

## ABSTRACT

Sri Lanka has a good potential to develop as a logistic services hub. However, the position in the Logistic Performance Index (LPI) had been dropping consistently over the recent years. The drop was significant in the aspects of competence and quality of Logistics services. This Thesis aimed to describe the Logistics Service Quality of Freight Forwarders in Sri Lanka and the impact of service quality dimensions on their brand Image as well as validate the factors effecting the service quality using a modified SERVPERF questionnaire. The researcher developed a Modified Survey based on the SERVPERF model. The methodology to identify the factors effecting the LSQ measuring the quality of logistics services in freight forwarding companies was developed. A sample of 278 exporters was identified using a multi stage sampling method and they were administered with a 30 item questionnaire containing a 30 statements ranged over five dimensions of service quality proposed in SERVPERF model and on the brand image. The scope was limited to only Sri Lankan exporters and Freight forwarders. On the basis of the proposed methodology, the empirical research was conducted. The verification of the modified SERVPERF instrument was done using exploratory factor analysis and Cronbach's alpha. The effect on brand image due to the perceived service quality was assessed using Spearman rho and linear regression methods. The findings showed that logistics service quality (LSQ) offerings of freight forwarding companies in Sri Lanka had major to moderate perceived service quality gaps. Dimension of empathy had a higher percent of responders reporting a major gap in comparison to dimensions of tangibility, reliability, responsiveness, assurance and empathy. All service quality dimensions had statistically significant positive correlations with brand image (Spearman rho range from 0.771 to 0.924). In the linear regression, the dimension of empathy showed a statistically significant association with the brand image (standardized beta coefficient 0.956). Cronbach's alpha for the total questionnaire was 0.984 and all dimensions had high independent factor loadings in the exploratory factor analysis. It is recommended that freight forwarding companies should focus on and improve their independent operational service aspects of tangibility, reliability, responsiveness, assurance, empathy and thereby its brand image also to maximise the service quality expected by their customers.

**Keywords: Freight Forwarder, Sri Lanka, Logistics Service Quality, Modified SERVPERF, Brand Image**