarders in terms of benevolence. The result indicates that forwarders gain the trust of the exporters based on benevolence, which includes mutual obligations, consideration for well-being, and problem-solving. This high trust in benevolent behavior significantly influences exporters' decisions to continue business relationships.

**Table 12**  
*Mean Distribution of Trust in terms of Credibility*

Indicators	Mean	SD	Interpretation
7 I believe that ocean freight forwarders are capable of satisfying my needs.	3.31	0.59	Very High Trust
8 I believe that ocean freight forwarders knew their business.	3.36	0.59	Very High Trust
9 I believe that ocean freight forwarders can solve my problems.	3.24	0.65	High Trust
10 I believe that ocean freight forwarders can provide the best advice in critical situations.	3.32	0.62	Very High Trust
11 I believe that ocean freight forwarders employ well-educated employees.	3.38	0.55	Very High Trust
Overall	3.32	0.49	Very High Trust

Table 12 reveals the trust rating of exporters with freight forwarders in terms of their credibility. Based on the results, exporters recognize ocean freight forwarders as credible, specifically on their capabilities and expertise during critical situations. On the other hand, other exporters believe that forwarders are not efficient and cannot solve their problems once they arise.

**Table 13**  
*Mean Distribution of Customer Loyalty in terms of Repurchase*

Indicators	Mean	SD	Interpretation
1 We will continue using Ocean Freight Forwarders in the future.	3.34	0.58	Very Strong Loyalty
2 Right now, we intend to extend existing contracts with Ocean Freight Forwarders.	3.31	0.62	Very Strong Loyalty
3 If we knew then what we know now, we would again select Ocean Freight Forwarders.	3.34	0.59	Very Strong Loyalty
4 When the contract with Ocean Freight Forwarders ends, we will most likely negotiate a new contract without starting a new bidding process.	3.29	0.61	Very Strong Loyalty
Overall	3.32	0.49	Very Strong Loyalty

Table 13 shows exporters' rating on customer loyalty in terms of repurchases and found that almost half of the respondents are loyal to the service to ocean freight forwarders. More specifically, they expressed that they are willing to repurchase services in the future and continuously select ocean freight forwarders as their partners in export shipments.

Furthermore, they intend to skip the bidding process and renew existing service contracts.

**Table 14**  
*Mean Distribution of Customer Loyalty in terms of Additional Purchase*

Indicators	Mean	SD	Interpretation
5 In the future, the Ocean Freight Forwarders will have a higher share of our logistics volume.	3.28	0.59	Very Strong Loyalty
6 In the future, we will use Ocean Freight Forwarders more than we do now.	3.23	0.59	Strong Loyalty
7 When we bid out other services than the ones we outsource today, we will consider Ocean Freight Forwarders preferentially.	3.26	0.58	Very Strong Loyalty
8 When we outsource additional services, we will first offer them to Ocean Freight Forwarders before starting a bidding process.	3.28	0.56	Very Strong Loyalty
Overall	3.26	0.49	Very Strong Loyalty

Table 14 reveals the exporters' rating of their loyalty on freight forwarders in terms of additional purchase. Exporters are willing to purchase additional services offered by an ocean freight forwarder, significantly increasing their share of the current export customer base. However, other exporters expressed that they might not fully commit to forwarders and still consider other shipping options, such as directly booking with shipping lines.

**Table 15**  
*Mean Distribution of Customer Loyalty in terms of Referrals*

Indicators	Mean	SD	Interpretation
9 Within our organization, we have recommended preferential consideration to Ocean Freight Forwarders for further shipments.	3.29	0.58	Very Strong Loyalty
10 I often mention Ocean Freight Forwarders to my co-workers in a positive way.	3.32	0.61	Very Strong Loyalty
11 I often recommend Ocean Freight Forwarders to people outside my company.	3.33	0.59	Very Strong Loyalty
12 We often recommend Ocean Freight Forwarders.	3.31	0.59	Very Strong Loyalty
Overall	3.32	0.52	Very Strong Loyalty

Table 15 shows the exporters' rating on their loyalty in terms of referrals. As depicted, exporters are willing to recommend ocean freight forwarder's services to others through word of mouth, share positive information, and recommend them for further shipments, showing a high level of loyalty and trust. This word-of-mouth recommendation solidifies the existing exporter relationship and fosters new relationships, creating a cycle of loyalty and trust within the customer base of forwarders.

**Table 16**  
*Relationship Between Customer Loyalty and Exporter-Based Ocean Freight Forwarders' Reputation of Customer Satisfaction*

Variable	Correlation Coefficient	p-value	Remark
Customer Satisfaction	0.776**	.000	Significant
Order Release Quantity	0.596**	.000	Significant
Order Accuracy	0.603**	.000	Significant
Order Condition	0.622**	.000	Significant
Order Quality	0.620**	.000	Significant
Timeliness	0.620**	.000	Significant
Personnel Contact Quality	0.650**	.000	Significant
Ordering Procedure	0.710**	.000	Significant
Order Discrepancy Handling	0.696**	.000	Significant
Information Quality	0.753**	.000	Significant

\*\*Correlation is significant at the 0.01 level (1-tailed)

Table 16 presents the results of analysis regarding the relationship of customer satisfaction and customer loyalty. As shown in the table, customer satisfaction manifested a significant positive relationship with customer loyalty. This means that the more satisfied the customer is, the more loyal the customer becomes. The correlation finding also reveals that the higher the reputation of Information Quality is, the more loyal the customer becomes.

**Table 17**  
*Relationship Between Customer Loyalty and Exporter-Based Ocean Freight Forwarders' Reputation of Trust*

Variable	Correlation Coefficient	p-value	Remark
Trust	0.795**	.000	Significant
Honest	0.560**	.000	Significant
Trustworthy	0.631**	.000	Significant
Thoughtful	0.602**	.000	Significant
Reliable	0.647**	.000	Significant
Best Alternative	0.643**	.000	Significant
Committed	0.580**	.000	Significant
Satisfying Needs	0.648**	.000	Significant
Knew their Business	0.588**	.000	Significant
Solve Problems	0.625**	.000	Significant
Best Advice	0.641**	.000	Significant
Well-Educated Employees	0.604**	.000	Significant

\*\*Correlation is significant at the 0.01 level (1-tailed)

Table 17 presents the results of analysis regarding the relationship between customer loyalty and trust, and found that when customers can build trust, they become loyal. While all factors of trust were found to have significant relationship with customer loyalty, satisfying the needs of exporters has the highest correlation with loyalty. This demonstrates that if exporters believe that freight forwarders satisfy their needs, the more loyal they become.

**Table 18**  
*Multiple Regression Analysis of the Independent Variable and Customer Loyalty*

Variable	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t-value	Sig.
Customer Satisfaction				
Technical Quality	0.149	0.156	2.23	.027
Functional Quality	0.277	0.281	3.31	.001
Trust				
Benevolence	0.211	0.234	2.611	.010
Credibility	0.234	0.246	2.803	.006
R=.834      R <sup>2</sup> =.695      Adjusted R <sup>2</sup> =.688				

Table 18 above shows that a substantial portion of the variation in customer loyalty can be accounted for by the predictor variables, with Functional Quality serving as the most potent and unique predictor. Exceptional information quality significantly impacts exporter loyalty given that critical data, such as shipment locations, transit delays, and documentation issues, are vital in facilitating shipping operations. Consequently, possessing the best logistics service quality that accords with functional quality leads to customer loyalty.

**Table 19**  
*Stepwise Multiple Regression Analysis of the Independent Variable and Customer Loyalty*

Independent Variable	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t-value	Sig.
(Constant)	3.299			
Information Quality	0.117	0.284	4.136	.000
Credibility	0.132	0.266	3.130	.002
Benevolence	0.123	0.252	2.885	.004
Order Accuracy	0.068	0.147	2.712	.007
R=.837      R <sup>2</sup> =.700      Adjusted R <sup>2</sup> =.693				

Table 19 reveals that Information Quality within Technical Quality significantly predicts Customer Loyalty, with high information quality boosting loyalty. Furthermore, 83.7% of customer loyalty variability is explained by the combined influence of four key independent variables, highlighting the critical role of accurate and reliable information from forwarders in effective customer relationship management in the logistics industry.

The findings indicate that exporters are highly satisfied with the technical and functional quality provided by ocean freight forwarders, particularly in terms of order accuracy and overall service quality. The forwarders' reputation for trust, characterized by benevolence and credibility, is also rated very high. Exporters exhibit very strong loyalty, consistently making repurchases, additional purchases, and referrals.

A significant positive relationship was found between customer loyalty and both customer satisfaction and trust in the forwarders. Functional quality of customer satisfaction, especially information quality, shows the highest correlation with customer loyalty. Multiple linear regression analysis confirms that functional quality is a significant predictor of customer loyalty, with information quality contributing the most, followed by credibility, benevolence, and order accuracy.

## DISCUSSION

The study identifies key factors that signal the reputation of ocean freight forwarders from the perspective of exporters, emphasizing the importance of customer satisfaction and trust in fostering customer loyalty. Delivering high-quality, credible, and benevolent services can enhance freight forwarders' reputation, leading to increased customer loyalty. Continuous service improvements, including personnel training, advanced tracking technologies, and innovation, are crucial in meeting and anticipating customer needs. Actively seeking and addressing feedback from exporters further strengthens forwarders' reputations for proactive problem-solving. A holistic approach focusing on both current and future industry trends is essential for the sustained success and growth of ocean freight forwarding.

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