



THE EFFECT OF COURIER SERVICE ON CUSTOMER SATISFACTION



LUTFIL IMAN BIN MOHAMED ALFU

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

I hereby acknowledge that this project paper has been accepted as part of fulfilment for the degree of Bachelor Supply Chain & Logistic Management with Honours.



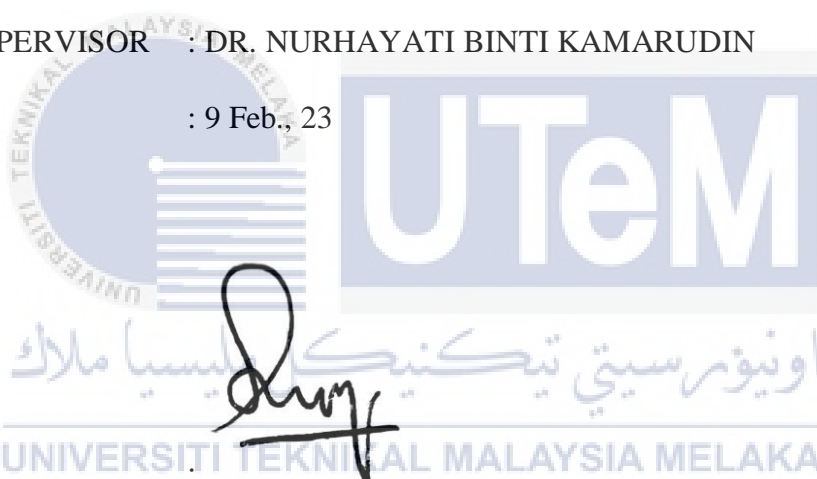
SIGNATURE

:

NAME OF SUPERVISOR : DR. NURHAYATI BINTI KAMARUDIN

DATE

: 9 Feb., 23



SIGNATURE

:

NAME OF PANEL

: DATIN DR SURAYA BINTI AHMAD

DATE

: 9 Feb., 23

THE EFFECT OF COURIER SERVICE ON CUSTOMER SATISFACTION

LUTFIL IMAN BIN MOHAMED ALFU

This thesis is submitted in partial fulfilment of the requirements for the award of
Bachelor of Technology Management (Supply Chain & Logistic) with Honours



JANUARY 2023

DECLARATION

I hereby declare that all the work of this thesis entitled “THE EFFECT OF COURIER SERVICE ON CUSTOMER SATISFACTION” is original done by myself and no portion of the work encompassed in this research project proposal has been submitted in support of any application for any other degree or qualification of this or any other institute or university of learning.

SIGNATURE : *Iman*

NAME : LUTFIL IMAN BIN MOHAMED ALFU

DATE : 9 Feb., 23



اونيورسيتي تيكنيكل مليسيا ملاك

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

DEDICATION

I would like to appreciate the dedication of my beloved family members who educated me and motive me to learn until degree level. And also, I express a deep sense of gratitude to my lecturer whom also my supervisor for my final year project, Dr. Nurhayati Binti Kamarudin and my fellow friends. They have provided me fully support and advice throughout this research. Without their blessing and encouragement, this research is impossible to complete within short period of time



ACKNOWLEDGEMENT

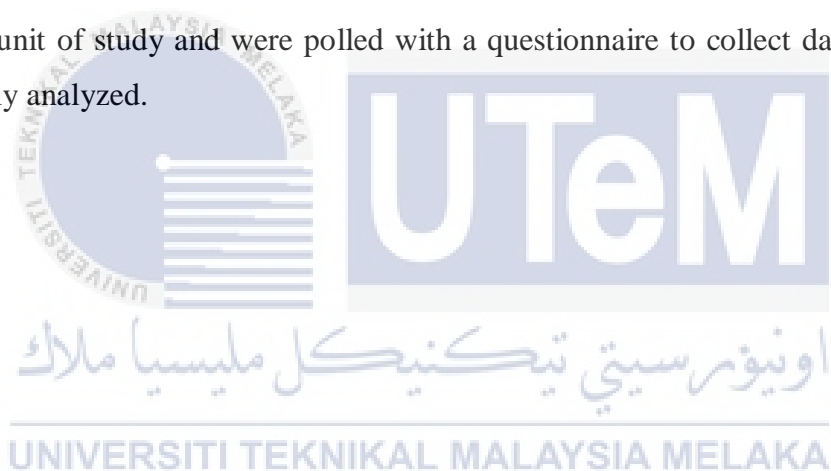
First and foremost, I would like to express my gratitude to God for giving me good health, strength, and the opportunity to gain my knowledge successfully to complete this Final Year Project (FYP) within a given time. I would like to thank my parents for their support and patient in waiting for me to finish my degree. I also express my sincere thanks to my friends for giving timely pieces of advice to this research project. They are sharing a lot of knowledge related to proceed this research project. It helps me to complete this research project more efficiently.

Secondly, I am expressing my sincere appreciation and thanks to my beloved supervisor Dr. Nurhayati Binti Kamarudin for her helping, teaching, monitoring, support, and contribution. She has guided and assisted me patiently during two semesters in session 2022/2023. Also, I sincerely appreciate and thanks to Datin Dr. Suraya binti Ahmad as my panel research for sharing his knowledge and experience in Research Methodology. His suggestions have been useful for me to proceed well this research project.

Last but not least, I would like to express my appreciation to all respondents who had contributed their time and efforts in filling the questionnaires. They had provided valuable feedbacks that assist me in finishing this research. With the assistance and supports from the respondents, I have successfully fulfilled all the components of a questionnaire. Once again, I am grateful and honestly thankful to all.

ABSTRACT

Customer satisfaction is one of the most important parts in business especially in services to gain a competitive advantage. Courier services needs to consider what the customers want because they know that if they do not meet the satisfaction of the customer, other competitor will be at an advantage for giving better services. Courier companies need to make sure that they fulfil the criteria needed by their consumers. The goal of this article is to measure the influence of courier service on customer satisfaction. The study comprises variables such as timeliness, condition and accuracy of order, quality of personnel contact and quality of information. Its purpose is to determine whether or not the premise that a variable in the has a significant influence on customer satisfaction for courier companies is correct. To reach a conclusion, 196 students from Universiti Teknikal Melaka Malaysia were chosen as the unit of study and were polled with a questionnaire to collect data, which was then statistically analyzed.



Keyword: Courier Service, Customer Satisfaction

ABSTRAK

Kepuasan pelanggan adalah salah satu bahagian terpenting dalam perniagaan terutamanya dalam perkhidmatan untuk mendapatkan kelebihan daya saing. Perkhidmatan kurier perlu mengambil kira apa yang pelanggan inginkan kerana mereka tahu bahawa jika mereka tidak memenuhi kepuasan pelanggan, pesaing lain akan mendapat kelebihan untuk memberikan perkhidmatan yang lebih baik. Syarikat kurier perlu memastikan bahawa mereka memenuhi kriteria yang diperlukan oleh pengguna mereka. Matlamat artikel ini adalah untuk mengukur pengaruh perkhidmatan kurier terhadap kepuasan pelanggan semasa wabak. Kajian ini merangkumi pembolehubah seperti ketepatan masa, keadaan dan ketepatan pesanan, kualiti hubungan kakitangan dan kualiti maklumat. Tujuannya adalah untuk menentukan sama ada premis bahawa pembolehubah dalam mempunyai pengaruh yang signifikan terhadap kepuasan pelanggan bagi syarikat kurier adalah betul atau tidak. Untuk mencapai kesimpulan, 196 pelajar Universiti Teknikal Melaka Malaysia telah dipilih sebagai unit kajian dan telah ditinjau dengan soal selidik untuk mengumpul data, yang kemudiannya dianalisis secara statistik.



Kata kunci: Perkhidmatan Kurier, Kepuasan Pelanggan

TABLE OF CONTENT

DECLARATION

DEDICATION

ACKNOWLEDGMENT

ABSTRACT

ABSTRAK

CHAPTER 1 INTRODUCTION

1.1 Introduction

1.2 Background of study

1.3 Problem statement

1.4 Research objective

1.5 Research questions

1.6 Scope and limitation study

1.7 Significance of study

1.8 Summary

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

2.2 Customer satisfaction

2.3 Timeliness

2.4 Accuracy and Order Condition

2.5 Quality of contact personal

2.6 Quality of Information

2.7 Summary

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

3.2 Research Framework and Research Hypothesis

3.3 General construction of research design

3.3.1 Justification of the study

3.3.2 Quantitative

3.3.3 Deductive study

3.3.4 Time frame of the study

3.4 Research method

3.4.1 Survey method

3.4.2 Research Instrument

3.4.3 Questionnaire

3.4.4 Scaling

3.4.5 Data analysis

3.4.5.1 Statistical Package for Social Science

3.4.5.2 Pearson Correlation Analysis

3.4.5.3 Linear Regression Analysis

3.4.6 Data collection

3.5 Data collection methods

3.5.1 The independent variable

3.5.2 The dependent variable

3.6 Reliability and Validity

3.7 Pilot study

3.8 Population and Sampling

3.8.1 Sampling size

3.8.2 Sample selection

3.9 Data collection process

3.10 Approach and structure of data analysis

3.11 Summary

CHAPTER 4 DATA ANALYSIS

4.1 Introduction

4.2 Pilot Test

4.2.1. Validity Test

4.2.2. Reliability Test

4.3 Descriptive Statistic Analysis

4.3.1 Response Rate

4.3.1.1 Gender

4.3.1.2 Age

4.3.1.3 Programme

4.3.1.4 Races

4.3.2 Descriptive Analysis

4.3.3 Mean Score

4.4 Pearson Correlation Coefficient Analysis

4.5 Linear Regression

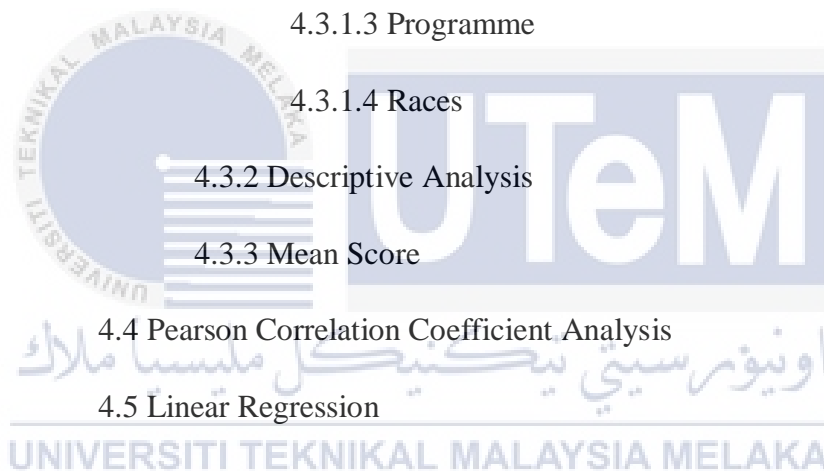
4.5.1 Simple Linear Regression

4.5.2 Multiple Linear Regression Analysis

4.5.3 Regression Coefficient

4.6 Hypothesis Testing

4.7 Summary



CHAPTER 5 DISCUSSION, IMPLICATION AND CONCLUSION

5.1 Introduction

5.2 Summary of Result

5.3 Discussion

5.3.1 Specific Objective i

5.3.2. Specific Objective ii

5.4 Implication of Study

5.5 Contribution of Study

5.6 Limitation of Study

5.7 Recommendation

5.8 Conclusion

REFERENCES

APPENDIX A

APPENDIX B



CHAPTER 1

INTRODUCTION

1.1 Introduction

This research is conducted to spot the effect of courier service on customer satisfaction. This research will start with background research, problem statement, research objectives, scope of study, research question, significance of study and limitations of study.

According to Jules (2018) courier service is a business usually a private one that facilitates the delivery of packages and important papers. Courier services can either specialize on a specific type of shipment inside a specific destination for example, same-day local shipping or regional shipping and provide a wide range of shipping services with destinations all over the world.

Furthermore, with the introduction of online shopping, courier services grew in popularity. During globalization era, courier services were in high demand and it is generating in tremendous growth in the courier company. Despite the fact that the country is dealing with, courier services consistently prioritize their customers and strive to improve their services which are their main priorities. Many of courier services in Malaysia has taken this situation as an opportunity to provide more service in their company. According to the Malaysian Reserve (2021) stated that the delivery services increase the capacity on the parcel volume and look for more delivery partners.

1.2 Background of study

With the emergence of coronavirus-19, the WHO Emergency Committee declared a global health emergency on January 30, 2020, based on the increasing rate of notification of cases in China and worldwide. On January 25, 2020 ex- Prime Minister Tan Sri Muhyiddin announced that the first case in Malaysia were confirmed among the travelers from China in Johor via in Singapore. The recent increase in Covid-19 has made government decide to impose a movement control order (MCO) on March 18, 2020.

Malaysia has enormous potential for delivery services as the country's e-commerce business expands and internet connectivity improves. Because of the growth of online shopping, not only do courier businesses have to deal with an increase in demand, but they also have to deal with rising client expectations, since they expect exceptional parcel delivery service and a high-quality product.

For the aim of this study, it focuses more on customer satisfaction toward courier services. Customer satisfaction is a metric that measures how satisfied customers are with a company's products, services, and capabilities. Customer satisfaction data, such as surveys and ratings, can assist a business in determining how to effectively enhance or adjust its products and services.

According to Hayuning, Salmia & Hutabarat (2015) stated that the customer satisfaction has a positive significant effect on a customer loyalty. Client pleasure leads to increased customer loyalty, which leads to increased corporate profitability. Customer satisfaction is a result of the comparison of predicted service and perceived service, whereas service quality is the comparison of intended service and perceived service.

1.3 Problem statement

In today's competitive service-business environment, it is critical for each company to transmit its best service quality in order to compete and gratify its clients. Customers continue to play a significant part in the long-term success of a commercial concern.

According to the Suguna, M., Shah, B., Raj, S. K., & Suresh, M. (2021) stated that meeting the delivery schedule affects the customer's expectation because the projected delivery date has already been shared with the customer and the customer expects the requirement to be met at the specified time, yet the timeline is difficult to reach owing to Covid. People are remaining indoors during Covid, and clients want not only speedy delivery but also same-day deliveries. This amount of anticipation has an impact on the efficiency of service delivery in Malaysia.

Next, the problem statement about the great damage that customer have accepted. As reported in a web portal called <https://www.complaintboard.com/>, which could be a place for customers to post grievances, many of which are from Malaysian customers. The issue is about enormous damage that customers have tolerated. As a courier services company, courier provider must ensure that customer received the parcel in very good shape, customer might switch to a different courier service company is that they not satisfied with the delivery service Siali, F., Wen, A. W. S., & Hajazi, M. U. A. (2018). Through guarantee of service, the courier provider must portray the arrogance and trust of its customers.

Lastly, the problem statement is about poor-quality information by courier service. As reported as well in the web portal, many customers have complained about how often the courier providers late in updating their parcel delivery tracking records, leaving the customers unable to track the status of their parcel. As a courier service provider, updating tracking records is critical since it provides customers with assurance about their shipment. When the parcel is suffering late delivery or supply chain challenges as a result of the coronavirus, online shoppers will frequently contact customer service. Then, ecommerce businesses are faced with a difficulty and may move their business elsewhere if courier provider answer honestly about any delayed shipments or supply chain concerns Amanda (2022).

1.4 Research objective

The objective of this research is to identify the effect of courier service on customer satisfaction. The research objectives developed in this study was based on problem statement above as follow:

1. To identify factors that influence of customer satisfaction on courier service
2. To find out the dominant effects of courier service on customer satisfaction.

1.5 Research questions

This purpose of the study is to answer following questions:

1. What are the factors that influence customer satisfaction on courier service?
2. What are the dominant effects of courier service on customer satisfaction?

1.6 Scope and limitation study

The research is about the effect of courier service on customer satisfaction. This research will be conducted in Melaka at University Technical Melaka Malaysia and the respondent will be the chosen among the student who use the courier service only. This study view Utem from the aspect of the fascinating development as Melaka is one of the booming in courier services among the other country in Malaysia.

1.7 Significance of study

From the research perspective, this study is predicted to allow information about the customer satisfaction on courier service in UTeM and to encourage more this research for revise and modify this study for further studies for another level and objectives. This study will help company courier services have a better knowledge of client satisfaction in Malaysia. Lastly, this research will help consumer feel more confident to deliver the product using courier service and if the goods is delivered without damage, the consumer will save more cost.

1.8 Summary

This first chapter shows background study, defined problem statement, research objectives and research questions of the study. The research objectives and questions are developed by the problem statement. Next, the researcher has addressed the scope and limitations of the study, as well as the coverage and restriction of this study. Finally, the significance of the study is stated by outlining the study's purpose and the benefits of this research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The definitions of both the dependent and independent variables will be addressed in the subsequent reviews of the literature. The variable determinant is required to comprehend how independent variable influence the dependent variable. The researcher reviewed the specific theoretical models that were used to develop this conceptual framework.

2.2 Customer satisfaction

Satisfaction is commonly seen as an overall appraisal of the performance that a business can deliver, whether it be a product or a service. Product and service conditions are critical components for a firm to properly meet customer needs, and these results may lead to consumer loyalty. Additionally, Murfield, Boone, Rutner & Thomas (2017) found that customer satisfaction is positively related to customer loyalty in an omnichannel environment.

Customer satisfaction is a critical component of the business approach that determines service efficiency. It has been given a few notions that may be used in many situations and are always associated with both items and services. It was defined as a product or service evaluation by the customer to determine whether the product or service meets the customer's wants and expectations. Customer satisfaction differs from the five types of satisfaction: enjoyment, relaxation, novelty, and surprise. Customers' pleasure or dissatisfaction in a variety of service situations would have an impact on each other. Despite the fact that good customer relationships would contribute to the firm's service experience, the service quality of the company should also be strengthened as a result of the information that customers gathered from each other.

Customer satisfaction is critical in influencing future behavior, such as loyalty via repurchase intention, word of mouth, and site revisits. Customers who are pleased with the courier service provider's offerings will increase their usage and future usage aspirations. Customer satisfaction, according to Rita, Oliveira, & Farisa (2019), can be characterized as an indication of a customer's acceptance of a service probability, resulting in an optimistic feeling.

Customer satisfaction has also been a significant role in improving a service provider such as long-term thankfulness, customer efficiency, and customer maintenance. Furthermore, several studies show that customer happiness has a major impact on customer buyback perceptions. Happy consumers disseminate good informal interchange, attracting new customers and assisting with long-term business. Measuring customer satisfaction can determine how a company operates or provides goods or services thus, customer satisfaction is the degree of achievement for all organizations, including the public sectors Ok, Suy, Chhay & Choun (2018).



2.3 Timeliness

Punctuality in logistic and courier service is the arrival and departure of the item according to the predetermined schedule. The schedule chart itself is a guide to the arrangement of the item journey which is described in the time of arrival, departure and travel time from the warehouse to the end of the customer. According Mahfuudz et al. (2018) the timeliness of delivery is critical since the accuracy of product delivery is one of the most important variables in enhancing customer satisfaction. Delivery time is when the customer orders the product until the product arrive at the customer Aminah et al., (2017). The term "delivery time" refers to the time between when a customer orders a product and when the goods arrive at the customer's destination.

Customers typically use estimated arrival times to judge whether or not the delivery service is satisfactory. A multiple analysis indicated that timeliness, which was the usually one of the most important dimensions of courier service quality in other research, was replaced by condition and accuracy of order Aleksandra Gulc (2020). According to the Gramling, Orschell & Chernoff (2021) stated that only 20% of customers were willing to forgive eCommerce retailers for delivery delays caused by supply chain issues. As a result, customers are unwilling to accept delivery delays. Many eCommerce companies struggle to satisfy client needs on time, which makes timely delivery services crucial.

The important for courier provider need to be timeliness because the on-time deliveries result in great consumer and client satisfaction and create a loyalty for the customer to use the service again. Customers will be pleased to receive their items on time, but courteous courier services will make for a pleasant delivery process. Some of the goods have an expiration date, which is why courier provider need to be delivered within the strict deadline which include medical samples, food, medications, and temperature-sensitive things. For ensure complete customer and client pleasure as well as meeting corporate demands, courier services must become professional in order to make deliveries on time.

2.4 Accuracy and Condition Order

According to Shannon (2020) defined that the accuracy order is the proportion of all ecommerce orders that are fulfilled and transported to their final destination without error, such as an inaccurate item selection or unit quantity. Delivering the incorrect order not only ruins the unboxing experience, but it may also be costly and time-consuming because courier provider will need to spend more time and labor to get it right. Delivering the wrong parcel to the customer will be dissatisfaction which unhappy customers will never trust the courier provider and will avoid the service again in the future because of customer have a bad delivery experience.

Order accuracy is a dimension connected to the courier service's accuracy for orders taken from clients. Order quality is a dimension associated with the quality standards of courier services provided to customers. Order discrepancy handling is a dimension connected to dealing with numerous problems during client courier service according to Hendayani & Dharmawan (2020). The accuracy orders can adapt by using the identification technology for capturing parcel data such as quick response (QR) and radio frequency identification (RFID) which helps courier provider to grow and increasing system efficiency and accuracy order, Maznah, Akmal & Hafiz (2021)

By accuracy the order, the courier provider will be achieved the increase customer loyalty by improved the order accuracy order. Providing customers exactly they anticipate provides a happy experience, and today's customers reward businesses that provide outstanding experiences with their loyalty according to Larisa (2019). As the result of accuracy order from courier provider for customer, they get the more positive reviews and decrease negative reviews. The courier user are 28 percent more likely to leave a review after a pleasant encounter, but they are more likely to leave one after a poor experience. Approximately half of customers say they submit reviews to warn others not to do business with the company which can drive customer away. According to research, one unfavorable review turns away 22% of prospects, or approximately 30 customers. The percentage of lost clients rises as the number of unfavorable reviews rises. Three unfavorable reviews drive away 59.2 percent of customers and more than four unfavorable reviews raise the customer loss by 70% Jesse (2019).

For the condition order is about dimension relating to the courier services' ability to maintain the condition of an item shipped in the event of possible damage to the products. The condition of the product should be a major concern for the courier service to avoid mishandling which can give negatives feedback from customer and definitely they will use another courier for the next time. Order discrepancy handling is a dimension connected to dealing with numerous problems during client courier service. In order to ensure customer loyalty and restrict switching behaviors, courier providers of 21st century must be able to anticipate customer future needs and demands and offering them before anyone else, Anna Otsetova (2017).

The order condition refers to the state of the items, whether they are damaged or not. Either the products arrived damaged, the provider must communicate with the customers. The courier will not be held liable if the item is not adequately labeled regarding the fragility of the items by the supplier. As a result of the transaction between the consumer and the courier, who just sends the items as a middleman, courier provider did not use this dimension and instead only use the accuracy of order dimension. In order to handle the goods as the condition, the courier provider can refer to well-known quality methods of 7R parameters that can be used regardless of implementation:

- Right product
- Right quantity
- Right condition
- Right place
- Right time
- Right customer
- Right price Coyle et al (2010)

These seven criteria regulate how each logistics operator, from the producer to the end sale, should manage the flow of goods or services in their respective activities. The application of all regulations provides some assurance of efficient, dependable, and secure products and services turnover. A number of studies must be conducted in order to control the flow of commodities and services.

2.5 Quality of Contact Personal

According to the Foster (2017) defined that contact personal is used for people at the 'front lines' who interact with the public in a service area. In the customer service department, the employee is responsible to handle the customer complaints, questions and request are essential. Therefore, the contact personnel must be kind, friendly and polite to lead a positive experience for handling the customer. The contact personnel are believed to be the one of effect of courier service on customer satisfaction.

Based on the research from Muzhaffar, Noruul, Nur & Mustakim (2016) stated that the quality of contact personal in courier service are the relationship between the consumer and the personnel of the shippers. This indicates that the consumer always desired a positive interaction with the staff who assisted them with their needs. The courier employees must be able to handle the situation and empathize with the consumers. In others research from Sarder (2021) stated that the logistic customer service required a clear explanation in order relate to the logistic because this department is component of a company's entire customer service offering, logistics-specific customer service elements such as fulfillment, timeliness, quality, and cost.

By be the responsiveness of courier providers represents their client service, it refers to the availability of courier customer care to assist consumers in an attentive, precise, knowledgeable, and timely manner. The impact of the responsiveness in contact personal or customer service shows that customers will be more satisfied when department customer service is more responsive to service performance. It was discovered that customer response and overall satisfaction are mediated by perceived service performance.

Due to the current situation, the customer service team will be faced and need to respond to the customer about the shipping delays in the courier supply chain. Despite these difficult circumstances, customer care personnel can answer queries and keep consumers updated by providing information regarding the whereabouts of the client's parcel and offering an apology for the difficulties the customer is experiencing.

2.6 Quality of Information

Information can be defined as knowledge expressed or obtained about a certain fact or circumstance. According to the Paggi, H., Soriano, J., Lara, J. A., & Damiani, E. (2021) stated that quality information considers data quality as series of demension describing the quality of the information produced by an information system which that is measure of the success of the system producing the information. The courier providers must provide precise and correct information about the services offered to the customers. Customers will be able to make informed decisions if they have enough information.

Based on the research from Muzhaffar, Noruul, Nur & Mustakim (2016) stated that the consumer can obtain beneficial information from courier people and even through the courier's website to use as a reference for their orders. Customers emphasize obtaining their packages quickly and safely; therefore, couriers must provide useful information if any complications develop. The quantity of useful information that the consumer can acquire from the courier's employees and website for order reference is denoted by the quality of information. Customers emphasize obtaining their products quickly and safely, therefore couriers must provide useful information if any problems develop. In addition, the quality of information on the provider's website boosts customers' enjoyment and leads them to use the services repeatedly Widagdo & Roz (2021). Service providers need to attach the correct information and link to all the at the advertisement such as flyers, media social and the host website of the courier providers.

According to the Farooq A, Laato S, & Islam AKMN (2022) stated that the internet's function in crises is arguably highly complex, since it contains a variety of information sources and social media platforms that allow people to not only gain knowledge but also communicate and share experiences. Customers can read reviews on the internet or feedback in the Shoppe and Lazada about how the courier service handles their customers' parcels or their items before deciding to continue using the courier service. Customers might choose different courier services that meet many of their criteria when they have any complaints about the courier. The quality of information is critical in developing a cost-effective and agile logistics management process. It guarantees that tasks are done and transferred from one location to another in a seamless and timely manner