

## Research on Composition and Characteristics of Logistics Capability Based on Customer Value

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**Abstract:** It is necessary for logistics enterprises to establish an effective logistics service quality management system based on customer value. Therefore, based on customer value, this paper studies the composition and characteristics of logistics capability. According to the characteristics of logistics enterprises, each level is subdivided into several sub-capability elements. Through the comparative study of customer's expectation value and actual perception value, the connotation, characteristics and design of logistics service quality standards are discussed. The results show that the logistics service provider's logistics capability is mainly composed of five major capabilities: logistics factor capability, logistics management capability, logistics service capability, logistics innovation capability and logistics planning capability. However, domestic logistics companies can only maintain their competitive advantage if they incorporate customer satisfaction into their competitive strategies.

### 1. Introduction

In recent years, as a new organizational form, supply chain has shown its unique advantages in coping with the challenges brought about by rapid changes in the external environment, such as economic globalization, personalized customer demand, mass customization of production, etc. [1]. The research approach presents “enterprise orientation”, such as Levy's definition of service quality. The market competition in the future will no longer be limited to independent enterprises, but will increasingly be reflected in the competition between supply chains [2]. From now on, China's express delivery industry has made great progress through many years of development, forming a larger industrial scale. Therefore, how to strengthen their own logistics service capability is an important topic that the third party logistics service providers are facing in the process of operation [3]. Based on traditional ideas and practices, it has become increasingly difficult to compete on the basis of manufacturing capabilities to achieve a sustainable competitive advantage. When enterprises provide various logistics services to customers, they are bound to be constrained by many logistics capabilities. Therefore, the importance of enterprises to improve their logistics capabilities to improve the quality of logistics services and enhance their competitive advantages is becoming more and more important [4]. Logistics is regarded as the “third profit source” in addition to production and sales. Many manufacturing companies and sales companies have high requirements for the quality of logistics services when selecting logistics service providers [5]. Service type and warranty range, emergency service plan, handling customer issues, providing customer service training and materials.

In the 1980s, people began to pay attention to the quality difference between service quality and tangible products, but failed to give scientific definition [6]. Future market competition will no longer be limited to independent companies, but will increasingly be reflected in the competition between supply chains. As an important part of the supply chain, logistics enterprises have become the focus of the theoretical and practical circles. China's logistics industry has developed rapidly in recent years, but it is still a weak link in the supply chain as a whole [7]. As an important part of the supply chain, logistics enterprises have become the focus of attention in the theoretical and practical circles. From the current situation, with the development of China's economy and the improvement

of people's living standards, consumers are increasingly demanding personalized services [8]. Mass production will be replaced by small-batch and multi-batch production, and the demand for convenient and fast express delivery service will greatly increase [9]. China's express delivery industry has broad prospects for development. In order to strengthen the logistics service capability, we must first master the composition of the logistics service capability [10]. Enterprises can only survive and develop in the fierce market competition if they have core competitive advantages that other enterprises do not have. Logistics service quality is an important component of logistics management, is an important content to obtain customer satisfaction and competitive advantage, and plays an important role in improving logistics service level, reducing costs and improving core strength. Set the inventory limit, availability of inventory, reasonable transportation mode selection, programmed processing of orders, and ensure the display of receipt status during delivery time.

## 2. Characteristics and Composition of Logistics Service Quality

### 2.1 Characteristics and Composition of Logistics Service Quality

Logistics service has five characteristics: imperceptibility, inseparability, quality difference, non-storability and non-transferability of ownership. The competitive advantage of enterprises comes from the identification and satisfaction of customers' key needs, while the realization of customers' needs depends on the ability of enterprises. China's logistics industry has developed rapidly in recent years, but it is still a weak link in the supply chain as a whole. Foreign express companies are entering China continuously, especially the four giants of the global express industry. DHL International, FedEx, UPS, Holland Express and so on are expanding in China. China has become the main battlefield for the world express industry to compete. Logistics capability is a comprehensive capability formed by layer-by-layer integration on the basis of basic logistics, logistics function and work cycle structure. The status of logistics capability depends on the strategic positioning of the enterprise. In this practical context, companies began to turn their attention to logistics, an area that has not received enough attention, and used it as one of the “third profit sources” and the core competitive advantage. Scholars also Strategically researching logistics. The object of logistics management is mainly goods, services, information and its flow process, but because the logistics system is complex, there is no unified understanding of the connotation of logistics service quality.

The transformation ability of logistics enterprises includes four sub-elements of strategic transformation capability, service transformation capability, technological transformation capability and management transformation capability (Table 1).

Table 1 Logistics Enterprise Transformation Capability Elements

Ability to change	Ability factor conservation
Strategic change capability	Grasping market changes and implementing strategic adjustment capabilities, including business transformation strategies, market layout adjustment strategies, etc.
Technological change capability	In order to improve the efficiency of operations and management, the ability to implement changes in logistics management information systems and logistics operations technologies.
Management change capability	Improve management processes, reduce logistics costs, and change management capabilities.
Service change capability	Optimize logistics operations, improve operational speed, respond to customer needs and environmental changes in a timely manner, and change service content and service quality.

### 2.2 The components of logistics service quality

Customer evaluation of logistics service quality includes several elements. The quality of perceived service includes five elements, namely, tangibility, reliability, responsiveness, assurance

and care. According to the business characteristics of logistics enterprises, their operational capability elements can be further subdivided into four sub-elements: logistics service capability, logistics research and development capability, business management capability and resource integration capability. At present, there are many researches and discussions on how to cultivate the competitiveness of China's logistics enterprises. However, we believe that competitiveness is the embodiment of enterprise capability in market competition. If there is no in-depth analysis and combing of the capabilities of logistics enterprises, there is no analysis of the logical connection between the elements of competence, and talking about the cultivation of competitiveness can only be on the surface. In the ever-changing technological, market and demand environment, only by constantly seeking and implementing changes can an enterprise make its operational capability develop in the direction of adapting to the changes in the environment and jump in the process. Of course, this view does not mean that the quality of results is not important. Service results are the fundamental purpose of customers to purchase services. Some scholars also identify the core competence from the aspects of market response and adjustment, internal management and control, technology integration and innovation of enterprises. Some large state-owned express delivery companies in China, including China Post, Civil Aviation Express, China Railway Express, Sinotrans, etc., are in a certain position in the express delivery industry in China due to their background advantages and perfect networks.

In recent years, the rapid and steady development of the national economy and foreign trade, as well as the vigorous development of online shopping, have laid a solid market foundation for the development of China's express delivery industry. The scale of China's express delivery market shows a good trend of sustained and rapid growth, as shown in Figure 1.

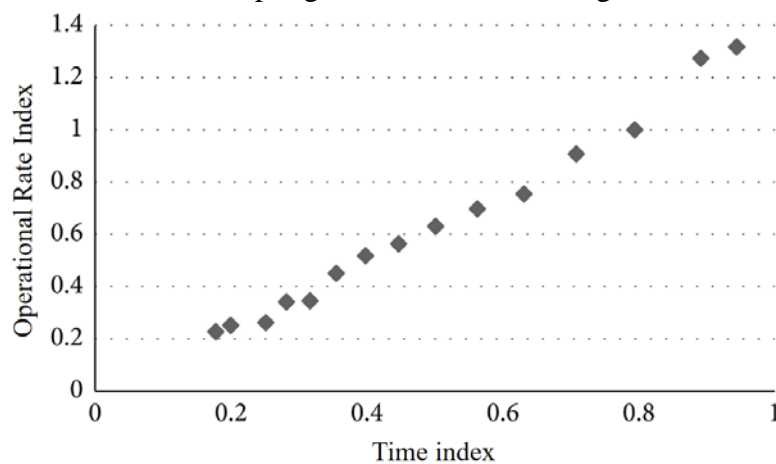


Figure 1 Growth Curve of Total Express Business in China

### 3. Design of Logistics Service Standards Based on Customer Value

#### 3.1 Connotation of Logistics Service Standards

Logistics service standard is the abbreviation of logistics service quality standard, which refers to the standard used by logistics service providers to guide and manage service behavior. Therefore, mining and accurately recognizing customer needs is the key for an enterprise to maintain a sustainable competitive advantage. On the contrary, an enterprise cannot form a sustainable competitive advantage unless it is ahead of its competitors in mining and recognizing the customer's key needs or makes a correct judgment on the customer's key needs. Generally speaking, as an excellent third-party logistics service provider, its logistics capability is embodied in the following aspects: logistics element capability, logistics management capability, logistics service capability, logistics innovation capability and logistics planning capability. Changes in the competitive environment have further promoted the position of logistics management in supply chain management. When enterprises pay more attention to the investment in logistics information capabilities, they are not only improving information technology. More attention should be paid to

improving the logistics capabilities, such as distribution capabilities and flexibility, through the connectivity and sharing of logistics information between various departments within the enterprise and supply chain partners. Since the main body of logistics services is people, different quality service personnel will produce different quality of service effects. In most cases, company-oriented service standards are difficult to reflect customer expectations or requirements. From the current research literature, basic research on the capabilities of enterprises is lacking.

As can be seen from Figure 2, the reasons for the number of heads are mainly related to the development of high technology, the increase in international trade volume and the increase in the number of online shopping. As the number of user groups increases, the volume of complaints naturally increases accordingly.

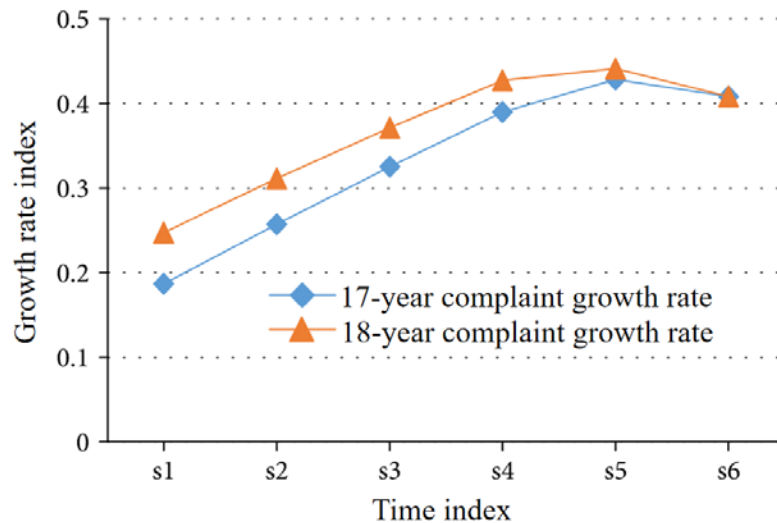


Figure 2 Express industry complaints comparison chart

### 3.2 Logistics service standard design

The standardization of logistics services is also called logistics standardization. Its main contents include tangible, such as the technical standards of various fixed facilities, mobile equipment and special tools of the logistics system. Whether the enterprise can always correctly identify the key needs of customers depends on the learning ability of the enterprise. The learning ability can be subdivided into knowledge accumulation ability, knowledge absorption ability and knowledge innovation ability. Therefore, it is necessary to conduct further research on the entire capability system of the enterprise. Because there is no continuous cultivation of corporate capabilities, it is impossible to form a continuous core competence. Timeliness depends on the speed of delivery, and is closely related to the workflow and efficiency of the process of receiving, sorting, and dispatching, especially the choice of transportation mode. From a macro perspective, logistics capability refers to the ability of the national economic logistics department to provide logistics support and services to the whole society. From the operating characteristics of the supply chain, the supply chain includes logistics, information flow and capital flow, of which logistics is one of the most critical and difficult factors for the success of the supply chain. This is a prerequisite for ensuring good interaction between enterprises and customers, providing IT services and improving service quality. Information capability provides technical basis and means for logistics integration, long-term relationship building, process capability and flexibility capability. At the same time, different customer enterprises will have different service quality effects on the same service. The difference in service quality requires standardization of software work flow and quality control when designing the delivery system.

## 4. Conclusion

Improving the quality of logistics service is an important aspect of improving the level of logistics service. Making scientific and reasonable logistics service standards can maintain customer

relations at low cost, thus improving the image of logistics enterprises. In view of the fact that the value creation and competitive advantage of enterprises come from the realization of customer value, this paper analyzes the capability factor system of logistics enterprises from the perspective of identifying and satisfying customer needs. China's express delivery market has huge demand and shows a trend of expansion. The competition in the express delivery market is fierce, and the service quality of domestic express delivery enterprises needs to be improved. Logistics planning, as a high-level capability element, not only requires the planning subject to have rich practical experience in logistics, but also should have specialized knowledge and logistics talents with specialized knowledge. These two conditions are difficult to meet at the same time for logistics demand enterprises, and professional third-party logistics service providers are the most ideal choice. Then, based on the research results of predecessors, the logistics capability is defined, and this definition is further refined into the definition of enterprise logistics capability and supply chain logistics capability. On this basis, the logistics capabilities are classified and the framework of logistics capabilities is further established. Logistics capability is an important competitiveness of enterprises. Enterprises should better grasp the key factors of regulating logistics capacity in the process of logistics practice, find ways and means to improve their logistics capabilities, and foster strengths and avoid weaknesses. Thereby, improve and improve the quality of logistics services of enterprises, and build and consolidate competitive advantages.

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