BUSINESS, LOGISTICS

Beyond the Shipment: How Customer Relationship Management Shapes Trust and Retention in B2B Logistics

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Published November 2026

Abstract

Beyond meeting basic physical service requirements, maintaining B2B logistics customers will require effective provision of information, promptness, service recovery and development of trust over successive customer journeys. Here we investigate the links between CRM activities, trust and customer retention with reference to Safexpress Pvt. Ltd., based in Coimbatore. From an initial pool of 60 completed questionnaires, 54 who could be confirmed as having used Safexpress were analysed. Nine 5-point Likert statements captured aspects of the customer's perception of information, responsiveness, ease of access, ability to receive deliveries, speed, ease of accessing parcel information, openness, addressing and resolving queries. The resulting scale had a Cronbach's alpha of 0.931, indicating excellent scale reliability. Mean scores suggested that respondents generally reported good levels of CRM with Safexpress (M=4.10 out of 5), driven primarily by their perception of the company responding to their queries (M=4.22) and resolving problems (M=4.17). Customer retention was similarly high, with a mean of 4.17 and 96.3% of customers selecting 'Yes' or 'Strongly Yes' to the statement "I plan to use Safexpress going forward". Correlation tests revealed that both CRM and Trust were positively correlated with Customer Retention, with correlations of 0.390 (p=0.004), 0.395 (p=0.003) and 0.394 (p=0.003) respectively. A simple exploratory multi-variable regression found that CRM and Trust together accounted for 22.4% of the variation in Customer Retention (R^2=0.224, p=0.002). Respondents additionally called out improved clarity around freight and weight, as well as greater proactivity from the company. Collectively, these results highlight the need for logistics companies to couple their core service offering with an effective programme of relationship management.

Keywords: customer relationship management; B2B logistics; customer trust; customer retention; logistics service quality; service recovery; India

1 Introduction

As a result of increased domestic and global manufacturing, the growth of online retailing, proliferation of MSMEs and digitisation of commerce, India has seen considerable growth in its logistics industry. The Indian express logistics and courier market is currently worth c.US$9bn (FY2025) and expected to grow to US$18-22bn by FY2030, driven in large part by greater focus on the end-customer (India Brand Equity Foundation, 2025). At the national level, there is a concerted effort to reduce the cost of doing business in India. Estimates suggest logistics expenses stood at 7.97% of India's GDP in 2023-24 (DPIIT-NCAER), and in the 2023 Logistics Performance Index, India placed 38th of 139 countries assessed (Press Information Bureau, 2025; World Bank, 2023).

Against this backdrop, logistics service providers need to offer additional capabilities if they wish to win and retain B2B accounts. They must be able to facilitate swift and secure delivery of customer

orders, provide adequate information on parcels and associated documentation, deal with issues, and keep the customer informed. As such, each of the customer's interactions with the logistics company - from making a request, placing and receiving an order, monitoring delivery progress, obtaining POD and invoice, lodging complaints, and any further communications - can have an impact on their business continuity, stock availability and customers'.

Given the above, it follows that the principles of Customer Relationship Management (CRM) should play an important role in facilitating the logistics company's ability to maintain good relationships with their customers. As described by Payne and Frow (2005), CRM spans multiple functions including: generating value, managing multiple customer touchpoints, collating and utilising data, and measuring the effectiveness of these initiatives. All of these have direct analogies in a logistics environment and will typically involve some combination of commercial, pre- and post-order and IT-enabled activity.

There is a sizeable body of work on the quality of the logistics service provided to customers. However, most of this has been undertaken in respect of the e-commerce and retail sector. There appears to be limited published work focusing on the day-to-day service delivered to B2B accounts within defined geographic markets in India. Our aim here is to gain some initial insights into the relationship between various facets of CRM and levels of trust and propensity to stay with Safexpress. We note that we cannot draw any definitive causal conclusions from our study, but simply test if higher self-reported scores for CRM are associated with greater trust and intention to remain with, and promote, Safexpress.

2 Literature review and hypothesis development

2.1 CRM as a cross-functional capability

While its origins lie predominantly in the use of IT and data repositories, the field of CRM has progressed considerably to consider how organisations can cultivate profitable and sustainable relationships with their customers. According to Payne and Frow (2005), successful implementation of a CRM programme calls for co-ordination of these four elements at a corporate-wide level. The literature on relationship marketing suggests that fostering closer ties with individual customers can lead to superior results at both the micro- and macro-firm levels (e.g. Palmatier et al., 2006).

Consequently, for a logistics operator, CRM will encompass many activities beyond simply interacting with the account holder. Customers will expect a certain degree of information regarding their parcels, invoices, POD, service breakdowns and remedial actions.

2.2 Logistics service quality, communication and service recovery

Since the seminal contribution by Mentzer et al. (2001), several authors have sought to define and understand the service-quality dimensions that underpin the logistics function and how varying groups of customers place differing levels of emphasis on them. More recently et al. (2021) demonstrated that a range of combinations of service-quality attributes could give rise to satisfied B2B customers.

Further attention has been paid to the role of communication and service recovery. Trust and communication were found to be critical in driving strong customer-logistics provider relationships (Bae, 2024). Service recovery efforts have also been shown to enhance recovery-related evaluations and subsequent likelihood of returning to the logistics firm following a disruption (Srivastava, 2025).

Analogously, a number of service-quality and communication factors have been linked to purchase and repeat-buying decisions in the e-commerce domain (Hui et al., 2025; Ngo et al., 2025).

2.3 Trust and customer retention

The extent of trust that exists between parties will determine the level of risk that is deemed acceptable in their relationship. When sourcing a logistics partner, customers will seek assurance that they can safely rely on them to dispatch and deliver their goods and provide suitable information, and remedy any shortcomings. Bae (2024) confirms that a greater degree of trust leads to a stronger relationship between the logistics firm and shipper. Recent work in the logistics space has commonly considered the effect of trust (and often, satisfaction) on customers' tendency to buy again from their service provider.

In line with the preceding discussion, we measure customer retention using customers' stated plans to: continue to utilise Safexpress, and refer Safexpress to other organisations. We include the latter criterion as it implies a higher level of endorsement of the logistics service.

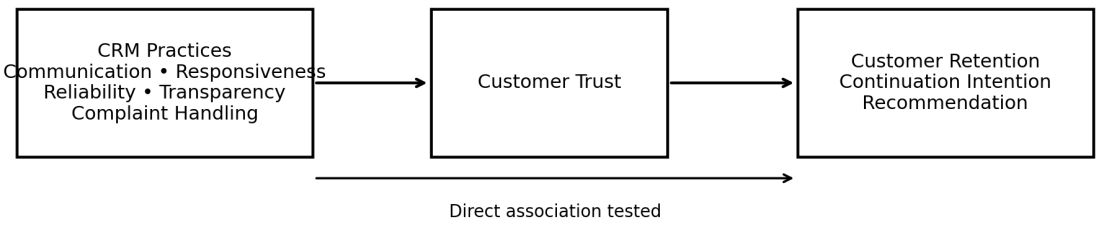

Figure 1. Conceptual framework tested in the study.

Accordingly, the study tests the following hypotheses:

H1: More favourable CRM perceptions are positively associated with customer trust.

H2: More favourable CRM perceptions are positively associated with customer-retention intentions.

H3: Higher customer trust is positively associated with customer-retention intentions.

3 Methodology

3.1 Research design and setting

This research employed a descriptive-analytical cross-sectional method. Internship at Safexpress Pvt. Ltd.'s branch in Pappampatti, Coimbatore offered useful background on various functions such as receiving bookings, determining freight charges, generating requisite paperwork, PO-D, claims, MIS, subsequent action, consolidation, marshalling and out-loading of consignments. However, the survey sought only to obtain views of customers about Safexpress' services and their business relationship.

3.2 Sampling and data collection

Due to the requirement for some level of familiarity with Safexpress, a combination of purposive and convenience sampling (non-probability) was adopted. Questionnaires were administered face-to-face, via social media or email. There were 60 completed returns. Respondents were first queried if they had utilized Safexpress, and the 54 (90%) who confirmed this formed the basis of the customer profile. These 6 individuals did not feature in any further analyses relating to Safexpress.

The vast majority (83.3%) of the final set of customers had worked with Safexpress for between 1-5 years and had engaged the company at least once per week or month. They represented senior management, business owners, middle management, purchasing, operations and finance functions within a wide range of industries including manufacturing, auto and engineering, retail, textiles and garments, online retailing, medical and pharma, and fast-moving consumer goods.

Table 1. Profile of valid respondents (n = 54).

Characteristic	Category	n	%
Association duration	Less than 6 months	3	5.6
	6 months-1 year	5	9.3
	1-3 years	22	40.7
	3-5 years	23	42.6
	More than 5 years	1	1.9
Usage frequency	Daily	4	7.4
	Weekly	12	22.2
	Monthly	33	61.1
	Occasionally	5	9.3
Role	Logistics / Supply Chain Executive	17	31.5
	Owner / Proprietor	13	24.1
	Manager	11	20.4
	Purchase / Procurement	8	14.8
	Accounts / Administration	3	5.6
	Operations	2	3.7

3.3 Measures

Nine 5-point Likert scale statements (1=Strongly Disagree; 5=Strongly Agree) assessed CRM. These related to: clarity of information provided to customers, time taken to respond, ease of contacting Safexpress personnel, reliability, speed of deliveries, ability to track, degree of information given where there had been disruption, perceived severity of complaints and action taken to resolve issues. The Cronbach's Alpha for the 9-item measure was 0.931.

A single item ('I would class Safexpress as a reliable company') captured trust in the firm. For the purpose of this research, customer retention was computed as the average of two questions: likelihood of remaining a customer with Safexpress and likelihood of recommending Safexpress to

others. Note that as only one item measured trust, any results relating to this variable should be considered preliminary.

3.4 Method of analysis

All data were input into and analyzed with Excel and accompanying statistical packages. Descriptive statistics (frequency, %, M, SD), reliability and bivariate correlation coefficients were computed. Simple OLS regressions were also undertaken. Qualitative comments seeking areas for improvement were collated and categorized under common themes. All tests were conducted at the 5% significance level. In view of the limited and non-randomized nature of the sample, focus will be placed on magnitude and direction of results in addition to their associated p-value, without attempting to extrapolate these to the wider Safexpress national population.

4 Results

4.1 Mean scores for each CRM dimension

For each of the 9 CRM dimensions, Safexpress received a favorable rating from respondents. The grand mean score was 4.10 (SD=0.55). Highest individual dimension scores were achieved for query response time (M=4.22), resolution of queries (M=4.17) and reliable service (M=4.13). Lowest was clarity of information (M=3.98); however, this was nonetheless rated 'Agree' or above by 90.7% of the sample. On balance, Safexpress performs well in relation to CRM but has scope for further development around some dimensions.

Table 2. Descriptive statistics for CRM practices (n = 54).

CRM indicator	Mean	SD	Positive responses (%)	Rank
Query responsiveness	4.22	0.72	92.6	1
Problem resolution	4.17	0.75	92.6	2
Delivery reliability	4.13	0.62	96.3	3
Staff accessibility	4.11	0.66	92.6	4
Delivery timeliness	4.09	0.68	90.7	5
Tracking accessibility	4.09	0.68	90.7	5
Complaint seriousness	4.09	0.73	90.7	5
Delay transparency	4.04	0.67	92.6	8
Communication clarity	3.98	0.60	90.7	9

Positive responses = Agree + Strongly Agree.

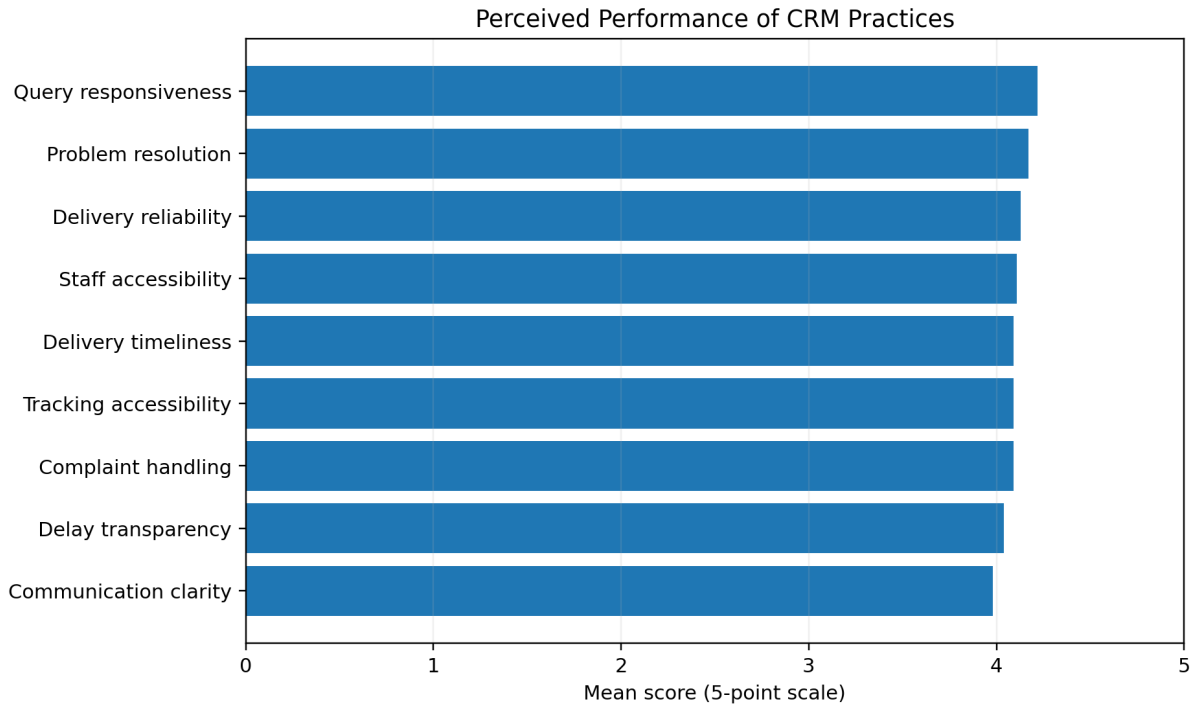

Figure 2. Mean scores of CRM practice indicators.

Of the various considerations highlighted when selecting or remaining with a logistics service, timeliness was the key determinant (25.9%). This was closely followed by parcel tracking (22.2%) and price (22.2%). Respondents also cited communication (13.0%) and addressing complaints (11.1%). Taken together, this indicates that managing relationships with logistics providers goes hand-in-hand with service provision and communication.

4.2 Trust and retention

As expected, trust and retention scores remained high across all measures. The mean score for trust was 4.13 (SD=0.48) and continuation of services was 4.15 (SD=0.45). A further 96.3% indicated agreement or strong agreement on their desire to stay with Safexpress. Similarly, the intention to recommend achieved a mean of 4.19 (SD=0.52). Finally, the average of the two retention questions yielded a mean of 4.17 (SD=0.43).

Table 3. Trust and retention outcomes (n = 54).

Outcome	Mean	SD	Positive responses (%)
Trust	4.13	0.48	94.4
Continuation intention	4.15	0.45	96.3
Recommendation intention	4.19	0.52	94.4
Retention composite	4.17	0.43	—

4.3 Hypothesis tests

All three hypothesised bivariate relationships were supported. CRM was positively associated with trust ($r = 0.390$, $p = 0.004$), supporting H1. CRM was positively associated with retention intention ($r = 0.395$, $p = 0.003$), supporting H2. Trust was also positively associated with retention intention ($r =$

0.394, p = 0.003), supporting H3. These are moderate associations and should not be interpreted as causal effects.

Table 4. Pearson correlation results (n = 54).

Relationship	r	p-value	Decision
CRM ↔ Trust	0.390	0.004	H1 supported
CRM ↔ Retention	0.395	0.003	H2 supported
Trust ↔ Retention	0.394	0.003	H3 supported

A subsequent multiple regression examined whether CRM composite score and trust could predict retention intention. This model was found to be significant, $F(2, 51) = 7.36$, $p = 0.002$, accounting for 22.4% of the variance ($R^2 = 0.224$; adjusted $R^2 = 0.194$). Both variables were significant: CRM (beta = 0.285, p = 0.038) and trust (beta = 0.283, p = 0.040). However, given that trust was captured using one question only and there is a relatively small sample, these findings are considered exploratory at best.

Table 5. Exploratory regression predicting customer-retention intentions.

Predictor	B	SE	Standardised β	t	p
Constant	2.174	0.525	—	4.141	<0.001
CRM composite	0.227	0.107	0.285	2.125	0.038
Trust	0.257	0.122	0.283	2.112	0.040

Model $R^2 = 0.224$; adjusted $R^2 = 0.194$; $F(2, 51) = 7.36$, $p = 0.002$.

4.4 Service issues and improvement themes

Of the 54 valid responses, just 5 (9.3%) indicated they had encountered an issue with the service provided. Issues raised fell under: missing or short shipments; enquiries re: tracking and information on consignment position; late delivery; and missing paperwork and associated charges. Given the low volume of issues identified, no attempt has been made to extrapolate from these figures.

There were 53 further useful responses to the 'how could we improve' question, following removal of a single comment consisting only of a web address. Comments relating to understanding weight and freight charges accounted for 18.9%, and increased proactiveness from the provider 13.2%. A further 17.0% felt no significant changes were necessary. In combination with the positive survey findings, these points highlight areas where customers have experienced difficulties.

Table 6. Thematic summary of open-ended improvement suggestions (n = 53 usable comments).

Improvement theme	n	%
Weight/freight calculation clarity	10	18.9
No major improvement required	9	17.0
Proactive communication/customer follow-up	7	13.2
Delivery timeliness	5	9.4
Operations-customer service coordination	5	9.4

Improvement theme	n	%
Pricing competitiveness	5	9.4
Complaint resolution	4	7.5
Tracking and visibility	3	5.7
POD availability	3	5.7
Communication during delays	2	3.8

5 Discussion

Three key takeaways can be drawn from this study.

Firstly, based on the relative importance of individual CRM elements, there is some support for CRM being delivered as a holistic service offering in B2B logistics. As noted above, the most important aspects covered elements of CRM that are traditionally viewed as either people-based or process-based. Therefore, this finding is aligned with the broad process conception of CRM proposed by Payne and Frow (2005) and prior research suggesting that logistics customers assess service provision at a system level (Mentzer et al., 2001; Gaudenzi et al., 2021).

Secondly, the significant CRM-trust and CRM-retention links further indicate that providing reliable service and keeping the customer informed will foster ongoing trading relationships. These results align broadly with Bae (2024) who finds that trust and communication have a beneficial effect on logistics customer relationships, and with recent papers that show how logistics service performance drives satisfaction, repurchasing and WOM (Hui et al., 2025; Ngo et al., 2025). Notably, both CRM and trust remained significant predictors in the initial simple regression model, implying that customers may perceive and differentiate these constructs.

Finally, it can be seen that while customers gave high scores to many of the service performance and satisfaction proxies, they nonetheless cited a number of persistent issues relating to freight, proactiveness, parcel traceability and inter-team collaboration. Given the generally positive picture painted by these variables, this highlights the potential for minor service deficiencies to persist even when other dimensions perform well. In line with Srivastava's research on the role of service failure and recovery, it is plausible that if logistics firms can ensure better preventative action and communication, they will see corresponding improvements in retention.

As discussed earlier, the correlations and model R^2 are relatively low. This suggests that additional determinants of retention will play a substantial role in shaping B2B logistics customers' decision to transact with a given provider. Respondents indicated that promptness, traceability and price were the primary considerations when selecting a logistics partner. Hence, price, lock-in effects, service footprint, contractual commitments, service routes, parcel priority and rival offerings are all likely candidates for further investigation.

6 Managerial implications

It follows that if logistics firms wish to maximise their existing B2B customer base, they need to embed and continuously monitor a suite of actions that allow them to deliver an effective end-to-end service to their customers. From the findings above, the following actions would seem appropriate:

- **Ensure greater transparency around freight charges.** By communicating fixed rules and methodologies regarding how parcels are weighted and freight determined, firms may minimize disputes and enhance perceptions of equitable treatment.
- **Move towards more pro-active notification of exceptions and developments to the customer.** Although responding quickly to queries emerged as the key CRM variable, it would be preferable to notify customers of any issues or changes prior to their needing to raise them.
- **Enable relevant internal functions to receive up-to-date details on their allocated consignments.** This will facilitate faster resolution of operational breakdowns, which will in turn aid recovery of the customer relationship.
- Close all customer complaints by explicitly communicating the action taken and confirming that the customer has accepted this.

Key performance variables to include on a CRM reporting screen might therefore be: speed of query acknowledgement, % of customers proactively notified, mean time to resolve customer complaints, % of repeat complaints, frequency of freight and weight disputes, number of traceability-related queries, likelihood of continuing and recommending the service. Monitoring such variables will flag deteriorating customer relationships ahead of actual loss of business.

7 Theoretical contribution

The current research makes three contributions to the emerging body of literature exploring the nexus of CRM and the logistics industry. It (i) extends the existing literature by considering a B2B context in India, where previous work has predominantly focused on retail and e-commerce segments; (ii) adopts a wide-ranging definition of CRM, incorporating multiple customer-interaction activities; and (iii) establishes the separate linkages of trust and CRM to retention proxies. All of these avenues merit greater scrutiny in subsequent research.

8 Limitations and future research

As outlined throughout, a number of caveats apply to these conclusions. The effective sample size was small (n=54) and drawn via a targeted and convenience approach. As a result, the findings cannot be assumed to hold beyond the sample of Safexpress customers operating out of Coimbatore. Additionally, due to the nature of the data collection, no causal inferences can be drawn and the possibility of CMV cannot be ruled out. Finally, trust and retention were proxied using only one and two items respectively. Larger, stratified and ideally pan-industry surveys, incorporating more comprehensive validated questionnaires and customer transaction histories, and analysed using SEM, are warranted. Further, the robustness of the observed effects can be tested against other firms and markets.

9 Conclusion

Overall, this preliminary inquiry has shown that CRM, trust and intention to continue are positively related in the context of B2B logistics. Customers surveyed about Safexpress scored highly across

most variables, and quantitative tests confirmed the presence of significant positive associations. However, qualitative feedback highlighted that despite a satisfactory service, certain areas require attention.

Accordingly, it is argued that firms need to consider all facets of their service delivery to their B2B customers if they are to secure long-term patronage. While lorries and vans will obviously transport customer goods, the level of information shared, ability to rectify issues and degree of customer trust will ultimately dictate whether they return to the firm.

Declarations

Funding: There was no specific grant from public or commercial sources that funded the work.

Competing interests: The author has no competing interests to declare.

Data sharing: On appropriate authorization from the relevant bodies, the raw survey responses can be supplied by the author.

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Research ethics and permission: The survey was distributed without the requirement for any explicit ethical clearance or sign-off.

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