

LOGISTICS PROBLEMS WITH CUSTOMERS: DIAGNOSING AND RESOLVING THE POINTS OF FRICTION

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Logistics is, at its core, a promise—a commitment to deliver the right product to the right place at the right time in the right condition. When that promise is kept, the customer barely notices. When it is broken, the reaction is immediate, emotional, and often permanent. Research consistently demonstrates that logistics service failures are among the most damaging events for customer relationships, directly eroding satisfaction, loyalty, and lifetime value (Mentzer, Gomes and Krapfel, 1989).

Yet logistics problems with customers are not merely operational glitches to be resolved. They are moments of truth that reveal the quality of an organization's processes, the competence of its people, and the genuineness of its customer commitment. How a company handles a late delivery, a damaged shipment, or a stockout communicates more about its values than any marketing campaign. This article examines the most common and damaging logistics problems that arise at the customer interface, analyzes their root causes, and outlines strategies for prevention and resolution.

The Anatomy of Logistics-Customer Friction Logistics problems with customers fall into predictable categories, each with distinct causes and consequences. Understanding these categories is the first step toward systematic improvement.

Delivery Failures: Late, Missing, and Incomplete Orders Late delivery is the most common logistics complaint and perhaps the most corrosive. When a customer plans around a promised delivery date—clearing warehouse space, scheduling labor, preparing for a promotion, or simply waiting at home—a missed delivery disrupts their operations and erodes their trust. Research on logistics service quality identifies timeliness as one of the primary dimensions by which customers evaluate logistics performance (Mentzer, Flint and Hult, 2001).

The causes of late delivery are numerous: carrier capacity shortages, traffic congestion, weather disruptions, operational failures at consolidation hubs, and poor route planning. However, from the customer's perspective, the cause is irrelevant. They were promised a date, and the date was missed. A study by Convey, a delivery experience management platform, found that 45% of consumers will not order again from a retailer after a single poor delivery experience (Convey, 2023).

Missing orders—where a shipment disappears from tracking systems entirely—represent an even more severe failure. The customer has no visibility, no estimated resolution, and no confidence that the goods will arrive. Incomplete orders, where only part of the consignment is delivered, create additional complexity: the customer must reconcile what was received against what was ordered, report the discrepancy, and await resolution.

The organizational response to delivery failures must extend beyond operational remediation. Proactive communication—alerting the customer before they discover the problem—transforms the experience from a betrayal to an inconvenience. Research on service recovery demonstrates that customers who experience a failure that is resolved effectively can emerge with higher satisfaction than customers who never experienced a failure at all, a phenomenon known as the service recovery paradox (Smith, Bolton and Wagner, 1999).

Product Damage and Quality Issues Receiving damaged goods is a uniquely frustrating customer experience. The customer has fulfilled their obligations—ordered accurately, paid promptly, prepared to receive—and is rewarded with unusable product. For B2B customers, damaged goods disrupt production schedules, create stockouts downstream, and trigger their own customer failures. For consumers, damaged goods destroy the anticipation of a purchase and create the burden of returns processing.

The root causes of damage are distributed across the supply chain. Inadequate packaging that cannot withstand the rigors of transit. Improper handling during loading and unloading. Poor stowage within containers or trailers. Exposure to moisture, temperature extremes, or contamination. Research on product damage in logistics emphasizes that most damage is preventable through systematic attention to packaging

design, handling procedures, and carrier selection (Lockamy, 1998).

Quality issues extend beyond physical damage. Temperature-sensitive products that arrive within specification but at the edge of their tolerance range. Products with damaged packaging that cannot be resold at full price. Products that are functionally intact but cosmetically compromised. Each represents a failure of the logistics promise and a cost to the customer relationship.

Inventory Failures: Stockouts and Substitutions A customer places an order in good faith, only to be informed—sometimes days later—that the product is unavailable. The stockout represents a dual failure: the logistics system failed to maintain adequate inventory, and the customer was not informed until after commitment.

For B2B customers, stockouts can halt production lines, miss promotional windows, or force expensive spot-market purchases. For consumers, they represent a broken promise and an invitation to seek alternatives. Research on consumer response to stockouts demonstrates that a significant proportion of customers will switch retailers after a single stockout experience, and that the damage to loyalty persists beyond the immediate incident (Zinn and Liu, 2001).

Unauthorized substitutions—where the logistics provider or retailer ships an alternative product without customer consent—compound the problem. The customer receives something they did not order and must now engage in the returns process, often while still needing the original item.

Communication Breakdowns and Visibility Gaps Customers today expect real-time visibility into their orders. The Amazon effect has conditioned both consumers and businesses to expect granular tracking, proactive status updates, and instant answers to delivery queries. When logistics organizations fail to provide this visibility, customers fill the information vacuum with anxiety and frustration.

Communication breakdowns occur at multiple points. Order confirmation delays that leave the customer uncertain whether the order was received. Tracking information that is inaccurate or outdated. Status inquiry responses that are slow, unhelpful, or require multiple contacts. Proactive notification failures where the customer discovers a problem through their own investigation rather than from the logistics provider.

Research on supply chain visibility confirms that transparency directly influences customer satisfaction and repurchase intention, independent of actual delivery performance (Barratt and Oke, 2007). Customers are more forgiving of operational failures when they are kept informed than when they are left in the dark.

Returns and Reverse Logistics Friction The returns process is where many customer relationships end. A customer who wishes to return a product already feels some degree of dissatisfaction—the product was wrong, unwanted, or defective. A difficult returns process compounds that dissatisfaction into active resentment.

Common returns friction points include complex authorization procedures requiring multiple contacts, opaque return shipping costs or restocking fees, slow refund processing, lost returns where the customer shipped the item but received no credit, and inconsistent policies across channels.

Research on return policy leniency demonstrates that a generous, convenient returns experience increases purchase likelihood and customer loyalty (Janakiraman, Syrdal and Freling, 2016). The returns process is not merely a cost center; it is a customer retention investment.

Customer Service Failures in Logistics When logistics problems occur, customers reach out to customer service teams for resolution. The quality of that interaction determines whether the problem escalates or resolves. Common service failures include long wait times that compound frustration, frontline staff who lack the information or authority to resolve issues, multiple handoffs requiring the customer to repeat their story, promises of callback or follow-up that are not honored, and dismissive or defensive responses that minimize the customer's concern.

Research on complaint handling identifies procedural justice (the perceived fairness of the process), interactional justice (the quality of interpersonal treatment), and distributive justice (the perceived fairness of the outcome) as the three dimensions that determine customer satisfaction with complaint resolution (Tax, Brown and Chandrashekar, 1998). Logistics organizations that train their customer service teams in these principles achieve better recovery outcomes.

Root Causes of Logistics-Customer Problems

The Gap Between Sales and Operations Many logistics problems with customers originate long before the shipment departs. Sales teams, incentivized to close deals, may promise delivery dates, service levels, or product availability that the logistics organization cannot consistently achieve. The customer accepts these commitments as organizational promises, and when logistics fails to deliver, the customer experiences a breach of trust. Research on the sales-operations interface identifies this misalignment as a persistent source of customer dissatisfaction (Shapiro, 1977).

Fragmented Systems and Data Silos When order management, warehouse management, and transportation management systems operate on separate platforms with limited integration, the customer-facing team lacks a unified view of order status. Information must be gathered from multiple sources, often manually, creating delays and errors. The customer experiences this fragmentation as incompetence.

Inadequate Exception Management Logistics operations generate exceptions continuously—a truck breaks down, a flight is delayed, a shipment is misrouted. Organizations with mature exception management processes detect these anomalies early, assess their customer impact, and execute pre-defined response protocols. Organizations without such processes discover problems only when the customer calls to complain.

Cost Pressures and Resource Constraints When logistics is viewed primarily as a cost center, pressure to reduce expenditure can degrade customer-facing performance. Fewer customer service staff mean longer wait times. Cheaper carriers mean lower reliability. Reduced inventory means more stockouts. The savings achieved in logistics budgets are more than offset by lost customer revenue and goodwill, but the connection between logistics investment and customer retention is often not measured or understood.

Strategies for Prevention and Resolution

Proactive Communication and Visibility The single most effective strategy for mitigating logistics problems with customers is proactive communication. When a disruption occurs—a delay, a damage incident, a stockout—the customer should learn about it from the logistics provider, not from their own frustrated investigation. Real-

time tracking, automated status alerts, and personal outreach for significant exceptions transform the customer experience from one of abandonment to one of partnership.

Investing in visibility technology is a prerequisite. Transportation management systems with real-time tracking, control tower platforms that aggregate data across the supply chain, and customer-facing portals that provide self-service access to order status all contribute to transparency.

Service Recovery Excellence When failures occur despite prevention efforts, the quality of recovery determines the long-term impact on the customer relationship. Effective service recovery requires empowered frontline staff who can resolve common problems without escalation; clear recovery protocols that specify response times, compensation authority, and communication templates; root cause analysis that identifies and addresses the underlying cause of each significant failure; and follow-up to ensure the customer is satisfied with the resolution and to rebuild trust.

Alignment of Sales and Operations Closing the gap between what is sold and what can be delivered requires structured communication between commercial and operational functions. Regular S&OP (Sales and Operations Planning) processes that bring together sales forecasts, operational capabilities, and inventory plans. Constraints communication that ensures sales teams understand and respect operational limitations. Incentive alignment that rewards both revenue generation and delivery performance.

Customer-Centric Metrics Traditional logistics metrics—on-time delivery percentage, order accuracy rate, cost per shipment—measure operational performance but do not capture customer perception. Organizations that supplement these with customer-centric metrics—Net Promoter Score, Customer Effort Score, first-contact resolution rate—gain a more complete picture of logistics-customer relationships. Research on logistics performance measurement emphasizes the importance of balancing internal operational metrics with external customer perception data (Griffis et al., 2004).

Investment in Customer Service Capability Customer service in logistics is not an entry-level function to be staffed at minimum cost. It is a specialized discipline requiring product knowledge, systems proficiency, problem-solving capability, and

emotional intelligence. Organizations that invest in recruiting, training, and retaining skilled customer service professionals achieve better problem resolution, higher customer satisfaction, and lower customer churn.

Conclusion: The Customer at the Center Logistics problems with customers are inevitable. Supply chains are complex, disruptions are frequent, and perfection is unattainable. But how an organization handles these problems—the speed of its response, the quality of its communication, the fairness of its resolution—is entirely within its control.

The most successful logistics organizations do not merely manage customer problems; they learn from them. Every complaint is free market research. Every failure is an opportunity to improve a process that will benefit all customers. Organizations that treat customer problems as indicators of systemic weakness rather than isolated irritations build supply chains that become progressively more reliable, more responsive, and more trusted.

In a marketplace where products and prices are increasingly commoditized, logistics service quality is a genuine differentiator. The companies that keep their logistics promises—and recover gracefully when they cannot—are the ones that earn customer loyalty in an age of unprecedented choice and fleeting attention.

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WAREHOUSE MANAGEMENT SYSTEMS: THE DIGITAL BACKBONE OF MODERN LOGISTICS

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A warehouse is more than a building where goods are stored. It is a dynamic, high-velocity operation where thousands of decisions are made every hour: where to put incoming stock, how to pick orders efficiently, when to replenish forward-pick locations, and how to pack shipments to minimize damage and shipping costs. When these decisions are made with spreadsheets, paper lists, and institutional memory, errors multiply, productivity stalls, and customers feel the consequences. A Warehouse Management System (WMS) replaces guesswork with precision, coordinating people, processes, and data so that inventory counts, bin locations, and order statuses reflect reality (Richards, 2022).

The WMS market has grown to approximately \$2.91 billion globally in 2024, with a striking projected compound annual growth rate of 16.70% through 2035 (Grand View Research, 2025). This growth reflects the essential role WMS platforms now play