



FACULTY OF TECHNOLOGY MANAGEMENT AND  
TECHNOPRENEURSHIP FINAL YEAR PROJECT

**TITLE: THE STUDY OF HALAL LOGISTICS ON CUSTOMER  
SATISFACTION**

**MUHAMMAD IRFAN HAKIMI BIN AZLI**

**Bachelor of Technology Management with Honors (Technology Innovation)**

**Final Year Project**

**Faculty of Technology Management and Technopreneurship**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

## APPROVAL

I have declared hereby that I / we have read this and that thesis is appropriate

in scope of quality to satisfy the requirement for the Bachelor's Technology

Management with Honors (Technology Innovation)

  
**NOR RATNA BINTI MASROM**  
Pensyarah  
Fakulti Pengurusan Teknologi dan Teknousahawanan  
Universiti Teknikal Malaysia Melaka

SUPERVISOR'S SIGNATURE :

SUPERVISOR NAME : Puan Nor Ratna Binti Masrom

DATE : 02 February 2023



UNIVERSITI TEKNIKAL MALAYSIA MELAKA  
TS DR. NURULIZWA BINTI ABDUL RASHID  
TIMBALAN DEKAN PENYELIDIKAN DAN PENGAJIAN SISWAZAH  
FAKULTI PENGURUSAN TEKNOLOGI DAN TEKNOUSAHAWANAN  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

PANEL'S SIGNATURE :

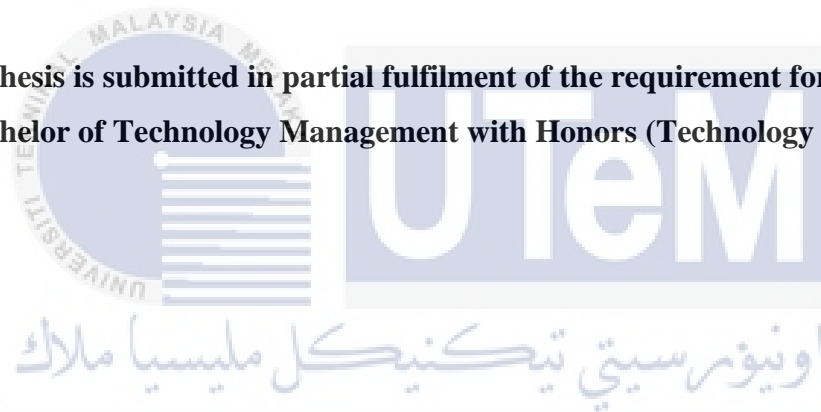
PANEL NAME : Ts Dr. Nurulizwa Abdul Rashid

DATE : 02 February 2023

**CASE STUDY OF HALAL LOGISTICS ON CUSTOMER  
SATISFACTION**

**MUHAMMAD IRFAN HAKIMI BIN AZLI**

**This thesis is submitted in partial fulfilment of the requirement for the award of  
Bachelor of Technology Management with Honors (Technology Innovation)**



**Faculty of Technology Management and Technopreneurship**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

## DECLARATION

I hereby declared that this thesis entitled

### **CASE STUDY OF HALAL LOGISTICS ON CUSTOMER SATISFACTION**

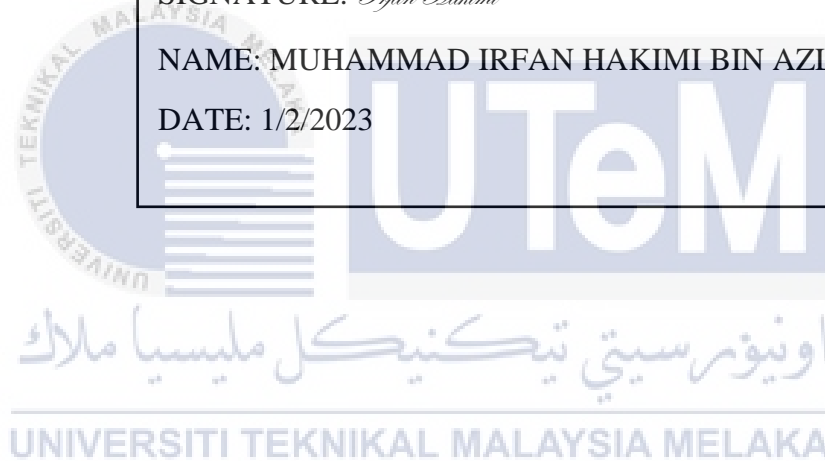
is the result of my own research except as cited in the reference. The thesis has not

been accepted for any degree and is not concurrently submitted in the candidate of

SIGNATURE: *Irfan Hakimi*

NAME: MUHAMMAD IRFAN HAKIMI BIN AZLI

DATE: 1/2/2023



## DEDICATION

This research paper is wholeheartedly dedicated to my dear parents which is my main source of motivation.

They always give me the strength when I think of giving up, which continues me to provide me their moral, spiritual, emotional and financial support.

I wish to share gratitude for the encouragement and support to my beloved family, lecturers, supervisor, and friends.



## ACKNOWLEDGEMENT

Firstly, I want to take this opportunity to express my sincere gratitude because help me with support for my final year project, especially to my supervisor, MRS NOR RATNA BINTI MASROM. I am glad to work under your guidance.

I want to express my sincere thanks to Universiti Teknikal Malaysia Melaka (UTeM) for giving me a such great opportunity to finish this thesis. I want to thank you very much for all lecturers at FPTT and my friends because giving me an encouragement and guide me to finish this final year project thesis.

I also want to thanks my parents for their continuous love and encouragement when I finished my final year project.

I want to thank you to all my dear friends for their help and great support in making a shot. They always teach and help me to solve my problems when I am facing issues. The precious fun memories I spent completing this project will not be forgotten.

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

## ABSTRACT

The Halal food industry is a vital importance to Muslims world wide as it gives them a sense of security that whatever they consume, use and purchase is Syariah compliant. Halal food products are gaining popularity worldwide among non-Muslims due to the term's association with high quality, safety, and quality. Malaysia has long stated its desire to become a major global hub for the production and supply of halal goods and services as a result. Moving materials and equipment to where they will be used is what is meant by the term "logistics." The quality of construction is affected by the effective management of logistics. As a result, the logistics management depends on the activity schedule and suppliers. The delivery of all on-site materials and equipment should arrive on time and be placed in the appropriate location. It is essential to ensure that the construction goes off without a hitch and that the logistics of the materials' delivery to the site are efficient. The area of the case study is at Halal Hub, Melaka. Fives respondents and they are mostly managers and well experienced people that will play the roles as respondents. Qualitative method is used for this study. The results showed that elements and objectives that has been used is related to each other and make it through the way in order to improve the customer satisfaction. This method provide a better platform to better facilitate the engagement between logistics and customer for a better future.

## ABSTRAK

Industri makanan halal adalah penting kepada umat Islam di seluruh dunia kerana ia memberi mereka rasa selamat bahawa apa sahaja yang mereka makan, gunakan dan beli adalah patuh Syariah. Produk makanan halal semakin popular di seluruh dunia dalam kalangan orang bukan Islam kerana istilah itu dikaitkan dengan kualiti, keselamatan dan kualiti yang tinggi. Malaysia telah lama menyatakan hasratnya untuk menjadi hab global utama bagi pengeluaran dan pembekalan barangan dan perkhidmatan halal sebagai hasilnya. Memindahkan bahan dan peralatan ke tempat ia akan digunakan ialah apa yang dimaksudkan dengan istilah "logistik." Kualiti pembinaan dipengaruhi oleh pengurusan logistik yang berkesan. Akibatnya, pengurusan logistik bergantung kepada jadual aktiviti dan pembekal. Penghantaran semua bahan dan peralatan di tapak hendaklah tiba tepat pada masanya dan diletakkan di lokasi yang sesuai. Adalah penting untuk memastikan bahawa pembinaan berjalan tanpa halangan dan logistik penghantaran bahan ke tapak adalah cekap. Kawasan kajian kes adalah di Halal Hub, Melaka. Lima orang responden dan mereka kebanyakannya adalah pengurus dan orang yang berpengalaman yang akan memainkan peranan sebagai responden. Kaedah kualitatif digunakan untuk kajian ini. Hasil kajian menunjukkan bahawa elemen dan objektif yang telah digunakan adalah berkaitan antara satu sama lain dan menjadikannya melalui cara untuk meningkatkan kepuasan pelanggan. Kaedah ini menyediakan platform yang lebih baik untuk memudahkan penglibatan antara logistik dan pelanggan untuk masa depan yang lebih baik.

## **TABLE OF CONTENTS**

<b>CHAPTER</b>	<b>CONTENT</b>	<b>PAGES</b>
	<b>APPROVAL</b>	i
	<b>DECLARATION</b>	iii
	<b>DEDICATION</b>	iv
	<b>ACKNOWLEDGEMENT</b>	v
	<b>ABSTRACT</b>	vi
	<b>ABSTRAK</b>	vii
	<b>TABLE OF CONTENTS</b>	viii
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	1
	1.1 Background Of Study	1
	1.2 Problem Statement	4
	1.3 Significance Of Study	4
	1.4 Research Question	5
	1.5 Research Objectives	5
	1.6 Scope of Research	5
	1.7 Limitations of Study	6
	1.8 Key Assumption	6
	1.9 Summary	6
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
	2.1 Introduction	8
	2.2 Service Quality Management	8
	2.2.1 Third-party logistics and outsourcing	10
	2.3 Customer Loyalty	21
	2.4 Boosting Sales	22
	2.5 Company Reliability	23
	2.6 Utilization of lower raw material and labor cost	23
	2.7 Strong team culture	24
	2.8 Employee Expectations	24
	2.9 Transparent Communication	25

2.10 Strong Working Ethic	25
2.11 Power and customer satisfaction	26
2.12 Relationship marketing	27
2.13 Power in third party logistics	29
2.14 The relationship between RQ and RO	33
2.15 The dimensions of the study	34
2.16 Summary	35
<b>CHAPTER 3 RESEARCH METHODOLOGY</b>	
3.1 Introduction	36
3.2 Types of research	36
3.2.1 Exploratory Research	36
3.2.2 Descriptive Research	37
3.3.3 Explanatory Research	37
3.3 Research Methodology	38
3.4 The reason for understanding	38
3.5 Epistemology And Ontology	40
3.5.1 Positivism	41
3.5.2 Interpretivism	43
3.5.3 Choice of epistemology	44
3.6 Objectivism	45
3.7 Subjectivism	46
3.7.1 Choice of objective ontology	47
3.8 The research approach	47
3.8.1 Choice of the research approach	49
3.9 The research method	50
3.9.1 Quantitative and Qualitative Methods	50
3.9.1.1 Choice of the research method	52
3.9.1.2 Research strategy	52
3.10 Summary	52
<b>CHAPTER 4 FINDINGS AND ANALYSIS</b>	
4.0 Introduction	53
4.1 Respondents Background	54
4.2 To profile Halal Hub supply chain logistics	55

4.2.1 Own Vehicles	56
4.2.2 Outsourcing logistics	58
4.3 To Measure The Factors Effecting In Cs	59
4.3.1 Create A Strong Teamwork Culture	60
4.3.2 Communicate Clear Goals	62
4.3.3 Be Transparent	64
4.4 To Model Halal Hub Logistics Performance	66
4.5 Summary	68
<b>CHAPTER 5 CONCLUSION AND FUTURE WORK</b>	
5.0 Introduction	69
5.1 To Profile Halal Hub Supply Chain Logistics	69
5.1.1 Own Vehicles	70
5.1.2 Outsourcing Logistics	71
5.2 To Measure Effecting In Cs	72
5.2.1 Create a strong teamwork culture	72
5.2.2 Communicate Clear Goals	73
5.2.3 Be Transparent	74
5.3 To Model Halal Hub Logistics	75
5.4 Contribution of Research.	76
5.5 Limitations	76
5.6 Recommendations For Future Research	77
5.7 Summary	77
<b>REFERENCES</b>	78
<b>APPENDICES</b>	83

## **Introduction**

This chapter reflects the study's research topic as well as its theoretical background. The study's motivation and the influence of halal logistics on customer satisfaction are discussed in this chapter. It includes the background of the study. Then the research problem, motivations of the study, the significance of the study, the aim of the research, the objectives of the research, and the research questions. After that, the study focuses on the scope of the study and the structure of the study.

## **Background of the study**

With increasingly over the last half century, the role of logistics in business has increased in both scope and strategic importance. Both corporations and researchers have become increasingly aware of the strategic role of logistics services in a firm's overall success. They have recognised the role of supply chain management in creating and maintaining a strategic competitive advantage through increased customer value and satisfaction and the attendant business profitability.

Customer service is becoming increasingly important in industries, with logistics systems in supplier companies producing most of the production (Ellram et al., 2016). Customer satisfaction is one of the most critical concerns facing all types of businesses and measuring it can be regarded the most trustworthy feedback system. Furthermore, service quality is one of the most important factors of customer satisfaction, which influences purchasing decisions. As a result, understanding firms' perceptions of logistics service quality (LSQ) and behavioural desire to switch providers is a critical issue that will give suppliers with vital information to understand and keep their present customer base.

Marketers' difficulty is that they undervalue the role of logistics in attaining the company's strategic objectives. They lay a lot of emphasis on the first three aspects of the marketing mix, namely product, pricing, and promotion, while ignoring the fourth part of the marketing mix, 'location.' This is due to the fact that this item is considered a cost generator. To be successful with a marketing plan, the

company must concentrate not only on the product, price, and promotion, but also on logistics, which includes location. Logistics refers to the service component of a product that allows a company to retain existing customers who have already utilised the product, as well as recruiting new customers. Consumer loyalty is the most basic differentiator used to assess the operations administrations and it gives the organization data about how it works and its capacity to meet clients' needs (Lisinska-Kusnierz and Gsjewska, 2015). The fact that customer fulfillment is the makes it comprehensively accepted most grounded factor prompting client steadfastness and writing has laid out areas of strength for a between consumer loyalty and client steadfastness. Furthermore, there is an outrageous association between's client satisfaction and advantage. Thusly, every industry attempts to be an assistance industry considering the way that right when the things become relative, the dealers incline to isolate themselves by offering unparalleled client organizations. Considering the previously mentioned, numerous associations intend to grow their abilities associated with appointment to extend their high grounds which are actually looked at through purchaser dedication with the offered help. A firm with better degrees of dispersion administration is supposed to acquire a more elevated level of consumer loyalty. A ton of specialists have observed that the help business is expanding in significance after some time. Moreover, there are a ton of disappointed clients with their planned operations specialist co-ops. Hence, the researchers and the logistics providers are concerned with ways in which customers can be well understood, to know how they perceive the quality of logistics services offered and how their perceptions translate into customer satisfaction (Chin et al., 2016). Kilibarda and Andrejic (2015) state that the process of logistics services can be used for creating value for both the customer and the supplier. This is because the market share can be increased through service quality and customers can give their feedback. Through logistics service, customer satisfaction and loyalty can be created. However, studies on logistics focused on stock levels and locations without paying a great deal of attention to customer satisfaction and quality.

“Halal assurance “refers to the assurance that the 3PL service providers give to monitorand implement halal practice to ensure the integrity of halal products at the point ofconsumption (Zailani et al., 2015). Verification activities aim at judging

the halal assurance. In practice, general verification by companies is often not appropriately performed (Keener) due to lack of technical resources (Panisello and Quantick,) In general, companies perceive verification as an essential but costly activity (Panisello and Quantick). Therefore, companies receive higher perception of quality if they assure that the food received from 3PL service providers is a true manifestation of Islamic principles.

Another categorisation that describes the inter-relationship between the 3PL user and 3PL provider was made by Sharma and Choudhury (2017) concentrating on the role of trust in developing the inter-organizational relationship between the 3PL provider and the 3PL customer, starting with focusing on the price and ending at the integrated logistics service agreement that is the highest stage of the outsourcing relationship between the 3PL customer and the 3PL provider. Yuan (2018) states that trust and commitment are regarded as the most important factors affecting the success of relational exchange between the two partners. Trust and commitment are capable of generating competitive advantage. Trust is seen as the most useful governance mechanism, while commitment is an important terminology which means that the relationship is expected to last for a long time.

Trust as a concept is widely studied in relationship marketing (Chang et al.,). The term refers to a party's confidence where a party depends on another party. In other words, a party's willingness to be vulnerable to another party with the expectation that this party is reliable (Bart et al.,). Zhao and Cavusgil state that when a customer trusts a supplier, the customer is happy investing money, time and effort into this relationship. Many authors have pointed out that there is a relationship between trust and customer satisfaction (Durate and Davies, 2004; Sanzo et al., 2003). Commitment is defined in most marketing studies as a willingness to keep and maintain the relationship with customers. Channel relationship managers are eager to maintain the customer-supplier relationship (Chang et al., 2012). There is a significant relationship between commitment and customer satisfaction (Rodriguez et al., 2006). Little research has been carried out on relationships between the 3PL providers and 3PL suppliers and there is a need to do research into this subject area in Asia because companies need to know about the variables or factors that may strengthen the relationship between 3PL providers and 3PL users (Marasco, 2008). This is because much research on relationship dimensions have been made in

western countries and this type of relationship is required in Asia (Chang et al., 2012). Also, Chou et al., (2015) state that there is an urgent need to study the relationship between the 3PL providers and users in order to understand the relationship between them.

## **1.2 Problem Statement**

Nowadays, third party logistics is defined as the quality of logistics services offered by 3PL providers (Otsetova, 2017). Concepts such as logistics service quality and relationship marketing have changed the business practice of logistics (Saura et al., 2008). However a little research has been made in Melaka, where 3PL logistics provider's ability to deliver high halal hubs' logistics quality to make the customer satisfied. So, it can be said that there is a significant relationship between logistics service quality and customer satisfaction (Kilibarada and Andrejic, 2012). Another critical issue is that, higher than 50% of the third-party logistics relationships are terminated after 3 years and this is attributed to the lack of understanding customer's needs (Vlachos. 2017). Also, consistency and fragmentation in the logistics sector are the most significant issues. It is impossible to have centralized control over every stage because there are numerous parties involved (manufacturers, storekeepers, drivers, managers, and end users). Frequently, fragmentation results in general inefficiency. A software solution that synchronizes information between the various parties could be a solution to this problem.

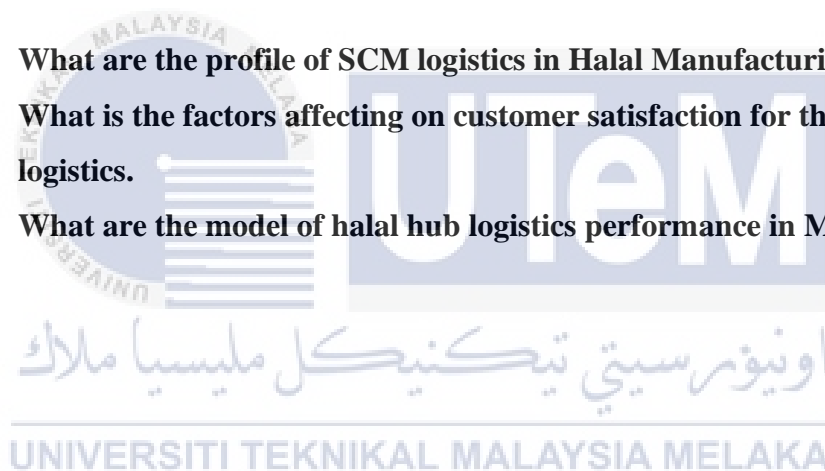
## **1.3 Significance of study**

This is seen as the essential audit that prevalently bases on the effect of relationship power (Coercive power and grant power) on customer unwaveringness in the halal place tasks industry. Similarly, this study bases on assessing the idea of association between 3PL clients and providers using liability trust speculation of

relationship publicizing. Accordingly, this study will add to the organized tasks composing with respect to the association between 3PL providers and 3PL clients. Moreover, the investigation presents customer reliability in the business-to-business setting to take actions associated with systems organization quality ( staff contact quality and mentioning technique ), relationship power (coercive power and grant power ), and relationship promoting ( trust and obligation ) to augment purchaser dedication in the 3PL business in Melaka. The disclosures of this audit, hence, will give different consequences to the 3PL providers which will help them with growing client satisfaction.

#### **1.4 Research Questions.**

1. **What are the profile of SCM logistics in Halal Manufacturing In Melaka**
2. **What is the factors affecting on customer satisfaction for the halal hub logistics.**
3. **What are the model of halal hub logistics performance in Melaka**



#### **1.5 Research Objectives**

1. To profile halal hub supply chain logistics in Melaka.
2. To measure factors affecting in customer satisfaction for the Halal Hub Logistics.
3. To model halal hub logistics performance in Melaka.

#### **1.6 Scope, Limitation and Key Assumption**

##### **1.6.1 Scope**

This study was be carried on Halal Hub, Melaka. As the smallest state in Malaysia but fit with Halal Hub Industry has a relatively good for the research. In Addition, Halal hubs located in Melaka make it easier to get respondents than having

to leave the state to get them. Hence, the scope of this study target the halal hub logistics in Melaka.

### **1.6.2 Limitation**

This research has highlighted some limitations which provides opportunities for future studies. Firstly, there is halal hub industries that trying to fulfil customer satisfaction. difficulties encountered when conducting research are irregular time, difficulty to meet face to face, tight schedule, and only focus on logistics only and not other parts. These limitations will be the barriers of research progress.

### **1.6.3 Key Assumption**

The assumption of this research is the honesty and truthful responses from the respondents. It is assumed that the respondents that managed to answer the questionnaires are targeted respondents which are from Halal Hub Logistics Departments. The respondents will answer the questions based on their own experience and without interference from other respondents.

### **1.7 Summary**

Overall, in chapter 1, the background of the research has been discussed on customer satisfaction towards the logistics of Halal Hub Industry in Melaka. Studies revealed the role of logistics in the economy and the context of third-party logistics. How important the logistics in fulfilling the customer needs. These include social exchange theory and power theory. The chapter introduced the research problem and the motivations of the research. It also presented the significance of the research, the

aim and the objectives of the research, the research questions and the scope of the study. The chapter illustrated the structure of the study.



## **Chapter 2.**

### **LITERATURE REVIEW**

#### **Introduction**

The phenomenon of outsourcing has skyrocketed recently. This phenomenon is not a new one but it originated in the 1950s and was adopted by organizations in the 1980s as an important strategy (Hatonen and Eriksson). It came into being for many reasons such as cost benefits and achieving capacity flexibility (Grossler et al., 2015). A third-party logistics company is that company that offers logistics services such as packaging, transportation, warehousing, distribution services, and many others (Hrusecka et al., 2015).

Bali et al., (2015) confirm that the success of outsourcing logistics tasks to third-party logistics providers is highly influenced by the right selection of the third-party logistics provider. So, the decision of the third-party logistics provider is a strategic decision. Murfield et al., (2016) state that logistics is the benchmark of any company and the success of any company is linked to logistics effectiveness (Bhattacharjya et al., 2016). The source of competitive advantage of companies is logistics service quality (LSQ). The importance of logistics service quality is greatly contributing to the gaining of customer satisfaction and customer loyalty (Konig and Spinler, 2016).

Third-party logistics represents a logistics triad that includes the logistics service provider, the buyer, and the supplier. The supplier of goods such as raw materials contacts the logistics provider such as DHL and TNT to serve the buyer as a final customer. The third-party logistics provider serves the supplier and the buyer (Sohn, et al., 2017).

#### **2.1 Service Quality Management**

The company is able to develop customer-focused management thanks to the new quality approach known as "customer satisfaction." According to Keller and Keller (2016), customer satisfaction is defined as an individual's feeling of happiness or disappointment when comparing the performance of a product or service to

expectations. Any business's ability to satisfy its customers' needs is crucial to its survival. According to Hoffman and Bateson (2017), this will result in customer retention and word-of-mouth. According to Hoyer and MacInnis (2015), dissatisfied customers are more likely to spread the word about their negative experiences to others. According to Meng and Elliott (2015), customer satisfaction centers on service quality. According to Naumann (2014), customer satisfaction leads to customer loyalty, which raises a business's profitability and market share. According to Homburg and Rudolph (2016), this is because customer satisfaction is a true indicator of repeat business and customer loyalty. As a result, many businesses are interested in determining customer preferences by measuring customer satisfaction. A company's performance is also closely linked to satisfaction levels because they show the company's strengths and weaknesses (Mihelis et al., 2018). Business leaders face a real challenge in gaining and maintaining customer satisfaction (Parasuraman et al., 2016). According to Mihelis (2015), any shift in the current market can have an impact on customer expectations and preferences, which is why it is important. Poor service quality has affected a lot of people, so there is an urgent need to improve service quality measurements. In businesses in a variety of industries, service quality and customer satisfaction are crucial business practices. Since customers will subsequently repurchase the service or product, businesses want to ensure that customer perception is met or exceeds 37 customer expectations (Chin et al., 2017). Researchers agree that the quality of the service is geared toward ensuring that customers are satisfied. According to Edvardsson (2016), the nature of the service, in which the customer interacts with staff, equipment, and other facilities, presents a challenge for measuring service quality. The concept of service quality is very important to the service industry, particularly to service providers who have challenging jobs. The goal of this task is to set their services apart from those of other service providers (Saghier and Nathan, 2015). The most difficult challenge for service providers is gaining and maintaining customer satisfaction, as well as understanding how customer satisfaction is affected by service quality. Therefore, service providers should enhance service quality in order to increase customer satisfaction (Jamaluddin and Ruswanti, 2017). According to Al-Rousan and Mohamed (2018), a service provider ought to provide excellent service quality. In order to gain customer satisfaction, which reflects the customers' willingness to place additional orders, the level of service quality needs to be higher than that of the

competitors. Service Excellence: To create a service system that meets the needs of the market, businesses must comprehend the factors that influence customer satisfaction. As a result, in order for businesses to achieve customer satisfaction, service quality is crucial. As a result, service quality is a topic of interest in marketing literature because a poor service will put the company at a competitive disadvantage. The alignment of customer perception and expectation is essential for measuring service quality. As a result, successful service providers are able to offer services by incorporating benefits that surprise and delight customers (Abedin, 2015). According to Smith (2016), the intangible aspects of service quality make it difficult to measure it. According to Smith (2016), manufacturing companies can only measure things like productivity and financial performance that can be quantified. It is challenging to quantify other factors that contribute significantly to a company's success, including innovation, flexibility, and quality. In general, there are two categories of measures of service quality. The first type is known as hard measures, and examples of these are the number of customers served each hour and the amount of time computers are down. Soft measures, based on perceptual data like customer satisfaction with service speed and the manager's assessment of staff behavior with customers, are the second category. Abedin (2018) confirms that customer perception and expectation are closely linked when it comes to service quality.

### **2.1.1 Third-party logistics and outsourcing.**

The majority of businesses are struggling to save time and avoid the costs of transportation and storage in today's competitive business environment. Therefore, these tasks can be delegated to a logistics service provider without the product or service in question; However, it facilitates the activities of the supplier-buyer supply chain (Mustafa and Ahmed, 2015). According to Li et al., industries can reduce supply chain costs and improve customer satisfaction through the use of logistics, making it an important field. (2017). According to Hsiao et al., logistics is the process of planning and controlling the smooth movement of goods and information from the point of origin to the point of use in order to improve customer satisfaction.

Nowadays, most successful businesses worldwide frequently outsource supply chain tasks to third-party logistics providers in order to maintain a sustainable competitive advantage. In Japan, 70% of businesses outsource logistics tasks to 3PL providers, whereas 42% of businesses in the United States do so (Li et al., 2016). Govindan and others, ( 2016) define third party logistics as a business that provides warehousing, transportation, inventory management, freight consolidation and distribution, and other services to another business. The process by which a company outsources some or all of its logistics services to a third party is known as third-party logistics (3PL). A specialized company known as a 3PL can carry out logistics tasks more effectively than the company itself. A third-party logistics provider (3PL) is a hired company that helps businesses with all or part of their supply chain functions. According to Skjoett-Larson (2016), the third-party company is a transportation and warehousing specialist that can be tailored to meet the requirements of customers in light of market conditions and demand. Delfmann and others, 2015) define a third-party logistics provider (3PL) as a company that performs all or some of an organization's logistics services entirely on its behalf. Bask defines third-party logistics as "the relationship between interfaces in the supply chains and the third-party logistics provider, where logistics services are offered, from the basic to customized, in a shorter or longer-term relationship, with the aim of effectiveness and efficiency." Bask's definition is as follows: Ali (2018) claims that there have been three waves in the third-party logistics industry. In the 1980s, the first wave started. A group of businesses operating in the sector emerged during this wave. Their work was limited to the conventional method of transportation and storage. When parcel express companies like DHL and FedEx worked in the logistics industry, the second wave began in the early 1990s. The third wave began toward the end of the 1990s when a large number of major players, including IT and financial services firms, entered the logistics market.

Green and other, confirm the benefits and drawbacks of utilizing third-party logistics. Cost savings, improved services, improved cash flows, risk sharing, freeing up resources, concentrating on core competencies, eliminating infrastructure resources, customized services (flexibility), and obtaining resources that the outsourced company does not have are some of the benefits. The lack of direct control that the users of third-party logistics (3PL) have over the outsourced

activities and the low quality of the products are two of the 3PL's drawbacks. Outsourcing may result in the termination of many employees.

Transportation procurement, contact transportation, freight audit to adjust and examine freight bills, reserve logistics, logistics management and consulting, value-added services, and shipment tracking and tracing are among the services offered by 3PL providers, according to Sowinski (2016).

Because the company's success is largely dependent on its partner, the 3PL supplier, the most common method of selecting one is crucial. As a result, the most common method for selecting the appropriate 3PL supplier stands out to many creators. Green et al. state: For a successful 3PL supplier selection, there are nine steps to follow.

Establishing a cross-practical group is the first step. The group is in charge of selecting the best 3PL provider. This necessitates a concerted effort from all departments, including marketing, finance, assembly, and so on. The group will let the company choose a third-party logistics provider that can meet its needs and requirements. The next step is to set goals. The company ought to be aware that the purpose of a third-party logistics provider (3PL) is to cut costs by focusing on their essential skills and capabilities to compete effectively in the market and acquiring resources that the company does not have access to.

The best 3PL provider for achieving these goals can be selected when the company is aware of its requirements and needs. This cycle's third period is devoted to determining client care requirements. The client is the primary justification for an organization's existence. As a result, the requirements of customers ought to be the primary focus and ought to initiate the process. When selecting the best 3PL provider, these requirements will be helpful. Making a list of competitors is the fourth step in the process of selecting a 3PL provider. Online research or business registries can be used to locate potential 3PL suppliers. The fifth step is to look into the 3PL applicants' revenue. The company needs to make sure that the third-party logistics provider is willing and able to provide the necessary coordinated operations services. To clarify for the supplier its requirements for coordinated operations administrations, the company can send a letter or an email. The 3PL provider should send a letter to the company to explain the capabilities. Requesting demands for

proposition is the sixth step. The company ought to send requests for recommendations whenever it is inspired by a few 3PL suppliers. Providers of third-party logistics (3PL) services should provide specific information about their coordinated operations services, including appropriation, warehousing, and value-added services. The company absolutely needs sufficient itemized data. Conducting site visits is the seventh step. When there are only five or six 3PL suppliers, the cross-useful group should visit them and evaluate them based on a number of criteria. The group can learn about the representatives' and administration's hardworking attitudes by talking to them. The capabilities are checked out in the eighth step. Every piece of information about each 3PL provider needs to be evaluated, particularly information about the executives' way of thinking, financial data, and key fit. Additionally, the supplier ought to be able to serve their current customers. The group should select a 3PL provider that is capable of meeting the organization's coordinated factors requirements as the final step in selecting the best candidate. The group needs to be aware that the relationship between the company and the third-party logistics provider may develop into a long-term essential relationship.

Aghazadeh (2014) outlines five steps for selecting a 3PL provider. the first step the business must take before making a decision about outsourcing. The second step is to establish criteria for selecting a 3PL provider. The screening of companies that do not meet the criteria is the third step. The fourth step is to choose the best 3PL provider from among the options. The beginning of the new partnership is the final action.

Because businesses have contracted with external providers to obtain services like catering and cleaning, the term "outsourcing" is not new. According to Bacea and Borza (2015), outsourcing now encompasses a wider range of IT and finance functions than it did in the past, making it distinct from outsourcing in the past.

According to Kakabadese and Kakabadese (2016), outsourcing refers to the process by which a third party provides a company with goods or services. According to Belcourt, outsourcing is a contractual relationship that involves the external performance of business services. According to Dolgui and Proth (2017),

outsourcing is the process of procuring a product or service from a third party. In the past, these tasks were carried out internally.

In light of the preceding, outsourcing is the process of entering into a contract with a different company to carry out some tasks that were previously traditionally carried out internally. The advantages of outsourcing have been the subject of numerous recent studies, including Espino-Rodriguez and coworkers, 2017). The strategy of cost reduction is referred to as outsourcing. Additionally, outsourcing indicates increased productivity (Espino-Rodriguez et al., 2017).

Organizations will typically concentrate on their areas of expertise as a result of the increased competition. overall, what their capabilities and skills are. These core capabilities give organizations the upper hand. As a result, the organizations are expected to reevaluate activities that do not benefit them. As a result, the organizations strengthen their core competencies. What the organization needs to re-appropriate is the most challenging aspect of rethinking. According to Bacea and Bozra (2016), businesses must therefore determine their competencies, what sets them apart from competitors, and what contributes to the company's value. The terminology of core competencies was developed by Prahalad and Hamel, who asserted that products alone cannot provide a company with a competitive advantage, but rather that management's capacity to adapt to change; after determining the core competencies, management should also be able to select the best opportunities. After that, the company can outsource other tasks.

The company will strengthen its internal resources if it outsources the appropriate tasks, according to the theory of core competencies. This is because, with the right outsourcing, they can concentrate on the activities that give the company a competitive advantage (Pinjala et al., 2016).

This indicates that the company will outsource tasks requiring resources (tangible assets, skills, knowledge, and expertise) that are not available internally; and this move will enable it to concentrate on the company's activities and resources. According to Bacea and Bozra (2015), this will help them become superior to their rivals by developing their core competencies.

The reasons why businesses outsource are frequently brought up in conversation. According to Prahalad and Hamel (2016), the businesses reorganize their operations

to encourage the expansion of their core competencies. Espino-Rodriguez et al. state that ( 2017), the advantages of outsourcing can be broken down into two groups. Economic aspects and cost-cutting factors make up the first category. The advantages of acquiring the capabilities and resources that enable the business to gain a competitive advantage fall under the second category. Outsourcing can be chosen for reasons like cost reduction, flexibility, and expansion. Economic factors are the most important reason for outsourcing (Lamminmaki, 2015).

Due to the expense benefits it generates, re-appropriation reduces costs. It also gives the organization the ability to lower its make back on initial investment by lowering general costs. This is due to the fact that the company (a 3PL client) is not expected to invest in equipment and its establishment. The benefits of rethinking can be summarized in three main ways: innovation, quality, and efficiency

Efficiency: The outsourcer is connected to this component. The 3PL provider suggests that each of their tasks should be estimated. It might be possible to check to see if the client's assumptions match what is agreed upon. Repetitive tasks that don't add value are the ones that are outsourced; or they make something with little value added (Aron and Singh, 2016). As a result, internal employees will be freed up to concentrate solely on strategic activities that give the company a competitive edge by outsourcing this burden. Oshima et al.'s study, (2017), found that a business that outsources its non-core activities reduces its administrative workload by 50% and increases its focus on strategic activities by 40%.

Because the external employees (the 3PL provider's staff) are knowledgeable about their subject matter (the outsourced activity), the activities will also be of higher quality. As a result, they will be able to provide higher levels of efficiency because they will spread the costs among many customers, specifically 3PL users (Bacea and Borza, 2015). The results of a study carried out by Oshima et al., (2017) demonstrated that after outsourcing for two years, the customer is aware that the seller (the outsourcing company) has met the goals and has saved 15% in costs.

The company also benefits from outsourcing in terms of technology. That is, when the company wants to improve its technical services or is looking for technical talent but does not currently have one. In this instance, it can hire an external provider to

make one for the business. According to Dolgui and Proth (2017), the outsourcer uses cutting-edge technology to speed up an activity.

According to Payaro and Papa (2017), there are a number of reasons for outsourcing, but the following four are regarded as the primary motivations: Cost is the first reason to outsource. Cost savings of roughly 11% are anticipated when logistics functions are outsourced to a 3PL provider. Because of economies of scale, the third-party logistics provider charges less than the in-house provider. Flexibility is the second reason to outsource. The 3PL provider is able to change with the times. As a result, 3PL is a successful project (Scott et al., 2018). According to Hilletofth and Hilmola, 3PL is a specialized company that provides transportation and warehousing services. This company is capable of adapting to the requirements of its customers with greater quality. The core competencies are the third motivation. The company can focus on its core activities, which give it a competitive edge, and outsource the non-core activities to the 3PL provider (Hamel and Prahalad). Technology last. When using outsourcing, the company does not have to develop or purchase expensive technology. Additionally, developing or purchasing technology takes a lot of time and money. As a result, a 3PL provider can provide the company with these facilities at a competitive price (Payaro and Papa, 2017).

According to Payaro and Papa (2017), there are three primary reasons for outsourcing, each of which comes with its own set of drawbacks. The company can concentrate on its core competencies and acquire external expertise through outsourcing. The company may lose control over the outsourced activities and lose contact with the customer as a result of outsourcing. Additionally, economies of scale enable the business to save money by outsourcing logistics. Because the customers do not know the exact costs of logistics outsourcing, the clients cannot evaluate the savings. Last but not least, outsourcing improves customer service and reduces inventory levels. Additionally, there are disadvantages, such as the provider's inability to adapt to emergency situations, the loss of customer feedback, and possibly insufficient experience.

There are risk factors associated with outsourcing as well. For instance, Espino-Rodriguez et al. found that outsourcing a company's critical (or core) activities puts

the company as a whole in jeopardy, particularly if these activities have direct interactions with customers or represent the company's competencies. 2017).

Kremic and other, state that there are two reasons for outsourcing: outsourcing based on strategy and outsourcing based on politics. According to Wright (2016), the primary motivation for strategy-driven outsourcing has shifted from cost reduction to strategic issues pertaining to flexibility and core competence. According to the literature, outsourcing is a strategy that enables a business to perform better on multiple levels. Companies must reevaluate and repurpose their limited resources as a result of increased competition (Razzaque and Chen, 2016). As a result, the process of redirecting resources will force the business to concentrate entirely on areas where it can have a positive impact. essentially, on the fundamental activities and functions of the business.

According to Kakabadese (2015), the company's rapid expansion, its ability to adapt to the needs of its customers, and technological advancements all contribute to other strategic issues. Because the business is required to respond quickly to the requirements and requirements of its customers, flexibility is a crucial factor in outsourcing. That ability is thought to be available through outsourcing. Additionally, it is a means of mitigating risk by sharing it with providers (Kremic et al.).

In terms of reevaluating thought processes, public companies are not quite the same as confidential ones when it comes to politically determined re-appropriation. The public organizations, on the other hand, hope to guarantee prosperity through rethinking, while the privately owned company strives for cash and benefits through reevaluating. Mission and goal are therefore distinct in this way. In a similar vein, public organizations attempt to implement popular presumptions or selected authorities through rethinking. Because public companies are viewed as inefficient and overly bureaucratic, political candidates tend to advance their re-appropriation plans to implement specific improvements in their region. The public associations would give their consent when the regulations are implemented. The overseeing regulations are the primary drivers of reevaluation in the public realm right now.

Another reason for public sector outsourcing is accountability. This is due to the fact that suppliers want to please government officials, while public sector employees

tend to protect their interests. To determine the extent to which these activities affect the company's competitive advantage, the business should conduct a thorough analysis of the benefits (Espino-Rodriguez et al., 2016). This is due to the fact that outsourcing a company's core activities results in the loss of essential skills and reduces flexibility, particularly when the company is heavily dependent on the supplier (Espino-Rodriguez et al., 2017). According to Yildiz and Hatum (2017), the company should therefore conduct a thorough analysis of the planned outsourced activities because, if the company is dissatisfied with the quality of the services provided by the supplier, it may have difficulty recovering the activities internally due to a lack of personnel capabilities.

Tsai et al. claim that (2016), academics debate whether outsourcing logistics outweighs the risk of failure. This is due to the fact that outsourcing does not always result in benefits like cost savings and improved service quality. The majority of studies on logistics outsourcing have shown that the majority of managers are unhappy with the results. Managers should be aware that outsourcing is the decision to reject an activity's internalization.

According to Verwaal et al., outsourcing means that the company has access to resources that the outsourced company does not have. (2016). The company can supplement its internal resources and generate value by outsourcing logistics. External resources supplement internal resources (Verwaal et al., 2016). The business will be able to generate value thanks to these novel resource combinations. Due to the benefits of logistics outsourcing, much of the literature supports outsourcing, but less attention is paid to the disadvantages of outsourcing, especially in 3PL. According to a study on logistics outsourcing, many businesses were forced to return some outsourced tasks in-house. According to other studies, the partnership between a 3PL provider and a 3PL user ended after three years. Additionally, a study (Gadde and Hulthen, 2015) revealed that more than half of partnerships between users and 3PL providers were unsuccessful.

That can be attributed to a variety of factors, including the provider's lack of skill, disregard for customer feedback, inability to handle emergency situations, and inability to provide special products. 75% of respondents to a study conducted by the American Management Association on the satisfaction of logistics outsourcing stated

that the outcomes of outsourcing did not live up to the expectations of customers, and 50% brought some outsourced functions back in-house. According to Gadde and Hulthen (2017), roughly 33% of businesses terminated outsourcing contracts.

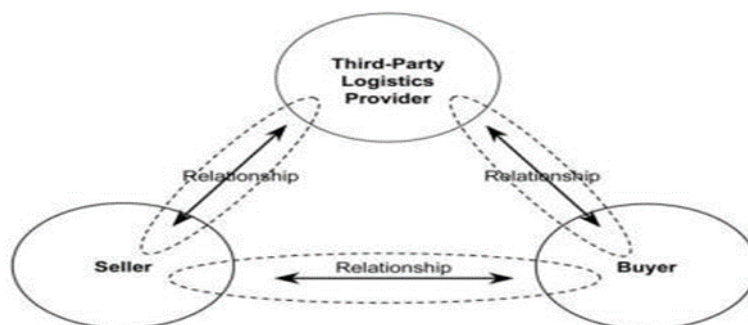
The financial benefits that accrue because the outsourced company has difficulty estimating the real cost of logistics outsourcing are the primary causes of terminations, issues, and back-sourcing (Gadde and Huthen, 2017). The outsourced company prioritizes the financial benefits. As a result, this is a major disadvantage for businesses willing to outsource their logistics operations because these businesses value the low unit price that outsourcing brings. Numerous studies on logistics outsourcing have demonstrated that there are numerous instances of unsuccessful logistics outsourcing, despite the expected benefits of concentrating on core competencies and cutting costs. Additionally, many managers are unaware of the anticipated advantages of outsourcing (Krell, 2016).

According to Tayauova (2018), there have been three approaches to outsourcing research. The resource-based view (RBV) represents the initial strategy. This method assumes that no business has unique, valuable, or rare resources. If this is the case, the company will look for a third-party provider to fix the problem. When a business decides to outsource and is choosing an outsourcer, the preparation stage is where RBV plays a crucial role (Pedersen and Perunovic, 2018). The core competency is the second strategy. According to Prahalad and Hamel (2016), the company should keep its core activities in-house, but non-core activities can be outsourced. According to Henry (2017), a company's core competencies are the characteristics that give it a competitive advantage. As a result, the business is able to concentrate on its core competencies to gain long-term competitive advantages and can outsource other activities or functions at a lower cost to a specialized company. The Transaction Cost Theory (TCT) is the third strategy. The company is expected to compare the costs of insourcing (production) and outsourcing (transaction cost) under this strategy. As a result, the company should decide whether to develop internally, also known as insourcing, or purchase from the market, also known as outsourcing. Based on the cost of the transaction (outsourcing) and the cost of production (insourcing), this comparison will determine whether to outsource or insource (Tayauova, 2015).

According to Zhu et al. (2017), logistics outsourcing can be broken down into two categories. Outsourcing of basic logistics (BLO) and advanced logistics (ALO). The traditional logistics activities of warehousing and transportation are the focus of basic logistics outsourcing (Hsiao et al., 2010). According to Yeung et al., these logistics services can be purchased in combination with other straightforward and inexpensive services offered by numerous third-party logistics providers. 2017). According to Halldorsson and Skjott-larsen (2016), the clients and the supplier have a short-term informal contract that does not include any commitment on their part. The price is also included in the initial contract.

Rethinking high-level coordinated operations includes important and useful exercises. Calculated data frameworks are the essential exercises, while buying and request handling are useful ones. As a result, re-appropriating essential strategies is more up-to-date than re-appropriating high-level coordinated operations. Additionally, the connected parties, particularly the 3PL clients, lack expertise in dealing with these tasks. This is due to the fact that the 3PL providers are expected to handle these tasks skillfully and with knowledge. Additionally, evaluating the revaluated presentation presents challenges. For the position of a 3PL provider in the supply chain, Bask (2015) states that the terminology of third-party logistics consists of three types of relationships as shown in the Figure below.

Figure (2.1) explains the dyadic relationships between the Seller, the 3PL Provider and the buyer.



The source: Bask (2015)

The relationships include the relationship between the seller and the 3PL provider, the 3PL provider and the buyer, and the relationship between the seller and the buyer as shown in figure

2.1. The seller represents the buyer of logistics services from the 3PL provider. Consequently, the seller is the customer of the 3PL providers. The seller and the buyer may be supplier, manufacturer, wholesaler or retailer in the business-to-business market.

### **2.3 Customer Loyalty**

Examining the historical course of the studies with the subject of loyalty it is found that the research that try to define what loyalty is have significant space. The most basic problem encountered in those studies is the failure to achieve a shared definition of loyalty because although customer loyalty may be a key variable that explains keeping the customer at hand (Wong and Zhou, 2016; Pritchard and Howard, 2017), it has been discussed in time whether loyalty is an attitude or combination of attitude and behavior. According to the approach based on behavior, loyalty is the behavioral reaction based on prejudice as the function of psychological processes by the decision maker in the existence of one or more alternative in time (Jacoby and Keyner, 2016). Behavioral approach explained loyalty basing on the criteria including the share in consumption, consumption probability, probability to consume the product again, repeated consumption behavior, multidirectional consumption behaviors (Kumar and Shah, 2018). According to the second approach dealt as the combination of attitude and behavior brand loyalty “is a form of repeat purchasing behavior reflecting a conscious decision to continue buying the same brand, for brand loyalty to exist, a pattern of repeat purchase must be accompanied by an underlying positive attitude towards the brand (Solomon et al., 2016). This approach does not include only the past purchasing behaviors and tendencies but also customer attitude and value systems (Sudharshan, 2016). Consequently according to this approach which was accepted in time, the customer realizes loyalty in time through repeated consumption of any good or service when the customer has a

positive attitude toward the good/service or company providing the good/service (Wong and Zhou, 2016).

## **2.4 Boosting Sales**

The first factor affecting purchase decision of customers is promotion. According to (Zikmund, 2016) states that sale is communication function of company which has responsible to inform, persuade and invite prospective customers. (Brata, Husani, & Ali, 2017) points high degree of correlation has positive relationship. This result of study shows the better promotion, the more positive of purchase decision of customers. Promotion is one of factors determining the success of sales strategy of a company. If a company has a better product quality, unfortunately customers do not get information about that. It will be difficult to make purchase decision of customers (Mothersbaugh, Kenneth, & Best, 2017). A study conducted by (Khan & Dhar, 2016) finds that purchasing bundle is more likely on sale discount particularly offered to hedonic rather than utilitarian component. This finding concludes that promotion is more effective in making purchases, this is in line with study by (Kivetz & Zheng, 2017) that promotional program gives significant effect to purchase decisions. The second factors influencing purchase decision is price. Price as heuristic cues is more easily observed than quality (Yoon, Oh, Song, Kim, & Kim, 2016). While, according to (Wijaya, 2016) price is amount of money to be paid by customer to obtain product benefits. Reasonable price results in greater value by customer (Lee, 2016) and can increase purchase decisions of consumers (Jiani, 2017) and (Jang, 2017). If price offered in accordance with benefits perceived by consumers, they will make purchase decision easily.

## **2.5 Company Reliability**

According to Marks (2022), Reliability is everything for small businesses – it is what underpins your reputation and keeps your customers coming back. If you can

establish a reputation amongst your peers and customers as being reliable, you will develop a loyal customer-base. We have compiled a list of reasons how and why you can make your business more reliable. The first step of being a reliable business is to be available when and where your customers expect you to be. If a customer visits your business during your advertised opening hours and finds it closed, they will be put off by your business' unreliability and go with a competitor. Similarly, if they look up your website using the link you gave them and it doesn't work, they will also lose interest in your business. Be reliable by being available online or offline when you say you will be.

## **2.6 Utilization of lower raw material and labor costs.**

According to Donald M. DePamphilis (2022), labour cost differences are likely to be larger between countries and regions because labor and other resources often tend to be less mobile across political boundaries. Emerging markets offer low labor costs, access to inexpensive raw materials, and low levels of regulation. Shifting production overseas allows firms to reduce operating expenses and become more competitive globally. The benefit of lower labor costs is overstated because worker productivity in emerging countries tends to be significantly lower than in more developed countries. Increases in regulations in some countries that limit layoffs inhibit the realization of labor-related synergy by as much as half, resulting in a reduction in the number and value of cross-border deals.

## **2.7 Strong team culture**

According to James Smart (2021), Team culture is a collection of values, behaviours, working practices, and beliefs that team members share while aiming to fulfil their collective purpose. Every team has a culture. Even if you've never thought of it in those terms, consider all the ways in which your team interacts, what you value, and what is important to you as a group. That's your culture. Remember that team culture reflects your shared values and working practices, and it will be formed by both collective and individual actions within the team. A strong team culture is one

where everyone in the team is aligned on purpose, values, behaviours, and working practices while also feeling they are celebrated as individuals. In a good team culture, members of a team understand group and individual purpose as well as their role within the team. It's vital to know why you are doing the work you are doing and believe in the goals and purpose of the team. While team culture can emerge organically, it's important that you come together to define your culture and align on what it is and how you live it. This might mean creating a culture statement or code of conduct, or simply working to strengthen the bonds and shared understanding between your team.

## **2.8 Employee Expectations.**

Sadie Banks (2019), assistant general counsel and human resources consultant at Engage PEO, said that, in addition to standard performance appraisals, there are many workplace factors in setting expectations. "Industry expectations; internal and external company image; client, customer and vendor relationships; employee knowledge of products or services; company policies and performance; and even social media all play a part in setting expectations for employees," said Banks.

## **2.9 Transparent Communication**

Transparent communication is the act of both good and bad information being shared upward, downward, and laterally in a way that allows all to see the why behind the words. A workplace with transparent communication is a more collaborative and trustworthy workplace, with information being openly shared between employees and across levels of the organization (Hutchison, 2020, April 8). Transparent communication also allows employees to be more innovative since they are more informed. Additionally, transparent communication encourages others to communicate openly and increases the sharing of ideas (Hutchison, 2020, April 8). Essentially, transparent communication allows the workplace to be collectively informed about the true happenings within the organization and align their actions accordingly. Two ways to increase transparent communication in the workplace are

to be timely in communication and align communication and actions with the unit's and the university's missions (Hutchison, 2020, April 8). Employees appreciate being in the loop soon after their leaders or coworkers learn information. Communicating to employees or coworkers in a timely manner gains their trust, gives employees time to absorb the information, gives them a full picture of the situation, and gives employees the information that may affect their job, thus allowing them to adjust their work if needed. Straightforward communication about the unit's mission will give employees a clear understanding of their goals (Hutchison, 2020, April 8). Increasing transparent communication in the workplace can lead to happier employees in a more collaborative environment, allowing the unit's work to be done more efficiently.

#### **2.10 Strong Working Ethic**

According to Kimberlee Leonard (2019), Employers want to work with people who have a strong work ethic. Those who possess this trait are better employees who get the job done, no matter what. They often require less oversight on daily activities and managers are able to rely upon them to complete bigger tasks. Such as, Professionalism is something observed from the moment an employee walks in the office door to when he leaves. He is professionally dressed with clean, pressed clothes. He arrives a few minutes early to settle in and get his coffee, so that he will be ready to start his shift on time. He is courteous to other employees and doesn't take random breaks or change lunch schedules without authorization. He understands his job and is prepared to do it. Work ethics set the tone to develop the habits needed to be professional and consistent all day long.

#### **2.11 Power and customer satisfaction.**

In the context of business-to-business, exercising power produces types of compliance behaviours (Payan and McFarland, 2016). The compliance may be

behavioural change or coordination (Hausman and Johnston, 2016). Generally speaking, exercising non-coercive power increases the possibilities of compliance with the power holder. This compliance depends on the characteristics of the power holder and the target (Hausman and Johnston, 2010). The outcome of non-coercive power leads to customer satisfaction, whereas coercive power leads to customer dissatisfaction (Leonidou et al., 2017).

When a partner exercises power over other partners, this will affect the channel member's satisfaction (Geyskens et al, 2016). This goes for the business-to-business setting since when the accomplice practices coercive control over the objective, the objective's monetary fulfillment will be adversely impacted and the objective bears the expense for a situation of the accomplice's alarming message. Likewise, the objective's positive result can be diminished by discipline. Non-coercive power implies that the accomplice will benefit, since additional prizes will build the financial result. Practicing coercive power by a provider will adversely impact consumer loyalty on the grounds that the purchasers could do without to manage accomplices that force sanctions on them. Clients like to manage providers who utilize non-coercive power in light of the fact that the client will be more fulfilled.

Jonsson and Zineldin (2016) conduct a study on the supplier-buyer relationship in the lumber market in Sweden in the context of business-to-business. The result has pointed out that using non-coercive power, namely, reward power, leads to an increase in customer satisfaction, while coercive power results in a decrease in customer satisfaction.

Liu (2015) conducts a study about the steel industry in China and the findings have revealed that coercive power decreases customer satisfaction, while non-coercive power (reward power) increases customer satisfaction.

A study performed by Lee (2016) to examine the working relationship between suppliers and distributors. The finding is consistent with those found in the context of business-to-business. Reward power increases customer satisfaction compared to coercive power that decreases customer satisfaction.

Leonidou et al., (2017) perform a Meta-analysis on the supplier-buyer relationship to examine the effects of coercive power and non-coercive power on customer satisfaction, analysing 120 studies in 103 articles that are published in 37 journals.

The findings have pointed out that reward power granted by the supplier has a positive effect on customer satisfaction, while coercive power by the supplier has a significant negative effect on customer satisfaction. A study on supplier-buyer marketing channels by Chang et al., (2016) has revealed that coercive power increases customer dissatisfaction, whereas non-coercive power, reward power increases customer satisfaction.

## **2.12 Relationship marketing and customer satisfaction.**

Vavra (2015,p.5) defines satisfaction as “a customer’s emotional response to his or her evaluation of the perceived discrepancy between his or her prior experience with and expectation of product and organization and the actual experienced performance as perceived after interacting with the organization and consuming the product”. This means that customer satisfaction is the outcome of a comparison between expectations with performance. Oliver states that “expectations are central to the satisfaction of the customer because, in their later variations, they provide a standard for later judgment of product performance”. Thus, satisfaction is influenced by expectation and that is very important. Thus, if the perceived performance is greater than expected, then the customers are satisfied and the opposite is true. Hersh (2016) states that companies invest a lot of effort, time, and money in order to pursue the strategy of relationship marketing in order to retain existing customers instead of acquiring new ones. This strategy is helpful especially when the competition is intense among companies working in a certain industry and the customers are surrounded by many offers coming from competitors. So, it is important to understand the customer’s needs in order to strengthen the relationship with him or her, and then the profits will increase. Hence, it is very important to put all the focus on increasing the level of customer satisfaction. The role of relationship marketing is to guide how to make the customer satisfied and relationship marketing is the protocol followed in order to make the customer happy. Trust and commitment are the major constructs in a supplier-buyer relationship. Thus, the relationship is gauged by trust and commitment because when a channel member (X) trusts its partner(Y), this means that the company (X) is expected to feel secured because of

the belief that the partner has honest intentions. Thus, this increases customer satisfaction. The reason for the positive relationship between commitment and customer satisfaction is that both committed partners can reach their individual and collective goals. Hence, commitment results in a higher level of customer satisfaction. This is expected to preserve the supplier-buyer relationship. Aka et al., (2016) state that trust and commitment are the major determinants of relationship marketing and the two constructs affect customer satisfaction. The service provider or the supplier (3PL provider) delivers the promises. Since then, the customer (3PL customer) trusts the supplier's promises. Commitment is the major relationship marketing element between the customer and the supplier. This element includes establishing, building, maintaining, satisfying and sustaining a long-term profitable relationship. Samiee et al., (2015) state that the central variables of relationship marketing are trust and commitment. Jemaa and Tournois (2017) confirm that there are lots of major elements of successful relationship marketing; but there are many studies carried out by a lot of researchers that focus on trust, commitment, and customer satisfaction. These studies aimed at gauging the quality of relationship between the seller and the buyer. Any model used in marketing and service marketing can be used in logistics in general, especially in the studies of third-party logistics. Rodríguez et al conduct a study to examine customer satisfaction in the supplier customer relationship, namely the manufacturer-distributor relationship. The result has pointed out that commitment has a positive relationship with customer satisfaction. Mbango and Phiri (2015) perform a study to examine the impact of trust on customer satisfaction in the cement industry in South Africa in the context of business-to-business relationship using self-administrated questionnaires. The findings have indicated that there is a significant relationship between trust and customer satisfaction. A study performed by Aka et al., (2016) has proved that trust and commitment increase customer satisfaction. Bricci et al., (2016) perform a study on the distribution sector and they have found out that trust increases customer satisfaction. Gilaninia et al., (2018) carry out a study on the effects of commitment and trust among members of a textile product supply chain on customer satisfaction. The result has indicated that there is a positive relationship between commitment and customer satisfaction. Also, there is a positive relationship between trust and customer satisfaction. Akmar and Yorur's (2017) study on business-to-business context, manufacturer and supplier has indicated that higher levels of commitment

and trust will lead to higher levels of customer satisfaction. Sanzo et al., (2016) conduct a study on the industrial companies. The result has indicated that an increase in the construct of trust will lead to an increase in customer satisfaction. Duarte and Davies (2017) perform a study to examine the importance of trust in channel relationships. This study has shown that there is a significant relationship between trust and customer satisfaction.

### **2.13 Power in third party logistics.**

This study draws on data from books and journals to fill a void regarding the topic of power in third-party logistics. This contribution contributes to the study. The focus of outsourcing was on specialized tasks like accounting and human resources that were seen as a benefit to the business. Later on, the activities that are close to the core activities, like call centers and customer service, have received more attention (Kakabadse and Kakabadse, 2016). Recently, it is possible to outsource every function (Jones et al., 2017). To survive and ensure the availability of resources, businesses require resources. Therefore, outsourcing is one of the suggested approaches to overcoming resource-related uncertainties (Meydan, 2016). The factors that influence the make-or-buy decision determine whether the logistics activities should be performed within the company or outsourced to third-party logistics. According to Jenster and Pederse (2017), a great deal of research has suggested that the business must safeguard its core competencies from outsourcing. According to Lonsdale (2015), outsourcing is a risky choice because it implies that a company will largely rely on the outsourcing company, specifically the 3PL provider. As a result, the business is shackled to the supplier. Additionally, due to the switching costs, which may include asset-specific investments, the customer company, a 3PL user, is unable to switch to another company. Due to the dependence on the resources of another company, the outsourcing company (the 3PL provider) may act opportunistically and take advantage of the outsourced company (the 3PL user) by renegotiating prices or terms. As a result, other organizations—the 3PL providers—are in charge of the other company—the 3PL user. According to Yilmaz and Beduk (2016), this results in the solution of efficiently supplying the

resources by developing strategies to lessen their dependence. According to Lonsdale (2016, p. 22), "it appears to be at the root of a majority of the problems firms have experienced" rather than "the risk of outsourcing core competencies." According to Gelderman (2017), the risk encompasses not only the risk of the assets utilized by the customer—the 3PL user—but also the risk of power exercised by the supplier—the 3PL provider—due to dependence. A seller-buyer relationship is represented by an outsourcing relationship, and businesses must prioritize the quality of this relationship. The partnership between suppliers and buyers, in which they should interact closely, is closely linked to the outsourcing relationship. A customer company, the 3PL user, is partially dependent on its partner, the 3PL providers, in this relationship. This indicates that the relationship between 3PL providers and 3PL users reflects power asymmetry and dependency. Therefore, the independent company, the 3PL provider, dominates and controls the exchange process in this relationship. However, Caniels and Roeleveld (2017) state that no partner controls the relationship if the 3PL provider and the 3PL user share the same amount of power. In the business-to-business setting, power is the most frequently discussed topic. The resource dependency theory is the foundation for the relationships between companies because it holds that a business must rely on its external environment to obtain the resources it needs to survive. Because one partner depends on other partners for resources, this partner is vulnerable (Huo, et al., 2017). The term "interdependence asymmetry," which refers to the partners' levels of dependence, is utilized by numerous researchers. According to Ireland and Webb (2017), symmetrical interdependence occurs when both the 3PL user and the 3PL provider rely equally on one another; However, the seller-buyer relationship is frequently referred to as asymmetric interdependence. As a result, the independent partners, also known as 3PL providers, have the ability to exert control over the dependent partners, also known as 3PL users, and they can also take advantage of the weaker parties. According to Caniels and Roeleveld (2017), power asymmetry in the seller-buyer relationship results in an unsuccessful partnership. It is anticipated that the weaker partners—the 3PL users—will be diminished, and this partnership will never last. According to Davis and Cobb (2016), factors like a lack of raw materials and limited credit supplies lead to a company's dependence on other businesses. Setting common goals for a productive and collaborative relationship and sharing expectations may be beneficial outcomes of this kind of dependency (McNamara et

al., 2017). Trust and commitment exchanges increase when parties (the 3PL provider and the customer) are mutually dependent. According to Vestrum and Rasmussen (2017), this is the most important factor in establishing a partnership between businesses. Power asymmetry, according to Jonsson and Zineldin (2017), results in greater conflict and less cooperation between sellers and buyers. However, while power asymmetry results in an unbalanced relationship, it does not imply that the 3PL provider, the source of power, will misuse it (Cox et al., 2016). The distribution of power will occur over time as a legitimate right, which may lead to cooperation in the seller-buyer relationship (Kalafatis, 2013). Maloni and Benton (2016), on the other hand, noted that a power imbalance in the seller-buyer relationship may result in higher performance levels for the 3PL provider and user. The findings of Khoja et al. 2016), the supplier (the 3PL provider) and the customer (the 3PL customer) are more likely to develop a long-term relationship if they are able to lessen the power imbalance in their relationship. However, a seller and a buyer who lack trust and commitment and are unable to alter the power imbalance in their relationship are likely to support an arms-length relationship. Many researchers have looked at the dyadic relationship from the perspective of relative power and total power. Relationship imbalance is a symbol of relative power. This suggests that the source of force possesses more power than the goal, while absolute power refers to the fact that the two partners—the 3PL client and supplier—have the same amount of force and rely on one another similarly. A good, cooperative, and long-term relationship characterized by trust and commitment is referred to as total power in the seller-buyer relationship. The partners are trustworthy to one another. They are aware that they are all powerful. As a result, they are dissuaded from using it. Rache is a real possibility. As a result, they all strive to satisfy one another (Caniels and Roeleveld, 2017). Additionally, if they are equally dependent on one another, they will encounter high exit barriers (Geyskens et al., 2016). However, since other factors such as trust, commitment, collaboration, and cooperation will increase over time, a long-term relationship between the seller and the supplier is expected to reduce power imbalance (Khoja et al., 2016).

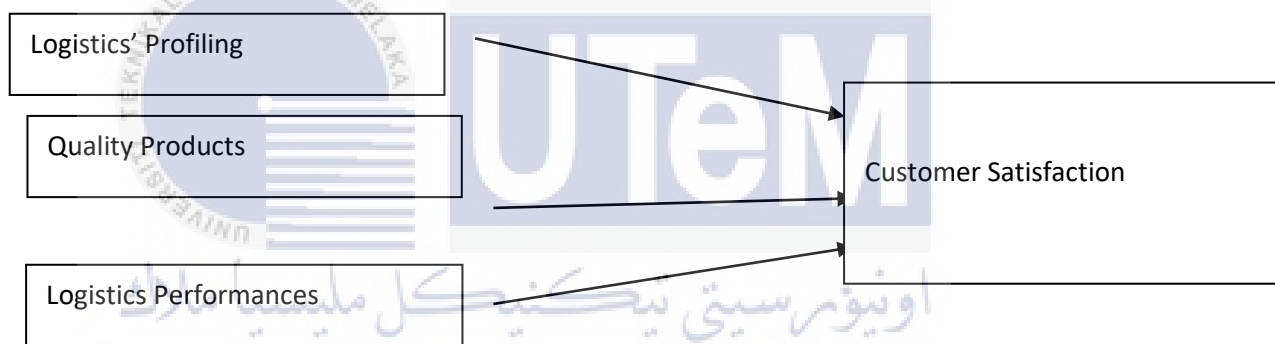
The proposition of relationship power

P1: Innovation exercised by a 3PL provider over a 3PL user negatively affects customer satisfaction.

P2: Suggestion exercised by a 3PL provider over a 3PL user positively affects customer satisfaction.

The above-mentioned hypotheses are linked to the third research objective.

Figure (2.7) The Conceptual Model for the Study:



The following are the proposition for the study:

Proposition 1: Logistics profiling positively affect customer satisfaction.

Proposition 2: Factors affecting customer satisfaction

Proposition 3 To model halal hub logistics performance in order to solve the problem positively

## 2.14-The relationship between hypotheses, research questions and objectives

The relationship between hypotheses, the research questions, and the research objectives are shown in Table (2.1) below.

The research questions	The objectives	The Proposition	Authors
Research question 1	Objective 1	Proposition 1	Mentzer <i>et al.</i> ,(2001) ; Jafaar (2006) ; Saura <i>et al</i> (2008).Kattara <i>et al.</i> ,(2008);Politis <i>et al.</i> ,(2014); Zailani <i>et al.</i> ,(2018).
Research question 2	Objective 2	Proposition 2	Rodriguez <i>et al.</i> , (2006) ; Mbango and Phiri ( 2015) ; Aka <i>et al .</i> , (2016) ; Bricci <i>et al.</i> , (2016);Gilaninia <i>et al .</i> , 2012); Akmar and Yorur (2012); Sanzo <i>et al .</i> , (2003); Durate and Davies (2004).
Research question 3	Objective 3	Proposition 3	Jonsson and Zineldin (2003); Liu (2015); Leonidou <i>et al.</i> , (2014); Chang <i>et al.</i> , (2012); Lee (1999).

The table (2.1) reflects the relationship between the hypotheses, the research questions and the objectives of the study.

As noted, hypotheses 1 and 2 help the researcher to answer the first research question in order to achieve objective 1 of the study, while hypotheses 3 and 4

enable the investigator to achieve objective 2, and answer research question 2. Hypotheses 5 and 6 answer research question 3 and assist the investigator to achieve objective 3.

### **2.15 The dimensions of the study**

The study, as shown in the conceptual model, concentrates on personnel contact quality, ordering procedures, trust, commitment, coercive power, and reward power. As stated in the literature review, LSQ includes personnel contact quality and ordering procedures, whereas RM includes trust and commitment, while coercive power and reward power belong to RP. So, this study focuses on three dimensions that are LSQ, RM, and RP. This is attributed to the fact that what distinguishes this study from other studies is that this study is a comprehensive study that includes three dimensions, while other studies include one or two dimensions. Also, The conceptual model includes dimensions stemming from research gaps as stated in the introduction and the literature review. In addition, The data gathering technique used in this study measures respondents' satisfaction with LSQ, RM, and RP. So, it reflects the three dimensions.

### **2.16 Summary**

The section highlighted the power and how the power holder might exercise coercive power and non-coercive power over the weaker actor. In this research, the stronger actor is the 3PL provider which has resources that are needed by the weaker actor which is the 3PL customer. The 3PL customer is unable to leave the relationship with the 3PL provider because of legal contract and switching costs. The 3PL customer is able to adopt some strategies to face power asymmetry. The section explained both viewpoints about power as grace or curse and the effects of coercive power and non-coercive power on customer satisfaction. Also, the section talked about the conceptual model for the whole study and the relationship between the

hypotheses, research questions and research objectives. In addition, the dimensions of the study.



### **3-1-Introduction**

The chapter focuses on the research philosophies, research approaches and research methods. Furthermore, it focuses on data collection and data analysis tools to achieve the aim and objectives of the study. This chapter highlights the research paradigms and the available research methods and approaches and justifies the selected research approach. It further justifies the selection of the quantitative research method used in this research.

### **3.2- Types of research**

According to Saunders et al., (2012), the study can be exploratory research, explanatory research or descriptive research. The following will shed the light on these types of research in detail.

#### **3.2.1- Exploratory research**

This kind of research aims to find hypotheses, patterns, or concepts. According to Collis and Hussey (2009), the primary focus is on gaining insight into the subject under study rather than testing the hypotheses initially. This kind of research relies on open-ended questions to gain insights into the subject matter being studied. It is especially useful for understanding an individual's comprehension of the issue at hand. For instance, if the researcher is unsure of the nature of the problem, this kind of research can be helpful (Saunders et al., 2016). Additionally, this kind of research is beneficial when there is insufficient data regarding the issue (Aly, 2016). It will begin with a broad focus, but as the research progresses, it will narrow (Saunders et al., 2016). The exploratory research can be carried out through focus group interviews or interviews with knowledgeable individuals in the subject area being studied (Saunders et al., 2017; 2016 (Sekaran and Bougie). The interviews are intended to gather information about the real world. Companies that are built on innovation, like Microsoft, Cisco, Apple, and Vodafone, frequently employ exploratory research. This kind of research is aimed at providing businesses with fresh concepts, particularly technologies that cater to the requirements of customers. It fits the qualitative research method and is very important to product innovation (Jr et al., 2016).

### **3.2.2-Descriptive research**

This type of research aims at describing a situation by giving the activity or the event specific measures. It is performed by using descriptive statistics, such as mean, median and frequency and a statistical test to examine the relationship. (Jr et al., 2016). This type of research uses quantitative research or qualitative research (Jr et al., 2016). This research comes after performing the exploratory research or before conducting the explanatory research (Saunders et al., 2016). The purpose of this research is to describe the characteristics of the subject area being studied, such as when must the company maximize production? and what are the most effective advertisements? The hypotheses are extracted from the theory to identify what should be measured (Jr et al., 2016).

### **3.2.3-Explanatory research**

The objective of this type of research is to understand and grasp the phenomena by establishing causal relationships among the variables being studied (Collis and Hussey, 2016; Saunder et al., 2016). This type of research is also called analytical research (Collis and Hussey, 2016) or causal research. Causality means that any change in the cause (X) will lead to a change in the effect (Y) (Jr et al., 2016). Explanatory research reveals associations (relationships) between the variables by studying the problem at hand (Creswell, 2016). This study is explanatory because its major purpose is to study the effect of (X), that represents personnel contact quality, ordering procedures, trust, commitment, coercive power, and reward power on (Y), that is customer satisfaction.

### **3.3- Research Methodology**

A researcher is responsible for adopting one of many types of methodologies that are available in the literature such as deductive, inductive, quantitative, qualitative,

descriptive, exploratory, predictive and basic research (Hussey and Hussey, 2017). The process of choosing the methodology depends on assumptions made by the researchers of how they look at the investigated world as an important part of the research philosophy (Saunders et al., 2012).

### **3.4 The reason for understanding the research philosophy**

The development of knowledge and the identification of the nature of knowledge in the social world are the primary concerns of the researcher in social science. Presumptions about how someone sees or observes the social world are included in research philosophy. Ontology and epistemology must be considered in this context. The research process and the methods used are influenced by these ways of thinking (Bahari, 2016). According to Bahari (2016), research philosophy is a significant issue in both the social and natural sciences. Easterby-Smith and coworkers, (2016) assert that a researcher's ability to conduct high-quality research may be compromised if they fail to consider philosophical considerations. As a result, the investigator is required to consider the philosophical aspects prior to beginning the research. This is because philosophy is the research design's central concept. Easterby-Smith and coworkers, (2016) cite the following reasons why the researcher ought to comprehend the research philosophy: to help make the research design clearer, to allow the researcher to choose between different designs so that they can figure out which one will work best, and to come up with a design that might not be familiar to the researcher. Understanding the research philosophy is crucial. According to Crossan (2016), philosophical inquiries demonstrate the significance of comprehending research philosophy. According to Smith (2017), people's ideas and presumptions about the world become unstable and muddled when they are questioned in an inappropriate manner. Understanding the research philosophy is therefore necessary. Proctor (2017) asserts that understanding the larger philosophical issues, such as the interaction between epistemology, which is the study of knowledge, ontology, which is the study of the nature of reality, and the methodological aspects of the research, can be gained by examining one's own beliefs. Easterby-Smith and coworkers, According to them (2017), it is crucial to

investigate philosophical issues in research because these issues dictate the research methodology. This indicates that if the researcher adopts positivism, he or she wants to measure the concepts by operationalizing them. After narrowing down the phenomena being investigated with a large sample, the researcher then focuses on objective facts to formulate hypotheses. According to Collis and Hussey (2016), the analysis looks for causality relationships, or relationships in which one variable affects another. Understanding the research philosophy is critical because it can affect how the research is carried out and managed. According to Collis and Hussey (2016), the framework that reflects how the research must be carried out is the research paradigm. According to Guba and Lincoln (2016), paradigm is a belief system that assists the researcher in selecting the ontological and epistemological aspects of the study's methods. Cohen and others, (2017) assert that four social world-related assumptions should be examined when developing research methodology. The kind of epistemology, the kind of ontology, the connection between people and the environment, and the questions associated with the approach and methods of research are all examples of these. As a result, the research philosophies' epistemological and ontological aspects, research approach, and research methods are the focus of the following section.

### **3.5 -Epistemology and Ontology**

The best ways to learn from the world are the focus of epistemology (EasterSmith et al., 2017). To put it another way, the goals of this philosophy are to determine the nature of knowledge, its origin, and its boundaries (Ericksson and Kovalainen, 2017). According to Saunders et al., this philosophy investigates the nature of knowledge and what constitutes acceptable knowledge in the subject matter being studied. (2016). The central question in social science epistemology is whether or not the social world should or can be studied using natural science methods. The acceptable knowledge that will emerge during the research process is determined by the response to this question (Easterby-Smith et al., 2016). According to Blaikie (2017), in epistemology, what exists can be known. According to Hallebone and Priest (2016), epistemology is the method by which researchers can categorize what

constitutes knowledge and what does not (Hallebone and Priest, 2016). To put it another way, the researcher is able to determine what constitutes acceptable knowledge in the study area (Saunders et al., 2016), and the investigation into the nature of knowledge continues (Allison and Pomeroy, 2017). On the other hand, according to Blaikie (2017, p. 7), ontology is "the science or study of being." According to Blaikie (2017, p. 8), this idea is developed for the social sciences to include "claims about what exists, what it looks like, what units make it up, and how these units interact with each other." In a nutshell, the description of our views—assumptions and claims—about the nature of reality is the focus of ontology. According to Flowers (2018), this reality is either a subjective reality that is created in our minds or an objective reality that actually exists. For instance, questions about what is actually going on in the company (objective reality) or what the author thinks is going on (subjective reality) might be included in a workplace report that is given to an employee. As a result, any phenomenon, such as culture and power, can be studied as either an objective reality or a subjective reality that is independent of the people who live in it (Flowers). 2019). According to Allison and Pomeroy (2019), ontology deals with the nature of reality. According to Allison (2017), epistemology focuses on the sources of knowledge, such as human feelings, beliefs, books, experts, and research papers. Ontology, as a concept, focuses solely on how people experience and perceive the world (Allison, 2016). According to Allison (2016), it is challenging to distinguish between epistemology and ontology. Saunders and others, 2016) not only distinguish between epistemology and ontology, but they also classify ontology and epistemology. On the basis of philosophical views, epistemology has been divided into interpretivism and positivism, while ontology has been divided into subjectivism and objectivism. Business studies frequently adopt interpretivism or positivism as their epistemological stance. As a result, both theories are discussed. Ontological aspects, both objective and subjective, are then discussed as well.

### 3.5.1- Positivism.

According to Freimuth (2017), this philosophy derives its name from the fact that the world is governed by the law of cause and effect. When formulating theories and evaluating them, this philosophy frequently employs the deductive method. According to Collis and Hussey (2017), positivism is the framework that scientists use to carry out scientific research. It is still widely used and is based on the idea that reality exists independently of us. Additionally, the researcher is detached from reality, and the researcher's objective is to observe in order to discover the theory. Positive information can lead to knowledge because "every rationally justifiable assertion can be scientifically verified or is capable of logical mathematical proof" (Wallimn, 2018, page 15). This indicates that positivists advocate putting natural science's methods into practice. This is due to the fact that social facts—also known as objective reality—are distinct from individuals' perceptions and beliefs (Bahari, 2018). They hold the belief that there is no distinction between appearance—what is seen—and reality. That is to say, the world actually exists (Marsh and Furlong, 2017). According to Denscombe (2016), positivists hold the belief that the social sciences are governed by patterns and regularities, or cause and effect, that are analogous to those found in nature. Because the world exists externally and the research is carried out without regard to values (Bahari, 2016), the research is therefore objective (Marsh and Furlong, 2017). In order to explain social phenomena, this philosophy places an emphasis on theories. As a result, positivists continue to employ this logical reasoning paradigm. Rather than subjectivity, this philosophy is supported by objectivity and precision. This is due to the widespread belief among positivists that reality exists without us. According to Creswell (2018), the process of observing social reality will not change that reality. The theory aids the researcher in predicting the studied phenomena in this philosophy. Additionally, it establishes causal connections among the variables. By first establishing causal laws and then connecting them to the theory, this can be accomplished. According to Collis and Hussey (2019), the social world is therefore governed by fixed laws that represent the relationship between cause and effect. Saunders and others, (2018) mention that natural science is the source of positivism. According to Hook and Cunliffe (2016), positivists postulate that a scientific measurement of people's

behavior can reveal what takes place in businesses. According to Lincoln and Guba (2017), the positivist paradigm holds that the object being studied is independent of the social actor and that knowledge can be acquired through observation and measurement of phenomena. In addition, this paradigm reduces the investigator's involvement in data collection, which is closely linked to quantitative analysis methods. As a result, in order to measure the variables, it tries to make connections between them (Collis and Hussey, 2019). In conclusion, positivism is referred to as "an epistemological position that advocates the application of methods from the natural sciences to the study of social reality and beyond" (Bryman, 2018, p. 11). According to Crotty (2016), it holds the belief that phenomena can be examined and verified using objective methods. According to Bryman and Bell (2017), the object being studied is separate from the investigator. In addition, a value-free method of research should exclude the investigator's feelings (Saunders et al., 2016). Criticisms are leveled against positivism. The first is that spatial data are not taken into account by the statistical data used in quantitative research (Marshall, 2016). Additionally, it disregards the fact that every human being possesses feelings, attitudes, and perceptions and treats them as objects (Playle, 2016). Furthermore, positivism is a single scientific approach that may not be sufficient for the research (Bryman, 2016). Positive thinking, on the other hand, dominates logistics research (Kovacs and Spens, 2017; 2017 by Garver and Mentzer; Denktas-sakar and Karatas-Cetin, 2016).

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

### **3.5.2- Interpretivism**

According to Crotty (2018), interpretivism is regarded as anti-positivism. Qualitative research is closely related to this philosophy. It is widely held in this philosophy that people tend to comprehend and discover the world in which they work and live. People focus their meanings and experiences on specific things and objects. Instead of breaking down meanings into ideas, this forces the researcher to look for the complexity of different points of view. According to Creswell (2016), the goal of this kind of research is to rely as much as possible on people's perceptions of the world under study. According to Hatch and Cunliff (2016), this philosophy does not, like positivism, make the assumption that the world is a natural science. Instead, it

says that the world is a social world in which people can make memories, experiences, and expectations. As a result, different interpretations emerge as meanings about things and objects shift over time. The premise of interpretivism is that people think about reality. As a result, reality is personal. According to Collis and Hussey (2019), qualitative approach researchers who are looking for the meanings of the phenomena being studied employ the paradigm. This kind of research puts the researchers in a position to collaborate with the participants, who tend to put their values into the study. Data are interpreted differently as a result (Creswell, 2016). According to Lincon and Guba (2018), the goal of this paradigm is to try to explain and explain the meanings of the things that happen where people work and live. Focus groups, in-depth interviews, and case studies are used by the researchers, who are more involved in the data collection process (Collis and Hussey, 2019). The criticism of positivism resulted in the development of this philosophy. Positivism holds that systematic structural research may limit the findings and disregard other relevant findings. Additionally, critics contend that positivist researchers are not objective due to the possibility that their values and interests are reflected in the research. Furthermore, not all social phenomena can be statistically quantified (Collis and Hussey, 2019). Because social reality is shaped by people's perceptions, interpretivism holds that it reflects subjectivity rather than objectivity. As a result, researchers' interpretations are shaped by their cultural and historical backgrounds, making it impossible to separate their thoughts from the social world they are studying (Creswell, 2016). Interpretivism is interested in examining the complexity of the social world, whereas positivism is concerned with measuring social phenomena (Collis and Hussey, 2019). There are issues with interpretivist epistemology research. The first issue is related to the fact that this kind of research has a small sample size, which limits the size of the results. Therefore, when adopting this type of philosophy, the generalisability issues must be accepted (Gasson, 2018). In addition, whereas interpretivist research employs small samples, positivism reduces the phenomenon being studied to the point where it ensures context commonality. In addition, positivist research uses reliability and validity to evaluate quality standards, whereas interpretivist research does not use those terms. In addition, the philosophy of interpretivism holds that the phenomena are constantly changing due to their dependence on social interactions. As a result, this study's findings are viewed from the perspective of the researcher (Sauders et al., 2016). As

a result, different researchers may come up with different outcomes if they conduct the same study again and again (Gray, 2016).

### **3.5.3- The choice of the epistemological stance**

Positive thinking is the epistemological perspective that works best. This is due to the fact that questionnaires, case studies, and interviews are used more frequently in the behavioral approach of logistics research than are economic concepts like sensitivity analysis, mathematical modeling, and simulation. According to Mentzer and Khan (2016), the positivist scientific method serves as the foundation for these approaches. According to Karatas-Cetin and Denktas-sakar (2016), logistics research tends to take an economic rather than a behavioral approach. Additionally, logistics research is dominated by positivism (Arlbjorn and Halldorsson, 2016; 2016 Näslund; 2016 by Spens and Kovacs; Denktas-sakar and Karatas Cetin, 2016). Scientific knowledge is the only way to acquire genuine knowledge (Giddens, 2016). In addition, the researcher is required to determine the effects of personnel contact quality, ordering procedures, trust, commitment, rewards power, and coercive power on customer satisfaction in accordance with the research questions, aim, and objectives. Consequently, this indicates that the researcher observes social reality and draws analogous conclusions from natural science. The researcher is able to quantify and analyze the observable variables with the help of statistical methods thanks to the structured nature of this philosophy. Social phenomena must therefore be scientifically observed and measured. Additionally, because personal interpretations that could influence conclusions are omitted, positivistic research will not be biased. This research rejects interpretivism in favor of positivism for the aforementioned reasons.

### **3.6- Objectivism**

The idea is based on the idea that social actors can't see reality (Saunders et al., 2016). In logistics, for instance, it is regarded as an objective phenomenon, resulting in an objectivist ontological position. This is because the outsourced companies (the 3PL user) know what they want from the outsourcing companies (the 3PL provider) in terms of service quality, relationship power, and marketing through relationships. Since the decision to outsource implies that the 3PL provider will likely bring benefits such as improved quality and balanced relationships, they are the only party authorized to evaluate these items. A lot of research in organizational science is based on the idea that reality is objective, that it exists, and that finding it is necessary. 2016 (Holden and Lynch). According to Holden and Lynch (2016), realists are those who hold the belief that human consciousness existed before the world existed. Additionally, they are of the opinion that observation and measurement can yield reliable information (Giddens, 2016; (2016) (Morgan and Smircich). "Social phenomena and their meanings have an existence that is independent of social actors," according to Bryman and Bell (2016, p. 21). As a result, the world is out there, functioning lawfully and methodically, and the reality is unaffected by human interpretation. The researchers in this paradigm hold the widespread belief that the world is real, just like the natural world, and they emphasize the significance of studying the connections between the variables in their constitus. 2016 by Bahari). According to Wood and Welch (2016), the positivist epistemological stance, quantitative research methods, and the deductive approach are all closely related to this terminology.

### **3.7 -Subjectivism**

Subjectivism holds that social actors' perceptions and actions are the source of social phenomena. Thus, this idea encourages the researcher to comprehend the meanings of these actions by shining light on the actions of social actors in order to comprehend their subjective meanings (Saunders et al., 2016). According to Bryman

and Bell (2017, p. 21), an "ontological position that asserts that social phenomena and their meanings are continually being accomplished by social actors" is the position. According to Morgan and Smircich (2017), researchers who adhere to this philosophy hold the belief that social actors are capable of causing social phenomena. Easterby-Smith and coworkers, According to this statement (2016, p. 29), "this new paradigm has been developed by philosophers during the last half century, largely in response to the application of positivism to the social sciences, stems from the view that reality is not objective and external, but is socially constructed and given meaning by people," Social interactions are the source of the social phenomena, which are constantly evolving (Bryman, 2001). Sauders and others, According to 2016), subjectivism ontology is the belief that social actors are concerned about the existence of social phenomena and that their perceptions and actions are the cause of these phenomena. According to Wood and Welch (2016), subjectivism is compatible with both the qualitative and inductive research approaches. Subjectivism was criticized by Kuhn (2016); Even though it is referred to as a concept of realism, it cannot halt objectivism's success and is considered a real threat to scientific advancement.

### **3.7.1- Choice of objective ontology and subjective ontology.**

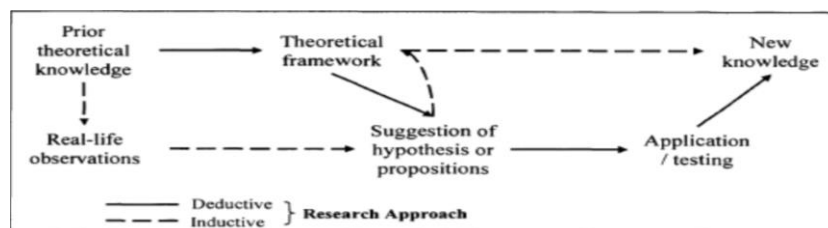
The research questions were formulated to provide an explanation for the connection between customer satisfaction in Jordanian third-party logistics, relationship power, and logistics service quality. The ontologically objective position is taken. This decision was made because the logistics studies are founded on scientific investigation (Mentzer and Khan, 2016; Denktas-sakar and Karatas Cetin, 2016). Scientific inquiry thrives in the field of logistics (KaratasCetinn and Denktas-Sakar). 2016, P. 125). The scientific investigation is objective. Due to the emphasis on objectivism and the researcher's widespread belief that logistics is an objective entity, the scientific method yields reliable knowledge. Additionally, the objective paradigm is required for generalizations in logistics research. Because of this, the study adheres to the philosophy of objectivism rather than the subjectivism ontology.

In addition, Wood and Welch (2016) state that adopting positivism results in adopting objectivism. It is essential to comprehend and select the feasible research strategy following the identification and explanation of the ontological and epistemological positions. According to Spen and Kovacs (2016), there are deductive and inductive approaches to logistics research. According to Wood and Welch (2016), it is essential to select the appropriate research strategy in order to arrive at conclusions regarding the phenomenon being studied.

### 3.8 The research approach (deduction and induction).

According to Wilson (2016), the deductive method is based on making assumptions from existing theory and then putting those assumptions to the test. To put it another way, the results are deduced using the tested hypotheses in this method. This indicates that the researcher who employs this strategy develops testable hypotheses. The researcher then tests the hypotheses using the appropriate methodology. The conclusion ought to be accepted as well if the deductive approach's premises (hypotheses) are accepted (Zalaghi and Khazaei, 2016). According to Beiske (2017), this method begins with the theory and tests it to determine whether or not it applies under specific conditions. Deduction adheres to scientific and logical principles. It begins with a theory that leads to a new assumption. After the assumptions are compared to the observations, they are put to the test and either accepted or rejected (Sneider and Larnar, 2019). According to Pelissier (2018), this method is referred to as the top-down reasoning process or the approach from general to specific.

Figure (3.1) shows the difference between the deduction approach and the induction approach in logistics research.



As shown in Figure (3.1), the deductive approach starts with prior knowledge. After that, building the theoretical framework then extracting the hypotheses from this framework to test them, concluding with the new knowledge (Spens and Kovacs, 2006). The inductive approach states that the researcher or the observer should register what he or she observes without any biases and prejudgments and the observer should be impartial. These observations help to construct laws and theories that make up the scientific knowledge. The researcher in this approach can generalise the observations logically into scientific assumptions that get verified. Thus, this approach starts with the observations, then generalizes the conclusions to similar situations (Zalaghi and Khazaei, 2016). The generalizations should be tested to reject or accept them (Godfrey and Hudson, 2017). Bernard (2017) asserts that theories are constructed as a consequence of the observations at the end of the research. Thus, the researcher focuses on the pattern to develop the theory based on those patterns through the hypotheses.

### **3.8.1-Choice of the research approach.**

From the perspective of a 3PL user, the research questions, objectives, and goal are to investigate the effects of service quality, relationship marketing, and power on customer satisfaction. To get opinions from a lot of 3PL users, the deductive research method is used. Kirkeby (2018) asserts that the deductive approach is generally the most common one. This holds true for logistics research (Mentzer and Khan, 2017; 2016 Näslund; 2018 (Aastrup and Halldorsson). In logistics studies, according to Wanger and Kemmerling (2016), the deductive approach is also the most prevalent among the various approaches. The researcher can accurately collect a large sample from the entire population using this method. Additionally, the studied constructs' causal relationships can be established by operationalizing the complex constructs. In addition, this strategy is well-known in the logistics industry. As a result, the research will be appreciated and well understood. The question of how to measure the power of the relationship between the 3PL provider and the 3PL user is a new research question. In addition, the trust-commitment theory-based

relationship question for evaluating the relationship between 3PL providers and users is still in its early stages. The researcher can operationalize and measure the constructs using this method. The deductive method is required when the researcher applies theories from other relevant fields (Kwak, 2014). Marketing, operations management, and engineering are just a few of the other fields that logistical management is closely related to. As a result, this field's scope is difficult to gauge. According to Karatas-Cetin and Denktas-sakar (2013), this field has taken theories from marketing and economics. According to Karatas-Cetin and Denktas-sakar (2016), the field of sociology includes the power theory, which includes coercive power and reward power, as well as the social exchange theory, which includes trust and commitment. The deductive method is frequently used when evaluating the quality of logistics service. The research's objectives and aim must adhere to the deductive method as a result of the preceding. Last but not least, the deductive approach, objective ontology, and quantitative research method are all based on positivism, according to Wood and Welch (2016).

### **3.9-The research method**

Collis and Hussey (2018) make a distinction between the terms "method" and "methodology." The term "method" refers to the means by which data can be collected—such as through questionnaires, interviews, observations, secondary data, and other data collection methods—while "method" refers to the entirety of the research process. Logistics research, the quantitative research method, and qualitative research method are two types of business research methods (Saunders et al., 2016). Data collection and analysis are what set qualitative methods apart from quantitative ones (Saunders et al., 2016). The selection of the appropriate research depends on the requirements of the research, as each has distinct characteristics.

### 3.9.1- Quantitative and qualitative research methods

According to Bryman and Bell (2017), page 177, "quantitative research can be characterized as a linear series of steps moving from the theory to conclusions." According to Wanger and Kemmerling (2016), questionnaire-based quantitative research is overused in logistics research for a variety of reasons. The first reason is that the questionnaire can be distributed throughout a company to gather the necessary information. The second reason is that the questionnaire makes it possible for the researcher to speak with executives in higher positions; In this study, it is the manager of the supply chain. The final reason is that the questionnaire ensures anonymity and uses standard language, preventing problems caused by interview bias. According to Creswell (2016), the quantitative research method necessitates data collection in order to generate information. Utilizing statistical techniques, the data can be quantified and analyzed. Interpretation of findings that support or challenge the hypotheses will result from this. According to Williams (2017), a mathematical model is developed to analyze the data. According to Sukamolson (2018), employing the quantitative research method has a number of benefits. The researcher's ability to estimate the population is the first advantage of using a quantitative research method. Additionally, this kind of research can offer a wealth of in-depth data on people's attitudes. This kind of research's findings can also be statistically summarized. In addition, actions, occurrences, and trends can be measured using the quantitative research method. Furthermore, this kind of research is precise and conclusive. According to Collis and Hussey (2019), quantitative research methods' findings are more reliable than qualitative research's. According to Berry and Bell (2017), there are three reasons to employ the quantitative research approach: causality, generalization, and replication. According to Bryman and Bell (2017), the qualitative research method is "a research strategy that usually emphasizes words rather than quantification in collecting and analyzing data, and that rejects the practice and norms of the natural scientific method." P.28). The researcher can get a lot of information about people's feelings, thoughts, and experiences using the qualitative research method. According to Bryman and Bell (2017), the qualitative research method works best with small samples, is time-consuming due to the length of time required for interviews, and is difficult to

analyze and interpret the data because the researcher receives a lot of non-standardized data. However, there are numerous drawbacks to the qualitative research approach. Due to the small samples, the findings cannot be generalized to the quantitative research method. Additionally, the interview is influenced by the researcher (interviewer). Additionally, according to Pope and Mays (2016), this research approach appears as a collection of individual opinions and anecdotes. According to Rahman (2017), the interviewer focuses far more on the meanings of the participants than on other significant issues in the context. According to Berrg (2019), many social scientists value the quantitative research method more because it can quantify the variables being studied. In addition, the qualitative research method may neglect the cultural and social constructs associated with the studied variables (Richards and Richards, 2016).

#### **3.9.1.1 Choice of research method.**

The qualitative research method for this study is adopted to help inform new concepts, theories and products. First developed within the social sciences, qualitative research is now widely used to inform market research, by gaining unique consumer insight from a wealth data. This can be done by collecting a data from interviewing the target person at Logistics department in Halal Hub Industry in Melaka.

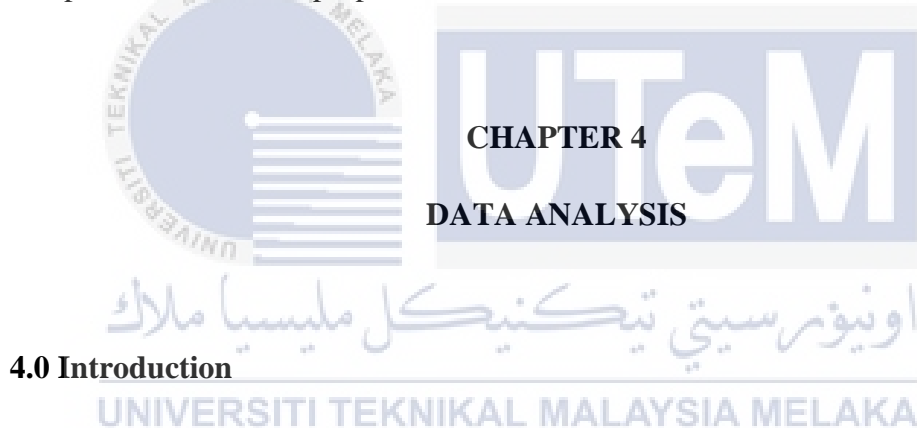
#### **3.9.1.2 Research Strategy**

The research strategy used in this study will be constructing an interview that will bring along the survey form and distributing the questionnaire through questionnaire papers. This is because questionnaire allows collection of standardised data from a sizeable population in Melaka to test on their perceptions. Subsequently, about 5 sets of interview has been held in Logistics Department in Halal Hub Industry in Melaka. The respondents will answer the questions based on their own experience and

thought without any bias. After the questionnaire is proved as validity and reliability, the questionnaires will distribute online to real test sample (5 respondents). Each respondents used an average of five to eight minutes to complete the interviews. The data collected were used to analyst halal logistics on customer satisfaction.

### **3.10 Summary**

The research design of this study is qualitave analysis. A set of question that included research objective in it, already designed to collect the data. The time horizon for this paper is by using cross sectional data collection. The time spend to complete overall of the proposal of this research take around 2 semesters.



### **4.0 Introduction**

In this chapter, the result of the cases study in food manufacturing industry is analysed. Firstly, the researcher had targeted to conduct the interview session with five companies and one respondent in each company. However due to the time constrain, the researcher only successfully conducted the interview with five companies which are Hanuris, Asas Matahari Sdn Bhd, MK Biofood, Rezki Baroqah Jaya Trading and (Apple Bakery). The objective of this study is to investigate the opportunities and challenges of implementing automation among selected SMEs of food manufacturing industry. Hence, the result were presented based on how to To explore the effect of personnel contact quality and ordering as logistics service quality items on customer satisfaction in the Halal Hub.

In this research, data is collected through interviewing business owner or company director by using qualitative research method. This is because the researcher wanted to understand about this study in more detail. Qualitative research method can give a deep understanding of selected companies that the researcher wants to study. The results of the cases study will elaborate further in 3 parts. The first part is about the to explore the effect of personnel contact quality and ordering as logistics service quality items on customer satisfaction in the Halal Hub. The second part will be to find the impact of commitment on customer satisfaction and lastly to see how the manufacturers solve the problems.

#### **4.1 Respondent Background**

The cases study were conducted by using qualitative research method to conduct a semi-structured interview with five food companies in Halal Hub, Melaka.

##### **Respondent A.**

The first respondent that the researcher had interviewed is Respondent A. Respondent A has been working as a director at Asas Matahari Sdn Bhd for approximately twenty years. Asas Matahari Sdn Bhd is a company that processes chicken fillets, meat, crab, tuna etc., tuna-based products (frozen), marinated products (chicken satay, meat & tuna), frozen products and paste. Currently, Asas Matahari Sdn Bhd has been used their own logistics for delivery.

##### **Respondent B.**

The second respondent that the researcher had interviewed is Respondent B. Respondent B has been working as a sales operations assistant at AZ Armada Legacy Resources for about five years. Az Armada Legacy Resources is a company that processes stevia sugar. Currently, the company itself also used Halal Logistics and sometimes used their own transport as logistics.

#### **Respondent C.**

The third respondent that the researcher had interviewed is Respondent C. Respondent C has been working as a Ecom Department that overviewed the production and already working since the start of Hanuris Food Sdn Bhd on 2011. Hanuris Food Sdn Bhd is a company that processes belacan. Belacan is the main product for most foods, so they distributes a lot of it to various locations in Malaysia. They currently outsourcing the for delivering their products such as J&T.

#### **Respondent D.**

The fourth respondent that the research had interviewed is Respondent D. Respondent D has been working as a founder of MK Biofood and Beverages since this company was established in 2017. MK Biofood and Beverages produce of probiotic drinks and ice cream or known as yogurt. Apart from producing products, they also breed bacteria. They currently outsourcing the delivering partner from Citylink Express because they provide the best service and take care of the quality of their goods.

#### **Respondent E.**

The fifth respondent that the researcher had interviewed is Respondent E. Respondent E has been working as a manager at Rezki Baroqah Jaya Trading since

2018 its establishment in Melaka Halal Hub. Rezki Baroqah Jaya Trading. Rezki Baroqah Jaya Trading produce frozen products, and more specifically meatballs and chicken. Currently they have their own trucks for logistics.

#### **4.2 To profile Halal Hub supply chain logistics in Melaka.**

The researcher had conducted few interview sessions with the experienced respondents to identify the supply chain logistics that really benefits both parties. There are two types of supply chain logistics that has been used by the five companies in Halal Hub that being interviewed. They had their own reasons on why they choose their logistics. The researcher found that most of them outsourcing their logistics by using other 3PL companies or external logistics rather than their own logistics, especially those companies that are small and cannot afford to buy their own logistics vehicles, especially for long-distance delivery. According to Will Kenton (2022), Logistics refers to the overall process of managing how resources are acquired, stored, and transported to their final destination. Logistics management involves identifying prospective distributors and suppliers and determining their effectiveness and accessibility. Logistics managers are referred to as logisticians. For this objectives, there are two types of supply chain logistics which are from, using own vehicles as logistics and also outsourcing from third party companies.

##### **4.2.1 Own Vehicles**

According to Pegasus (2021), While public transportation is a great option, it may not fit your lifestyle. Public transit entails longer wait times, larger crowds during rush hour, and less flexibility or options. Maybe you don't have public transportation near your home, or maybe your public transit doesn't have a direct route to your destination of interest. Just like in the business world, using your own transport is also considered better than using transport for logistics from outside. For the halal food manufacturers in Melaka Halal Hub, using their own transport for

some of them are better than outsourcing their logistics and it naturally the cheapest than the other option.

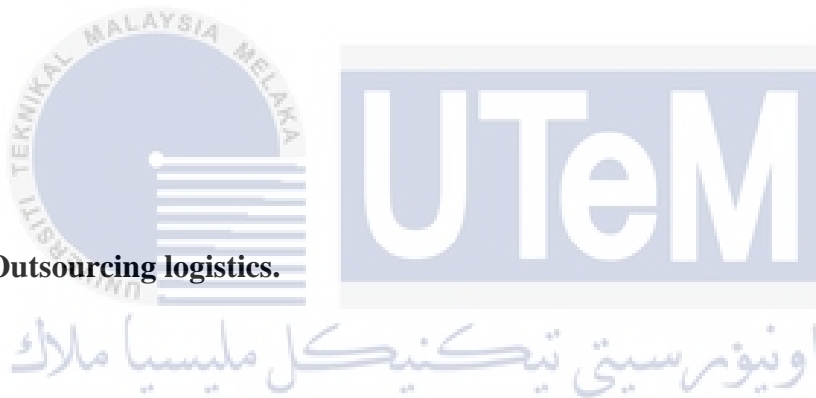
*“Using your own transport is easier to control and follow the company's instructions”*. **Reported an interview with Asas Matahari Sdn Bhd.**

*“Own vehicle is more economical and convenient”*. **Reported an interview with Rezki Baroqah Jaya Trading.**

According to Girtoka (2021), one benefit that full ownership of your fleet, namely trucks and trailers, does provide is the fact that you can offer your clients a completely tailored solution. For example, if a customer needs to move grapes on the road and has to do so quickly to preserve their shelf life, with a long journey ahead, a fully owned fleet can help in providing a solution. If one driver has reached the limits of his working hours, another driver, who just started his working trip and is legally allowed to drive for some number of hours, can come and pick up the trailer with the grapes, trailer swapping with the former driver's trailer that is not filled with time-sensitive goods. If a company owns refrigerated trailers, the logistics provider not only is able to transport fish, frozen, and fresh food, but also participate in the pharmaceutical supply chain, once the required permits, like a Good Delivery Practice (GDP) certificate, is obtained. Finally, a tailored solution helps improve your relationship with a customer, as not only you are described as a reliable logistics partner, but also a partner that can help you deliver your goods in a quick and safe manner, no matter the apparent difficulty of the task. This is very convenient for them because they process food that requires close care when the delivery is done, and this can easily be controlled by them, because the sender is also from their own side, the quality will be more guarded in this respect.

Also, the supervision of your trucks and trailers is another aspect of the fleet that is completely under your control. That includes knowing where they are and where they are going, as well as always having up-to-date information about things like insurance and maintenance (Pegasus, 2021). Even though it costs more to maintain

and insure your own fleet, it ensures that your trucks are operating in accordance with the most recent safety standards. If a company like halal food manufacturers uses brand-new trucks that are still covered by the manufacturer's warranty, keeping that warranty is important to keep the asset's value as high as possible in the future. In turn, a mechanical issue can be fixed as soon as possible if your trucks are maintained in accordance with the manufacturer's recommendations and as they carry goods on the road. As a result, both drivers' safety and the comfort of those who live on and use the roads are guaranteed. In addition, this means that halal food manufacturers can guarantee the highest standards for your road transportation solutions and provide high-quality services to your clients using trucks and trailers that have been well-maintained.



#### **4.2.2 Outsourcing logistics.**

According to Amware Fulfillment (2020), the right partners can be powerful allies in a business's quest to become bigger, better and more profitable. Nowhere is that more true than logistics management, where logistics outsourcing continues to grow, and 62% of shippers who currently outsource say they are actually stepping up their use of third party logistics providers (3PLs).

*"Reduce own logistics costs".* **Reported an interview with Az Armada Legacy Resources.**

*"Reduce distribution costs for infrastructure in logistics and warehousing".* **Reported an interview with Hanuris Food Sdn Bhd.**

*“easier, no need to worry about logistics.”* **Reported an interview with Mk BioFood Sdn Bhd.**

According to Drew (2022), Most businesses handled shipping and logistics prior to the 2000s. They could use their own resources, like trucks and a warehouse, or they could hire those services themselves. However, businesses began to outsource logistics services as supply chains became increasingly technologically driven and complex.

Outsourced logistics services like transportation, warehousing, and cross-docking—the intermediate point where a customer's order is assembled—are often provided by an external logistics provider. It involves inventory management, packaging, freight forwarding, and concentrating, assembling, and redirecting to the endpoint. A type of business process outsourcing that focuses on the strategic operation of the customer's supply chain is a relationship with an external logistics provider. Accounting, IT, and human resources are just a few of the non-core functions that many businesses outsource. To manage specific traffic segments or customer bases, businesses may employ a variety of third-party providers. Alternately, they can contract out the entire supply chain. The outsourced logistics provider makes decisions about how to run the day-to-day operations, allowing in-house employees to concentrate on the things they do every day that can help you. In most cases, these services are combined to offer a single point of contact for the entire (or a portion of) a company's supply chain. When costs are rising and service levels are decreasing, or when there is a shift in the structure or strategy of the company, carriers will typically think about outsourcing logistics services. The supply chain can be modified to incorporate the most recent e-commerce capabilities with the assistance of outsourced logistics, which can assist your business in scaling as it grows organically.

Generally, Reduce overall logistics costs. According to the 2021 State of Logistics Outsourcing Report, 91% of 3PL users agree that their 3PL relationships have been successful, and 68% say that the use of 3PLs has contributed to reducing overall logistics costs. Halal food manufacturers who choose logistics outsourcing think it will save in terms of logistics costs because they don't have to spend money

to buy delivery vehicles that are getting more expensive, they only have to spend capital to pay the delivery costs to the parties concerned. Also, 3PLs have already invested in buildings and systems so you don't have to. Those costs are part of the overhead you pay but are shared across many clients, so you benefit from this broad allocation of costs. For deals involving dedicated facilities, the right 3PL may invest in infrastructure on your behalf as part of a long-term partnership agreement. Thus, companies in the halal hub, do not need to provide a large space for their logistics and warehousing, they can continue to focus on more important parts such as production with the purchase of machines.

#### 4.3 To measure the factors effecting in customer satisfaction for the Halal Hub Logistics.

The researcher had conducted few interview sessions with the experienced respondents to identify on how they ensure their logistics commit on their work properly. There are a lot of things to ensure the higher levels of commitment of logistics department in Halal Hub company. After interviewed with the selected respondents, the researcher found that there are three major things to ensure the higher level of commitment positively which are,

Table : To measure factors effecting on customer satisfaction.

Ensuring commitments Respondents	A	B	C	D	E
Create a strong teamwork culture	/		/	/	/
Communicate clear goals and expectation to the employees	/		/		/
Be transparent and encourage open communication	/	/	/	/	/
Strong working sense					

Moodmaker of company					
----------------------	--	--	--	--	--

Based on the table above, it show strong working sense and moodmaker of company is not untrue, but they feel that it is not related to the context, most respondents feel the same about that. Besides, increasing higher level of commitment doesn't really need strong working sense but requires dedication and moodmaker of company doesn't related because serious but happy is a suitable situation to express.

#### **4.3.1 Create a strong teamwork culture.**

A healthy work environment can be created by cultivating a strong teamwork culture. In an organization, no two employees can be exactly alike. When people work together in a team, they will have different perspectives on things because they come from different backgrounds. However, employees will be motivated to work together and accomplish more if an organization fosters a culture of teamwork. As a result, they will be more committed, and the workplace will be harmonious in the long run.

In addition, creating a great team culture can assist you in attracting and keeping top talent, saving you money on employee turnover costs. 46% of job seekers polled by BuiltIn in 2019 stated that the company's culture played a significant role in the application process. In contrast, 47% cited a negative workplace culture as their primary motivation for job search. One of the best ways to attract and retain top talent is to invest in culture.

According to the Respondent A, the main factor in ensuring the higher level of commitments is creating a strong teamwork culture. "Ensuring high commitment from employees is by forming a strong teamwork culture" is his view on a company that wants to get high commitment from its employees, especially the logistics department. By clearly define your values and mission, make employees clearer about what they do. In this context, the logistics department of Asas Matahari Sdn

Bhd, if they are clear about their purpose, and know what their work is and for what. Making them more willing to give full commitment and bring a sense of love to their work, this indirectly creates a positive increase in the commitment of their employees.

Next, Respondent C also agreed with the main factor is ensuring the higher level of commitments is by creating a strong teamwork culture. “Every successful thing starts from cooperation”, based on the words mentioned, then it is clear, the environment that always cooperates in every mission and task given always promises satisfactory results. This makes employees more enthusiastic to continue working and not consider it a burden. Employees who are happy with their work will always give a high commitment to their work and team.

Besides, Respondent D and Respondent E also agreed with the creating a strong teamwork culture will ensure the higher level of commitment positively from employees, especially in logistic departments. The alignment of each step in the strategic management process with the company's long-term objectives is ensured by well-written vision and mission statements. To convey their goals to stakeholders, managers use concise vision and mission statements. If daily work is aligned with the vision and mission, employees know where to put their efforts. Customers, suppliers, and shareholders can choose whether to do business with the company by reading its concise vision and mission statements. Even though both of the respondents has their difference logistics preference, but whether using its own logistics vehicles or outsourcing from other companies, it still requires a strong teamwork culture to make employees always give the highest commitment to their careers.

The researcher agreed that the main factor that contributed to the higher commitment positively from the employees are through creating strong teamwork culture. This has been explained by Respondent A, C, D and E. A good teamwork can produce a good result.

#### **4.3.2 Communicate Clear Goals And Expectation To The Employees.**

Regardless of whether or not every leader realizes it, effective communication is essential to their success. A crucial aspect of being a great leader is effectively communicating expectations. Your workforce and your employees won't know where to go if expectations aren't communicated. However, expectations communication is not as simple as it may appear. Managers and employees' communication was found to be severely lacking in one survey. In fact, communication issues impede effective leadership, according to 91% of employees. Most employees want to be a part of an irresistible future, they want to know what is most important in their job and how can they achieve excellence in their job. For objectives to have meaning and be effective, employees should be communicated clearly the goals and expectations of the management. Employees, when they feel a sense of ownership tend to stay longer with an organization.

According to Respondent C, he strongly agreed with communicate clear goals and expectation to the employees is much more important in ensuring the higher level of commitment positively from employees. Hanuris Sdn Bhd believe that, when assigning a task, make it clear that they need a high standard of work completed and a time frame in which it must be done. When it comes to what you're asking of people, be clear from the start and make sure they know what to do if they have questions or problems. if, for instance, they ought to check in with their team leader or directly with you as a manager to answer questions or address concerns. Give a period of time that suits the given task for delivery clearly and carefully also makes it easier for employees, they will better understand their responsibilities and like their work because it is more organized and less burdensome, this will indirectly increase their commitment to work.

Next, according to the Respondent A, he also agreed that communicating is the number one in company. A clear goals and expectation to the employees is a must. Asas Matahari Sdn Bhd always prioritize communication between employees, they hold a session every week for subordinate employees to talk to top management, this channel is for each employee to express their opinion on how the company should run or good ideas for the research and development area. "No boundaries, every employee is the same" is the slogan used in this company, has

brought them closer to each other. The lack of employees at the Hanuris company does not discourage them, it is even easier because everything that is communicated is easy to reach each employee because the number is not too many. Although they use external logistics companies for their deliveries, they are always quality couriers who always give a high commitment so that the delivery is always in good condition and the quality of their goods is well maintained.

Last but not least, according to the Respondent E, “check”, after a few days, return. It is essential to acknowledge that there is a line between micromanaging and keeping people on task. It is not necessary to constantly support other people. The most important thing is to casually check in with people to see if they are meeting their expectations. Even if you only have ten minutes, you can ask people over coffee whether they think deadlines are still attainable and whether they are on track to meet expectations. Even better, there are tools that can provide a shared space for one-on-one meetings as well as other useful ways to share feedback and keep in touch with your team. It will not only show that everyone is on the same page and that concerns can be addressed, but it will also show people that you care about what they are doing and want to talk about it. Although it seems easy because they are not involved in production but the logistics part is also the most important part because without them, our goods cannot be delivered to customers, so the Rezqi Baroqah company always emphasizes by placing one of their managers who is always light-hearted to ask about their work whether they are in good condition or not. This is to ensure that they are always on the right track, this makes employees feel valued and will always give a high commitment to their work.

#### **4.3.3 Be transparent and encourage open communication.**

Allow employees to participate in the organization's activities and learn more about how they can contribute to the company's growth. There is a greater likelihood that employees will feel valued and have a stronger sense of belonging when an organization is open and honest with them. Consequently, enhancing employee performance through transparency.

Even though all of the respondents agree with this factor that could be the main reason for the employees to commit positively. Respondent B loud and proudly said that this is the most important reason compared to other reasons. This is because, “act honestly and transparently with the employees, then they will act honestly and transparently to us as well.” Creating core values and putting your mission into words is only the first step. The key is to be transparent about the mission and values so your team can align with them. Make sure your employees can easily access your statement: build it into an employee handbook, display core values on posters in the office and reinforce your mission regularly in team meetings. Your employees will know what they should be striving for when it comes to your mission and how they should conduct themselves as they work toward achieving it. Az Armada Legacy always make it easier for his employees by having a channel where each employee receives their real tasks, as well as being a reference point for them to carry out the tasks given, so employees can continue to refer without having to overlook anything. Especially their logistics part, there is a screen and also a reminder on the mobile phone of their tasks for the day, delivery and so on according to the time period that suits the travel distance. This facilitates two-way transactions, and will increase customer satisfaction if the goods are delivered in good condition and on schedule.

Next, Respondent A and C agreed that being transparent and encourage open communication without any boundaries is the key to the success. “Transparency is the practice of being open and honest with others, no matter how challenging it might be. For both personal and professional relationships to thrive, you need to eliminate the stigma that comes with being straightforward.” There are many reasons why transparency in the workplace is important. In business, transparency means promoting open lines of communication, teamwork, and a deeper comprehension of one's coworkers and the company as a whole. When you are open and honest with your employees, it will be much simpler to get to know each other. This builds trust and improves teamwork by showing that you support and care about one another. Employee engagement is the result of employee trust, which will make workers feel much more satisfied at work. You have a much better chance of keeping talented employees and meeting your business's needs if they are happier. Asas Matahari Sdn Bhd and Hanuris Food Sdn Bhd always practice the culture of often saying hello to

each other in their company, always having open communication with employees and so on, this is to know that the company and its employees are in a healthy and active environment or vice versa. This will make the employees more enthusiastic especially in the logistics department, are they in good condition for the delivery of the session, is it suitable to move at that time, every question that is asked makes them feel less burdened and relieved because someone is aware of their work and not feeling left out, this indirectly makes them always committed to their jobs.

Last but not least, Respondent D and Respondent E also agreed that be transparent and encourage open communication is the one will ensure the higher level of commitment. According to both of them “Your team will have a clear understanding of your company's goal-setting process if you are open and honest. You demonstrate to your employees that you have faith in them and that you want them to continue learning and growing by making the decision to share important data and information and granting access to this information. By providing your team with this opportunity, you demonstrate your confidence in their abilities and their ability to make decisions on their own.” So that they let their logistics department to decide which where they can make their own decisions immediately after receiving the order for delivery, the management does so because, they in the logistics department are more knowledgeable about the delivery that suits the time and period of time, about the order in the warehouse and how the goods need to be delivered, the way the package is also they are also very experts on this matter, if the management is transparent with them and makes it easier for them to make decisions, surely everything will go smoothly, with the guidance of a transparent manager.

The researcher also agreed that with being transparent is the main key that will make the company strive for success in line with the higher commitment positively from employees.

#### **4.4 To model halal hub logistics performance in Melaka**

This part is to explain some suggestion for halal hub logistics performances from Halal Hub Companies in logistics for customer satisfaction.

According to the Respondent A, Conduct dialogue between employees. This will make it easier for logistics workers to feel that they are not marginalized because they are not in the same building as production, but they are also a very important part of the movement of goods out and in. Without them, there is no transaction because there is no movement. They also want to be equally involved in dealings with the management. If the company is aware of this, giving them the opportunity to speak, make decisions, makes them indirectly happy with the company's environment and not feel burdened. This indirectly makes them stay committed to their work, also makes the delivery always on schedule and able to deliver goods in good condition, which causes the quality to be maintained, and this makes customers satisfied with the company's products.

Other than that, according to the Respondent C from Hanuris Food Sdn Bhd, suggested that the government responsible for developing the halal hub should always be aware of the situation in the halal hub. Such as providing facility equipment and facilities to halal hubs because they are still start-ups that cannot afford to buy all the equipment and business items. For example, in the logistics department, not all companies in the halal hub can afford to buy vehicles to make deliveries, perhaps the government can provide facilities by renting at a cheaper rate than usual to encourage and attract more people to join the halal hub so that the food industry in Melaka continue to develop with a government that is sensitive to the problems of their startups.

Last but not least, Respondent D and E believe that learn from the competition. Inspiration can be found anywhere — even in the competition. That's why businesses should take note of their competitors' experiences as a source of free knowledge. Some things management can look for are, new methods of logistics management, for sure will give such a improvement for their logistics especially in Melaka halal hub. Also, efficient staff training programs, and modern software systems, these both so called programs and systems are good to make the employees on track, and on time for their works. By learning

what practices work well for their competitors, logistics managers will be able to stay up to date with industry updates.

In conclusion, the researcher agreed to all of the suggestion and will like to add some of the suggestion by be transparent and fair to all employees, especially employees in the logistics department, the company will always be in good condition.

#### **4.5 Summary**

This chapter covered the result and analysis of this study from the data that collected through interview method. The interview sessions were conducted with five company in Halal Hub at Serkam, Melaka. There are total five respondents where one respondent from each company. Each of the respondent have sharing their experience and knowledge about the exploring the effect, and finding the impact of commitment on customer satisfaction, but the elements that relevants are only three, and the other two wether irrelevant or else. The result was presented by the transcript, voice recording and supported by the secondary data. Furthermore, recommendation and conclusion will be further discussed in chapter 5.

## Chapter 5

### CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

In this chapter, the discussion is based on the results of the data analysis on what has been outlining in the chapter four. The research objectives of this research are successfully achieved and the research questions of this research have been answered. The first research objective is to profile halal hub supply chain logistics in Melaka. The second research objective is to measure factors effecting in customer satisfaction for the Halal Hub Logistics. The third research objective is To model halal hub logistics performance in Melaka. In addition, some recommendations for futher research are discussed for the purpose of continuing the study on Halal Logistics On Customer Satisfaction.

#### 5.1 To profile Halal Hub supply chain logistics in Melaka.

According to Abby Jenkins (2022), Logistics is the branch of supply chain management that is in charge of recording the movement and storage of goods and services as well as the documents and reports that document those movements all the way through the product's journey to the customer. The various modes of transportation used to move inventory from one location to another are included in logistics. This component is essential to efficient supply chain management because it determines where goods can be stored at each stage until they are required elsewhere. As been highlighted in Chapter One, Halal Hub, SMEs act as an integral part of the economy in terms of production, employment generation, and facilitating equitable distribution of income. However, the researcher only focused on to profile Halal Hub supply chain logistics in Melaka due to time constrains. From the result

analysed, the researcher found that there are two types of profiles' supply chain logistics in Melaka which are using own vehicles and outsourcing the transports.

### **5.1.1 Own Vehicles.**

According to Autokid (2021), In these trying times, it can be difficult for businesses to select the appropriate logistics trucking services provider for the distribution of goods. Businesses witnessed supply chain disruptions and significant shifts in transportation conditions almost immediately during the nationwide lockdown. If a company owns the means by which its products are sold, it can avoid a lot of logistical problems. Business owners will not only be able to overcome obstacles but also benefit from owning delivery trucks. If a company has its own delivery trucks, it may benefit from the following advantages such as, with in-house delivery trucks, more control is possible. Halal Hub Manufacturers are able to operate according to their schedules with more control over the delivery methods. They won't have to rush or stand in line for delivery trucks to deliver their goods anymore. Faster delivery is possible with in-house delivery trucks. Besides, Halal Hub Manufacturers can deliver their goods at any speed or speed they want because owning the delivery trucks gives them more control.

Also, trucks for internal delivery are an investment. Although purchasing delivery trucks is definitely not cheap, it is still an investment because it gives business owners more control over the costs associated with selling their products. Businesses are exempt from the costs imposed by third-party logistics trucking services when they own the means of distribution because this gives them greater cost transparency. With in-house delivery trucks, you can be more flexible. When something unexpected occurs, business owners who own delivery trucks are able to deviate from their usual route.

In addition, free advertising is provided by in-house delivery trucks. The fact that delivery trucks themselves offer free advertising is one of the advantages of owning one. Truck decals can be applied by business owners to represent their products or businesses. Consider the amount of people who pass by a moving

delivery truck! Owners of businesses have access to numerous opportunities when they have in-house delivery trucks. They will be able to distribute their goods and services with greater efficiency as a result. In a way, it will improve not only their own but also the businesses of their dealers.

### **5.1.2 Outsourcing Logistics.**

According to Smart The (2022), there are practical ways in reducing logistics costs in context of outsourcing the logistics. Get creative ideas. Gaining a great deal more adaptability and adaptability in your mode of transportation can significantly offset losses in ways you may not have considered. Sea freight shipping typically costs less than air freight shipping. However, the amount of time required could ultimately cost you sales. Try to look at how much each mode of transportation costs, but don't be afraid to switch if it's necessary. If you typically rely on single modes of transportation, intermodal transportation would be an additional option that you may not have previously considered. Trucking is much more expensive than rail transportation, but combining the two might be the only way to meet deadlines and stay within budget. Reduce your use of more expensive shipping options to help the mode be more adaptable. You probably will expedite the shipment for the entire load if your buyer only needs a portion of what you ship as soon as possible. On the other hand, you can cut costs by only expediting the freight that needs to reach its destination quickly and using cheaper modes for the remainder of the shipment. There are always a ways for Halal Hub food manufacturers to deliver their products.

If you own a small business, you should be able to figure out how much overhead costs are. As a percentage of sales or labor expenses, overhead costs are typically calculated. As a business owner, it should be your objective to keep your overhead ratio as low as possible. A high percentage of your costs go directly toward the production of a product or service if your overhead ratio is low. Owners of businesses benefit from a competitive advantage provided by lower overhead ratios. You will be able to better price your products if you have a low overhead rate,

making you a more appealing option than your rivals. You might also be able to boost your bottom line by increasing your profit margins with a small overhead.

Also, before you can figure out overhead for your business, you need to list all of your costs for each specific business activity. Your list should be comprehensive. Check your financial statements to make sure you've identified every expense. After determining every one of your company's costs, you should divide them into two groups: expenses, both direct and indirect. Ask yourself, "Does this expense result in the production of a good or service?" when you do this. On the other hand, halal food producers do not need to spend money on high overhead costs, because they already use logistics services from outside parties, so they can reduce overhead costs, and can increase investment in terms of their production by adding machines, or other more important infrastructure needs compared to adding a building just for their logistics and warehouse.

## **5.2 To measure factors effecting in customer satisfaction for the Halal Hub Logistics**

As mentioned in the section 2.3, the researcher had been identifying to measure factors effecting in customer satisfaction for the Halal Hub Logistics are to create a strong teamwork culture, communicate clear goals and expectation to the employees and be transparent and encourage open communication. Those are three major factors that researcher had findings during interview session.

### **5.2.1 Create a strong teamwork culture.**

According to James Smart (2021), a collection of values, behaviors, working practices, and beliefs that team members share in the pursuit of their collective purpose is known as team culture. There is a culture for each team. Consider all the ways in which your team interacts, what you value, and what is important to you as a

group, even if you have never thought of it in those terms. That is how you think. A strong team culture is one in which each member of the team feels valued for who they are as an individual and is united in their purpose, values, actions, and work practices. Members of a team know their role in the team as well as the collective and personal goals of the group in a good team culture. It is essential to have faith in the team's goals and mission and to know why you are working the way you are. Even though a team's culture can develop naturally, it's important to define it together and agree on what it means and how to live it. This could mean making a culture statement or a code of conduct, or it could just mean working to make your team's bonds stronger and help them understand each other better. Thus, if Halal companies manage to have a strong bond among themselves, they will be more enthusiastic because they are considered like a big family, helping each other to help each other, making them feel less burdened to work, especially the logistics department which always faces unforeseen circumstances, for example bad weather, things that cannot be controlled but with the spirit they have built together, make logistics workers continue to travel for the sake of the company.



### **5.2.2 Communicate Clear Goals And Expectation To The Employees**

However, companies should not only “be good” but also “look good”. Balance regarding actions towards the planet, people and profit should be embedded in the value proposition and the business model of organizations, and be reflected in their sustainability communications (Lock & Araujo, 2020). Indeed, the communication dimension is of paramount importance as the literature shows that consumer attitude towards a brand is influenced more by the information received on the management’s behaviour and on how the company engaged with social issues than by the products and services themselves (Fernández-Vázquez, 2020). A fruitful chief or boss is one who successfully imparts his assumptions to his subordinates. Giving clear, direct assumptions assists your workers with zeroing in their exhibition on what's significant and on what will prompt the outcomes you've framed. Be positive and empowering, challenge them to persistently work on their exhibition,

and recognize their endeavours and victories. Check in with them oftentimes, both to reconfirm they're pursuing the right objectives and to recognize the requirement for any potential changes in responsibility or speed. Halal Hub Company should talk more and more with their logistics department so that feel they don't feel alone, with their workload, maybe this can ease their burden to some extent, in addition, setting expectations that match the abilities of their employees is also very important to avoid them feeling like servants but instead as a loved employee.

### **5.2.3 Be Transparent And Encourage Open Communication.**

Transparent communication is the act of both good and bad information being shared upward, downward, and laterally in a way that allows all to see the why behind the words. A workplace with transparent communication is a more collaborative and trustworthy workplace, with information being openly shared between employees and across levels of the organization (Hutchison, 2020, April 8). Transparent communication also allows employees to be more innovative since they are more informed. Additionally, transparent communication encourages others to communicate openly and increases the sharing of ideas (Hutchison, 2020, April 8). Essentially, transparent communication allows the workplace to be collectively informed about the true happenings within the organization and align their actions accordingly. The researcher believed that, most successful company is a company that is always transparent to its fellow members, transparency is essential and very important for a company, especially in the logistics department, employees need to know what they are sending, at the time when they need to send, they need to be fair to all employees.

### **5.3 To model halal hub logistics performance in Melaka**

This part is to explain some suggestion to model halal hub logistics performance from Halal Hub companies for that intent to conquer the customer satisfaction. Firstly, they intent to conduct some dialogues between employees. An interaction between managers and the members of their teams is known as employee dialogue. It focuses primarily on their current situation, expectations for the future, and progress toward personal and organizational goals. Managers can develop a shared understanding through employee dialogue's effective communication. Therefore, companies that share ideas between employees are among the successful companies because not all ideas come from the top. This more open company also creates a very conducive and mature atmosphere in Halal Hub.

Besides that, the researcher agreed with the idea of bringing up the government should be aware of condition in Halal Hub. There are many governments role that will help the Halal Hub companies such as by providing them with opportunities and favoring policies, the government's role is to encourage entrepreneurs, entrepreneurial activities, and entrepreneurial organizations. Some of the ways in which governments can encourage entrepreneurship in a country and its regions include providing supportive physical infrastructure, providing for training and information, promoting incubation facilities, research and development facilities, and entrepreneurship education, enabling existing businesses to expand by developing new products and services in new markets through appropriate tax policies, and so on (Mitra, 2012, p. 223). Two-way relationship between the government and entrepreneurs who help each other can improve the economy not only locally, but even abroad if it is on the right track with the help of the government.

Last but not least, learn from competitors is a good tactical in order to be in winning condition. You can make your products, services, and marketing stand out by knowing who your competitors are and what they offer. It will help you respond to rival marketing campaigns with your own efforts and allow you to set prices that are competitive. This knowledge can be used to develop marketing plans that capitalize on the weaknesses of your rivals and boost your own company's

performance. You can also look into any threats posed by your current rivals and newcomers to the market. You'll be able to be more realistic about your potential for success with this information. The researcher agreed that learn from competitors is so important tactical that any Halal Hub companies should use, especially in logistics department on how they make use their department, also about which transport they use, which time are good for out for delivery. This will make most of them matured and understand enough how things works.

The researcher concluded that, there are a lot of solution to conquer the customer satisfaction. Thus, the business owner or director should to take a careful consideration in order to ensure that a correct decision is taken.

#### **5.4 Contribution of Research**

The contribution of this research as a supporting information for the existing knowledge. This research can be provided a guideline to the Halal Hub Companies, who intent to get the customer satisfaction to the fullest in term of logistics. The companies will understand more on how to cope with the customer. Also, on how to tackle them to be a loyal customer to them, and to convince them, that later will bring benefit to organization.

In addition, this research can make the other company to be more alert about the way to cope with the customer satisfaction. Most of them do not care about their logistics part to the point of making their employees feel left out while logistics is also the most important part of the company's movement. With the awareness and general knowledge, company able to handle and conquer the customer satisfaction with halal hub logistics.

#### **5.5 Limitations**

This research suffers from few limitations. Firstly, the researcher had to conduct this research over a short period of time. The time given to complete this

research is limited which was about in two semester period. Secondly, the limitation of this study was the limited coverage of the location which at Halal Hub, Serkam, Melaka. So there are limitation which only company stay in Halal Hub only we can interview. Therefore, the results only limit on them and cannot be generalized to every single food manufacturers in Malaysia.

## **5.6 Recommendations For Future Research**

The researcher hoped that this research will benefit to all readers and decisionmaker of the companies, especially in Halal Hub. This study can be continue in depth research for other researcher who are interested. The researcher would like to give some suggestion for them to continue this research with the opportunities and challenges in cope with the customer satisfaction towards companies in Halal Hub.

You can't satisfy everyone. But staying true to your brand, product, and company vision helps you provide real value to your target customers and their specific needs and carve out a niche for your brand (Brian Greenberg, 2020).

The researcher suggested that other universities in Malaysia should give the opportunities for their students to carry out the research to investigate the opportunities and challenges in cope with customer satisfaction towards companies in Halal Hub. This is because, these are not new but quite rare for companies that start in Halal Hub to be able to cope with all these since they too busy to manage their sales till forget that other part of sales is important too!

## **5.7 Summary.**

This research is about a study of Halal Logistics on Customer Satisfaction. In overall, it can be concluded that the three factors and elements that being included in each of the research objectives in increasing the customer satisfaction towards the companies are very important and relevant to them, unless the other two which irrelevant for them and not related to the objectives, so most of the respondents,

didn't want to answer that two elements because it unsuitable at their company. This shows that they actually care and realise that which of the elements is suit for them.



## REFERENCES

- Adnan, T. (2019). Impact Of Logistics. *ResearchRepository*, 1-298.
- ALI, E. K. (2016). IMPORTANCE OF EMPLOYEE PERCEPTIONS ON SERVICE QUALITY IMPROVEMENT AND CUSTOMER SATISFACTION. *JOURNAL*, 1-10.
- CustomersFirst Academy. (19 March, 2021). *Customer Perception*. Retrieved from customersfirst academy: <https://customersfirstacademy.com/customer-perception/#:~:text=Why%20Customer%20Perception%20Is%20Important,t o%20buy%20from%20you%20again!>
- Gupta, A. (04 June, 2015). *What is the role of government in creating an entrepreneurial environment?* Retrieved from GRIN: <https://www.grin.com/document/311372>
- Hotjar LTD. (23 February, 2018). *Customer Satisfaction Technique*. Retrieved from Hotjar: <https://www.hotjar.com/customer-satisfaction/challenges-and-solutions/>
- Politis, Y. (2014). Logistics service quality and its effect on customer satisfaction in the manufacturing companies' supply chains. *Journal of Modelling in Management*, 1-23.
- Rahmat, A. K. (2016). Manufacturers Satisfaction on Logistics Service Quality: Operational, Relational and National Culture. *ScienceDirect*, 1-8.
- Thompson, M. (11 July, 2021). *How To Communicate Expectations*. Retrieved from Chron: <https://smallbusiness.chron.com/goals-plans-successful-business-76834.html>
- Kotler, P., & Armstrong, G. (2014). Marketing. *Principles of Marketing*, 15th ed. New Jersey, NJ: Prentice Hall.
- Maestrini, V., Luzzini, D., Maccarrone, P., & Caniato, F. (2017). Supply chain performance measurement systems: A systematic review and research agenda. *International Journal of Production Economics*, 183, 299–315. <https://doi.org/10.1016/j.ijpe.2016.11.005>

- Olson, E. L. (2022). 'Sustainable' marketing mixes and the paradoxical consequences of good intentions. *Journal of Business Research*, 150, 389–398. <https://doi.org/10.1016/j.jbusres.2022.05.063>
- Rasi, R. Z., Masrom, N. R., Omar, S. S., Ahmad, M. F., & Sham, R. (2017). Withdrawn article: Designing Halal Supply Chain: Malaysia's Halal Industry Scenarios. *MATEC Web of Conferences*, 135, 00040. <https://doi.org/10.1051/mateconf/201713500040>
- Researching the Market: How to Conduct Market Research, Types, and Example.* (2022, July 29). Investopedia. <https://www.investopedia.com/terms/m/market-research.asp>
- Rishelin, N., & Ardi, R. (2020). Halal Supply Chain Risk in Indonesian Downstream Sector. *Proceedings of the 3rd Asia Pacific Conference on Research in Industrial and Systems Engineering 2020*. <https://doi.org/10.1145/3400934.3400983>
- Saunders, M., Lewis, P. E., & Thornhill, A. (2016). Research Methods for Business Students (7th edition). *FT Prentice Hall EBooks*, Harlow, England: Pearson Education Limited. <http://epubs.surrey.ac.uk/816702/>
- Schwarz, L. (2022, August 14). *A Comprehensive Guide to Operational Metrics & KPIs*. Oracle NetSuite. <https://www.netsuite.com/portal/resource/articles/erp/operational-kpis-metrics.shtml>
- Smith, G. (2018, August 13). *Supply Chain Performance*. <https://www.linkedin.com/pulse/20140415125803-3050849-supply-chain-performance>

- Supply Chain Management (SCM): How It Works and Why It Is Important.* (2022, July 7). Investopedia. <https://www.investopedia.com/terms/s/scm.asp>
- Syukur, M., & Nimsai, S. (2018). Factors influencing the purchase intention of halal packaged food in Thailand. *International Journal of Supply Chain Management*, 7(4), 1–6.  
<https://ojs.excelingtech.co.uk/index.php/IJSCM/article/download/1922/1116>
- Vendor Relationship Management in FY22: Best Practice Software, Tools and Methods.* (2021, December 15). VendorPanel.  
<https://www.vendorpanel.com/blog/blog-vendor-relationship-management-in-fy22>
- What is Product Development?* (2021, September 2).  
<https://www.productplan.com/learn/what-is-product-development/>
- Arntz, M., Gregory, T. & Zierahn, U. (2016).  
The Risk of Automation for Jobs in OECD Countries: A Comparative Analysis. OECD Social, Employment and Migration Working Papers, No. 189, Paris: OECD Publishing. Balfe, N., Sharples, S. & Wilson, J. R. (2015).  
Impact of automation: measurement of performance, workload and behaviour in a complex control environment. *Applied Ergonomics*. Vol 47. Pp52–64.  
Bachtiar, N., Fahmy, R. & Ismail, R. (2015).  
The Demand for Foreign Workers in the Manufacturing Sector in Malaysia. *Jurnal Ekonomi Malaysia*. 49(2). Pp. 135 – 147. Blue, B. (2013, September 18).  
Adnan, T. (2019). Impact Of Logistics. *ResearchRepository*, 1-298.  
Politis, Y. (2014). Logistics service quality and its effect on customer satisfaction in the manufacturing companies' supply chains. *Journal of Modelling in Management*, 1-23.  
Rahmat, A. K. (2016). Manufacturers Satisfaction on Logistics Service Quality: Operational, Relational and National Culture. *ScienceDirect*, 1-8.

Advantages and Disadvantages of Automation in Manufacturing. Retrieved from <http://www.vista-industrial.com/blog/advantagesand-disadvantages-of-automation-in-manufacturing/> Brand, S. (2017, June 5). 6 Ways to Reduce Labor Costs in Manufacturing. Retrieve from <https://www.cmtc.com/blog/reduce-labor-costs-in-manufacturing> Brei, T. (2013).

What is Automation? Retrieved from <https://www.surecontrols.com/what-is-industrial-automation/> Chaudhari et al. (2017).

Increasing Productivity and Quality of Products by Implementations of automation in manufacturing sectors. International Journal of advance research, ideas and innovations in technology. Volume 3, issue 2.



## APPENDIX

### a) KONTEKS BAGI STRATEGI & PERSAINGAN

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
<b>1. Teknologi</b> <ul style="list-style-type: none"> <li>Adakah anda menggunakan sebarang teknologi bagi menghasilkan produk anda? Nyatakan peringkat mana teknologi tersebut diaplikasikan</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Bagaimanakah penerimaan teknologi</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Apakah kekangan anda</li> </ul>	Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat penyelidikan dan pembangunan (R&amp;D) dalam membangunkan sektor anda? Sila nyatakan.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah terdapat kerjasama strategik (agensi berkaitan/institusi penyelidikan dsbnya) bagi membangunkan teknologi anda? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>2. Kewangan</b> <ul style="list-style-type: none"> <li>Adakah sumber modal mencukupi bagi menampung kos pengurusan anda? Jika tidak, apakah strategi</li> </ul>	Primer: Temu Bual				

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
petani bagi memastikan modal mencukupi?					
<ul style="list-style-type: none"> <li>Adakah terdapat kekangan sumber kewangan bagi mengaplikasikan teknologi? Sila nyatakan.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah hasil pengeluaran yang diperolehi dapat menampung kos pengurusan pengeluaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah harga pasaran pengeluaran stabil dan munasabah?</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>3. Undang-undang</b> <ul style="list-style-type: none"> <li>Adakah terdapat undang-undang dalam negeri dan insentif yang menggalakkan pelaburan dan penghasilan pengeluaran</li> <li>Sila nyatakan. <ul style="list-style-type: none"> <li>cth: upah, insentif pelaburan modal, perlindungan hak intelektual, insentif cukai dsbnya.</li> </ul> </li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat undang-undang/peraturan persaingan yang terbuka dan sihat, termasuk pesaing dari luar? Sila nyatakan. <ul style="list-style-type: none"> <li>(cth: kuota, duti import, harga siling dsbnya)</li> </ul> </li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>4. Perkongsian Maklumat</b> <ul style="list-style-type: none"> <li>Adakah data sekuriti makanan tersedia dan boleh dicapai dengan mudah? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat kolaborasi di antara jabatan dan agensi kerajaan yang kukuh dan data yang telus dalam perkongsian maklumat berkaitan pengeluaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual				
<b>5. Hubungan sosial</b> <ul style="list-style-type: none"> <li>Adakah terdapat pelan/implementasi strategik dengan pihak industri dan orang awam? Sila nyatakan.</li> </ul>	Primer: Temu Bual				

**b) KEADAAN FAKTOR (INPUT)**

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
<b>1. Teknologi</b> <ul style="list-style-type: none"> <li>Adakah teknologi tersedia untuk menghasilkan hasil pengeluaran yang segar dan dapat meningkatkan kuantiti? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat gudang penyimpanan hasil pengeluaran yang menggunakan teknologi yang menjamin kualiti? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>2. Kewangan</b> <ul style="list-style-type: none"> <li>Adakah modal yang disediakan mencukupi bagi menampung kos penternakan? Sila nyatakan strategi/tindakan sekiranya modal tidak mencukupi.</li> </ul>	Primer: Temu Bual				
<b>3. Sumber Manusia</b> <ul style="list-style-type: none"> <li>Adakah terdapat sumber manusia yang mencukupi bagi mengeluarkan hasil pengeluaran? Sila nyatakan strategi/tindakan alternatif sekiranya sumber manusia tidak mencukupi.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah terdapat sumber manusia yang mahir bagi menguruskan pengeluaran secara efisien? Sila nyatakan strategi/tindakan alternatif sekiranya sumber manusia mahir tidak mencukupi.</li> </ul>	Primer: Temu Bual				
<b>4. Infrastruktur</b> <ul style="list-style-type: none"> <li>Adakah maklumat berkaitan infrastruktur tersedia dan boleh diakses dengan mudah? Terangkan.</li> </ul>	Primer: Temu Bual				
<b>5. Pergudangan</b> <ul style="list-style-type: none"> <li>Adakah terdapat pengurusan gudang/stor yang mencukupi bagi memenuhi keperluan penyimpanan hasil pengeluaran? Terangkan.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah gudang/stor simpanan yang tersedia mampu mengekalkan kualiti hasil pengeluaran sebelum pengagihan? Terangkan.</li> </ul>	Primer: Temu Bual				

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
<b>6. Kualiti</b> <ul style="list-style-type: none"> <li>Apakah faktor yang menyumbang kepada peningkatan penghasilan pengeluaran yang berkualiti? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Apakah faktor yang menyebabkan penghasilan pengeluaran yang kurang berkualiti? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah kualiti air faktor mempengaruhi penghasilan pengeluaran yang berkualiti? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				



c) KEADAAN PERMINTAAN

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
<b>1. Teknologi</b> <ul style="list-style-type: none"> <li>Adakah teknologi tersedia untuk menghasilkan hasil pengeluaran yang segar dan dapat meningkatkan kuantiti pengeluaran bagi memenuhi permintaan pasaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat gudang penyimpanan hasil pengeluaran yang menggunakan teknologi yang dapat menjamin kualiti dan hasil penternakan yang tahan lebih lama? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>2. Jenis Permintaan</b> <ul style="list-style-type: none"> <li>Adakah hasil pengeluaran cukup untuk memenuhi permintaan pasaran tempatan? <ul style="list-style-type: none"> <li>Data permintaan tempatan.</li> </ul> </li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat permintaan untuk pasaran eksport? Sila nyatakan negara yang terlibat dan kuantiti/% eksport?</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Berapakah nisbah anggaran permintaan tempatan dan pasaran eksport?</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>3. Perkongsian Maklumat</b> <ul style="list-style-type: none"> <li>Adakah anda mengetahui maklumat terkini tentang permintaan hasil pengeluaran bagi pasaran tempatan dan eksport? Sila nyatakan sumber maklumat diperolehi.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah anda mendapatkan maklumat berkaitan permintaan melalui penggunaan teknologi dalam komunikasi ICT? Sila nyatakan sumber maklumat diperolehi.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah terdapat persatuan/kumpulan yang membantu anda bagi mendapatkan maklumat berkaitan permintaan pasaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual				
<b>4. Saluran Agihan</b> <ul style="list-style-type: none"> <li>Adakah terdapat sistem bagi proses pengumpulan, penggredan dan pembungkusan hasil pengeluaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Berapa lamakah tempoh yang diambil bagi proses pengumpulan,</li> </ul>	Primer: Temu Bual/				

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
penggredan dan pembungkusan hasil pengeluaran sebelum ia diagihkan? Terangkan secara ringkas.	Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat teknologi yang digunakan bagi pengumpulan, penggredan dan pembungkusan hasil pengeluaran sebelum pengagihan dibuat? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah hasil pengeluaran dijual secara terus kepada pengguna? Nyatakan kaedah pengagihan dibuat.</li> </ul>	Primer: Temu Bual				
<ul style="list-style-type: none"> <li>Adakah terdapat agensi/orang tengah yang membantu dalam pengagihan hasil pengeluaran? Sila nyatakan perantara yang terlibat dalam saluran pengagihan hasil penternakan kepada pengguna akhir.</li> </ul>	Primer: Temu Bual				
<b>5. Kualiti</b> <ul style="list-style-type: none"> <li>Adakah hasil pengeluaran memenuhi piawaian kualiti dan keselamatan di sektor penternakan? Sila nyatakan piawaian dan sumber maklumat berkaitan piawaian diperolehi.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah kualiti hasil pengeluaran memenuhi piawaian kualiti untuk pasaran ekport? Sila nyatakan piawaian dan sumber maklumat berkaitan piawaian diperolehi.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat sistem pengumpulan hasil pengeluaran yang efisien bagi menjamin kualiti? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>6. Undang-Undang</b> <ul style="list-style-type: none"> <li>Adakah terdapat undang-undang perlindungan kepada pembeli hasil pengeluaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat subsidi daripada kerajaan bagi hasil pengeluaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah terdapat undang-undang/peraturan persaingan yang melindungi pengeluaran tempatan? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
<ul style="list-style-type: none"> <li>Adakah terdapat undang-undang/peraturan yang ketat bagi pasaran eksport? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				

**d) INDUSTRI BERKAITAN & INDUSTRI SOKONGAN**

SOALAN	KAEDAH KAJIAN	RESPONDEN	STATUS		
			SEDIA	HAMPIR SEDIA	TIDAK SEDIA
<b>1. Kewujudan</b> <ul style="list-style-type: none"> <li>Adakah wujud industri yang berkaitan hasil pengeluaran? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah ia dapat memenuhi kehendak permintaan semasa dan masa hadapan? Jika tidak, sila nyatakan cadangan bagi mengatasi masalah ini.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah pembekal dan industri sokongan dalam penternakan bersedia bagi memenuhi kehendak pasaran pengeluaran halal? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<ul style="list-style-type: none"> <li>Adakah industri sokongan mendapat insentif daripada pihak kerajaan bagi menggalakkan pertumbuhan yang mampan? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>2. Kekuatan</b> <ul style="list-style-type: none"> <li>Adakah terdapat sokongan perkhidmatan (eg: pengangkutan, pengagihan, sistem komunikasi, perundingan dsbnya) yang utuh bagi menyokong sektor pengeluaran yang lebih efisien? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				
<b>3. Kualiti</b> <ul style="list-style-type: none"> <li>Adakah terdapat institusi/organisasi/ agensi kerajaan bagi menjalinkan hubungan strategik untuk berkolaborasi bagi menghasilkan output pengeluaran yang berkualiti tinggi? Sila nyatakan.</li> </ul>	Primer: Temu Bual/ Data sekunder				

