Factors Influencing Customer Satisfaction In Using J&T Express Service Delivery During Covid-19 Pandemic In Malaysia

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Abstract – On April 1, 2022, Malaysia transitioned from the Covid-19 pandemic's epidemic phase. The shift to the endemic phase, which allows Malaysians to resume a nearly normal life after two years of fighting the pandemic, is a strategy for exiting the situation. It has produced some unanticipated disruptions, exacerbated some pre-existing trends, and compelled us to make some adjustments to our way of life. Even after COVID-19 is no longer a public health threat, some of these modifications most likely will not disappear. Many of these changes, like the expansion of delivery options for customers and businesses, will be advantageous. Access to goods and services could be made simpler, which could raise everyone's standard of living. In Malaysia, the government urges to utilize the online services and delivery services such as J&T Express. J&T Express is well-known for providing logistical services, particularly in the areas of parcel and document delivery. The purpose of this study was to look into the factors that influence customer satisfaction, such as price, reliability, and responsiveness, when using J&T Express Service Delivery during the COVID-19 Pandemic in Malaysia. These factors are critical since customers are likely to remain satisfied till services become more enticing. The analysis was carried out using the Statistical Package for Social Science Software version 26 and an online survey questionnaire distributed to 150 respondents (SPSS 26). Descriptive analysis and multiple linear regression analysis were used to analyze the data. This study proves that responsiveness variable is the most influential factor influencing customer satisfaction in using J&T Express delivery service during the COVID-19 pandemic among customers in Malaysia. Therefore, J&T Express Delivery need to pay attention on the responsiveness element to ensure the quality of services provided to customers that can boost customer satisfaction.

Keywords: “customer satisfaction”, “service quality”, “price”, “reliability”, “responsiveness”

1. Introduction

Customers who started using delivery services as a result of COVID-19 may continue to do so after the public health crisis has passed. After all, delivery services are more convenient than driving, walking, or taking public transportation to a store and hoping for the best. Furthermore, the customer must carry or transport their goods back to their residence. A friendly delivery worker or a package delivered to the customer's door containing exactly what they wanted is a welcome alternative, and many consumers will likely continue to use that option for products they previously purchased in person prior to COVID.

Increasing demand for delivery services is not precisely a novel phenomenon. Even before COVID-19 made news, Malaysian were falling in love with delivery services for their convenience.
From 2015 to 2020, the couriers and local delivery services market in the Malaysia grew by an average of 4.7% per year. As an increasing number of people use online shopping platforms, food delivery apps, and similar services, they come to understand the ease of acquiring their preferred items and labels without needing to step out of their residence or workplace. The initial upswing in the popularity of delivery services can be attributed to benefits like convenience and efficiency. The pandemic has posed challenges for businesses, pushing them to discover fresh approaches to cater to the public while ensuring the safety of both customers and staff. Opting for delivery services serves as an effective strategy to fulfill these goals. However, the emergence of the COVID-19 pandemic in 2020 has led to a heightened demand for delivery services for novel reasons.

Global Data reports that e-commerce in Malaysia increased more than 24% in 2020 compared to 2019 and is predicted to increase by 20% in 2021. By the year 2020, 462 million courier products had been delivered, an enormous increase of more than 80% from the previous year. Such a significant spike in traffic reveals the enormous demand from online shoppers as a result of the Moment Control Order (MCO), the new standard intended to stop the spread of COVID-19. According to The Malaysian Communications and Multimedia Commission (MCMC), the market capitalization of Bursa Malaysia as a whole, totalling RM 1,700.37 billion, is made up of RM 135.7 billion, or 8%, by the communication and multimedia sector. During the MCO period, demand for telecom services and package deliveries increased (MCMC, 2020). Online shoppers will also have high demands for the delivery of their packages. In order to exceed consumer expectations, courier services must guarantee that items dispatched to clients arrive in acceptable condition (Isa & Ahmad, 2021). A parcel services delivery (PSD), according to Morlok et al. (2000), consists of a carrier transporting a parcel or a small delivery item handled by a person.

Initially, J&T Express was established as a logistics company in Jakarta, Indonesia, in August 2015, involved in logistics activities and delivery of goods. J&T Express is one of the fastest-growing courier service companies providing PSD like other courier companies (Niswah et al., 2021). This logistics company has grown in the Southeast Asian region as a core express courier delivery company. J&T Express Malaysia is a great choice for most Malaysians compared to other courier companies in Malaysia because of its sophisticated IT management systems, which helped improve its delivery services and the quality of customer service.

Customer satisfaction is crucial since it provides a metric that businesses or business owners may use to regulate and develop their operations (Teoh et al., 2020). To be competitive with other service businesses, the service industry must prioritise customer pleasure. It will contribute to consumer loyalty in the delivery services sector (Sze et al., 2012). Customers are likely to be content until services, such as product delivery, quality, and price, become more appealing. Customer satisfaction can be determined by a product's or service's price; if the product or service is of the same quality but is offered at a lower price, that provides the customer with more value or benefits (Mm, 2018).

According to Agu et al., (2015), the majority of competing courier services are determined by delivery costs. It shows competition between businesses in which the price offered to the consumer must be proportional to the value of the goods, their weight, and their delivery distance (Isa & Ahmad, 2021). Due to the dumping of delivery services, there has been a problem in Malaysia where a small number of businesses charge clients high costs. Mohd Yusof Abdul Rahman, vice president of the Malaysian Consumers Association (FOMCA), asserts that the government does not supervise or set maximum fees for delivery services. Therefore, a few consumers, particularly students, are concerned about the mailing fees (Isa & Ahmad, 2021).
Additionally, failure to raise service quality in parcel delivery service providers will put delivery service providers at a competitive disadvantage (Fabien, 2005). Customers who purchase items online, in particular, are affected by the J&T Express delivery service issue because of the sluggish goods, which makes them unhappy with the company's services (Hafizha et al., 2019). According to a 2019 poll by Parcel Perform, over 43% of consumers in Malaysia are dissatisfied with their e-commerce delivery experiences. Not achieving successful delivery will result in adverse consequences for all participants engaged in the delivery procedure. (Buldeo Rai et al., 2021). Therefore, the quality of customer service must be increased to satisfy customers and gain a competitive edge (Cronin & Taylor, 1994).

2. Literature Review

2.1. Customer Satisfaction
Customer satisfaction is a response to consumer fulfilment (Oliver, 2014). As per the findings of Zeithaml et al. (2011), customer contentment involves a customer's evaluation of a product or service to ascertain its capability to fulfill their requirements and anticipations. Moreover, contentment denotes an individual's emotional response of either approval or dissatisfaction upon contrasting the performance of a product with their presumptions (Kotler, 2012). This is mainly because customers who experience contentment with the services rendered tend to be more pleased (Gayan Nayanajith & Dissanayake, 2019). Customers will be more loyal and use the service more frequently. As a result, they will be less price sensitive and have a positive opinion of the company (Jusoh & Sulaiman, 2020).

2.2. Price
Price is an important factor that customers consider when determining the worth of goods and services. Customers will be more likely to compare the value and price of the goods and services they purchase (Siali et al., 2018). Price is also defined as an economic system's basic measuring tool. It is because price influences the allocation of production factors. Price is also the monetary value of purchased products and services (Ningtiyas, 2020). Price suitability with product quality, price competitiveness, affordable price, and price suitability are four functions that can benefit (Ulhaq et al., 2020). A price increase or decrease significantly impacts brand change and customer satisfaction (Saleh et al., 2015). This suggests that customer satisfaction plays a crucial role in the connection among price, service quality, and product quality (Hasniaty, 2015). As a result, H1 is proposed:
H1: There is a relationship between the price charged and customer satisfaction in using the J&T Express service delivery.

2.3. Reliability
Reliability refers to how a company performs services under the right conditions without making mistakes. This metric assesses a company's performance stability and dependability (Choy et al., 2013). Based on alternative research, reliability constitutes a fundamental element of a service, while various dimensions pertain to the association or procedure of a rendered service (Parasuraman et al., 1991). For a company to foster customer confidence, it is essential to uphold the commitment of delivering optimal service. Punctual delivery commitments, effective resolution of customer issues, accurate initial service execution, timely delivery, and damage-free package delivery collectively signify reliability (Kersten & Koch, 2010). It implies that reliability significantly impacts customer satisfaction (Mahfooz, 2014). As a result, H2 is proposed:
H2: There is a relationship between reliability and customer satisfaction in using the J&T Express service delivery.
2.4. Responsiveness
Responsiveness pertains to the capacity of a service provider company to swiftly, expeditiously, and adaptively address and fulfill customer requirements (Iberahim et al., 2016; Kang & James, 2004). In addition, responsiveness is a quick response and the ability to provide feedback to customers in the event of problems for the company (Gulc, 2017). It indicates that the readiness of personnel to solve any issues and their responsiveness to customer requests are crucial components of service excellence (Isa & Ahmad, 2021). Employees must be held accountable for providing prompt service to customers. If employees cause customers to wait without any clear justification, it can lead to customers developing an unfavorable view of the company's service quality (Millas, 2013). This underscores the competence to adeptly rectify negative perceptions and generate positive impressions of quality, showcasing professionalism in the process (Siali et al., 2018). Hence, H3 is proposed:

H3: There is a relationship between responsiveness and customer satisfaction in using the J&T Express service delivery.

2.5. Conceptual Framework
This section describes the conceptual research framework. The framework shows the relationship between price, reliability and responsiveness, and Customer Satisfaction. Figure 1 below shows the independent variables of price, reliability, and responsiveness, while the dependent variable is Customer satisfaction using J&T Express delivery service.

Figure 1: A conceptual framework on the factors of influencing customer satisfaction in using J&T Express service delivery during COVID-19 pandemic in Malaysia

3. Methodology of Study
3.1. Sampling Design and Sample Size
This study employed a quantitative research methodology, utilizing a carefully designed survey questionnaire to address the research inquiries. Based on this study, the population is the customers who use J&T Express delivery service in Malaysia. However, the population of customers who use the services of J&T Express is not known because there are no statistics and a list of the number of customers reported in Malaysia. The researcher considers standard rules for multiple regression analysis as emphasized. This indicates an unknown population number, a sample size at least five times that of the items to be analyzed (Hair et al., 1998). Therefore, at least 105 complete questionnaires (5 x 21 items to be analyzed) are required in this conducted research. For this study, convenience sampling was the primary method used, involving the distribution of 150 questionnaires. These were evenly allocated to customers who had prior experience with J&T service delivery. This choice was influenced by the ease of accessing respondents and the proximity to the researcher.

3.2. Research Instrument
In this research, the survey questionnaire is partitioned into three distinct sections: labeled as A, B, and C. The first part, Section A, encompasses the demographic characteristics of the participants, encompassing factors such as gender, age, ethnicity, place of residence, monthly income, and occupation. A nominal scale is employed in Section A to classify respondents into specific categories or groups. In contrast, Section B encompasses the participants' viewpoints on the degree of consensus concerning the application of price, reliability, and responsiveness to J&T parcel service delivery. Meanwhile, the final segment, designated as Section C, inquired about customers' inclinations regarding the level of accord with regards to customer satisfaction when using J&T Express delivery services. To address the queries in both Section B and Section C, a Likert-type scale comprising five points was employed. These points were associated with numerical values and interpretations as follows: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree.

3.3. Data Analysis Method
The gathered data from the sample were subjected to analysis using SPSS Version 26. The demographic characteristics of the respondents, including gender, age, ethnicity, place of residence, monthly income, and occupation, were assessed using frequency distribution and other relevant numerical descriptive statistics. To address the connection between the four variables—price, reliability, responsiveness, and customer satisfaction—the correlation coefficient will be employed.

3.4. Research Reliability
In assessing the instrument's reliability, Cronbach's alpha was utilized to gauge the consistency of the 28 items allocated to price, reliability, responsiveness, and customer satisfaction. The outcomes indicated a reliability surpassing .70, which aligns with the recognized threshold for acceptability (Nunnally, 1978). Consequently, the instrument can be deemed highly reliable.

4. Findings and Discussion

4.1. Demography Profile of Respondents
In this section, the researcher shows the demographic profile of all respondents, including gender, race, age, occupation, income, and state.

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<th>Table 1: Respondents' Demographic Profile</th>
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From the above table, the respondents' genders are quite equally distributed, with 58.4% of male and 41.6% of female respondents. For the respondents' age, the majority are 25 and below with 55.4%, followed by respondents aged between 46 to 55 years old with a percentage of 23.2. The table also shows that most respondents are Malay with 85.6%, while Chinese and Indian share the same rate with 8.0%, respectively. The illustrated table also revealed that the majority of the respondents are students, 43.2%, followed by self-employed with 18.4%. Lastly, the above table also showed that most respondents earn their monthly income at RM 1000 and below with 48%, followed by respondents with a monthly income between RM 1001 to RM 2999 at 24.8%.

Table 2: Correlation Analysis
The outcome demonstrates a noticeable positive correlation between the variables—price, reliability, responsiveness, and customer satisfaction—at a significance level of $p < .01$. To be precise, there exists a robust positive correlation between reliability and customer satisfaction, as well as between responsiveness and customer satisfaction, with $r = .878$ at $p < .01$ and $r = .843$ at $p < .01$, respectively. Additionally, a moderately positive correlation is observed between price and customer satisfaction ($r = .624$). These findings dismiss the null hypothesis suggesting the absence of a relationship between these variables.

This suggests that the employees of J&T parcel delivery services should consistently prioritize these four variables in their operations, given their significant impact on the potential growth of delivery services within the country. These findings are in line with previous research that established a connection between reliability and customer satisfaction. Maintaining reliable service quality can attract interest and encourage customers to utilize the delivery services (Omar et al., 2015).

Furthermore, these results align with the conclusions of Firdous & Farooqi (2017), affirming that responsiveness, characterized by swift actions taken by a delivery company to address customer issues, can substantially influence customer satisfaction. This is due to the company's ability to provide prompt feedback to customers facing problems in utilizing delivery services. Similarly, the relationship between price and customer satisfaction is reinforced by numerous studies, indicating a positive correlation by considering price as one of the key determinants of customer satisfaction (Isa and Ahmad, 2021; Siali et al., 2018).

5. Conclusions and Recommendations

The primary objective of this study is to determine the factors that influence customer satisfaction with J&T Express delivery service in Malaysia during the COVID-19 epidemic. Throughout Malaysia, 150 sets of online questionnaires were given to respondents during the execution of this study. However, only 125 sets of online questions were usable, and 25 were discarded.
By employing Pearson Correlation Analysis, the researcher effectively showcased that the dimensions of price, reliability, and responsiveness exert a potent and positive impact on customer satisfaction during the utilization of J&T Express delivery service. Remarkably, among these factors, responsiveness exhibited the highest correlation score of 0.877 with customer satisfaction when engaging with J&T Express delivery service. The researcher's hypotheses were unequivocally corroborated through the identified relationships. This underscores that the attributes of price, reliability, and responsiveness within J&T Express delivery service distinctly influence consumer contentment.

The following recommendations can be made based on the study's findings and conclusions. More variables relating to service quality can be included by future researchers, such as Logistic Service Quality dimensions, which include the timeliness, accuracy of order, quality of information, and availability of contact personnel as factors to measure customer satisfaction. Furthermore, future research should broaden the contextual study to include several delivery companies such as Pos Malaysia, Shopee Express, DHL, GDEX, and Skynet Delivery. More study context can help increase customer understanding of service quality and customer satisfaction when using PSD in Malaysia.

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