The Impact of Customer Service, Insurance and Luggage Delivery Towards Logistics Customer Satisfaction in Pandemic Situation

Mohd Fathi Abu Yaziz[a], Aidanazima Abashah[b], Norzalizah Bahari[c]Dzulkifli Mukhtar[d] Muhamad Saufi Che Rusuli[e],Ahmad Syakir Junoh[f]

[a,c,d,e,f]Universiti Malaysia Kelantan ,[b] Universiti Malaysia Perlis
Email:[a]fathi.ay@umk.edu.my,[b]aidanazima@unimap.edu.my, [c]norzalizah.b@umk.edu.my,[d]dzulkifli@umk.edu.my.
[e]msaufi@umk.edu.my, [f]syakir@umk.edu.my

_____

Abstract: As the pandemic of Covid 19 has directly affected the business industry, the business model has changed, including the logistics industry, especially the courier company. Courier company has benefited the most during this pandemic situation as the e-commerce business flourished. Enhanced service by courier company is crucial as stiff competition in the industry. Therefore, this study explores the impact of customer service, insurance, and luggage delivery on logistics customer satisfaction. A quantitative method was employed to analyse the effects of enhanced services of customer services, insurance, and luggage delivery towards logistics customer satisfaction, where 384 responses were collected from respondents identified as active users of courier services for the last 12 months. IBM SPSS was used to analyse the response collected using descriptive, reliability and Pearson Correlation analysis. As a result, it is justifiable that customer service, insurance, and luggage delivery positively impact logistics customer satisfactio
Keywords: Logistics, Customer, Satisfaction, Service, Delivery

_____

1. Introduction

In Malaysia, the courier service industry is rapidly expanding, resulting in a competitive market. This service industry has set a new standard for the economy and society. According to Yimie Yong and Gho Chee Yuan (2019), Malaysia is looking for ways to boost courier services as new operators try to cram into a competitive market. Take into account the strain on businesses due to the globalisation paradigm, and companies must be able to produce goods as quickly as possible and promptly (Rezaei et al., 2016). Price is not the only determinant of the postal industry in this environment (Gouvea et al., 2001). Customer demands for quicker and simpler delivery of requested services are driving the creation of new business models. Since a growing number of customers and businesses outsource their carrier operations to third-party logistics in the market, it is an excellent time for the courier service industry to invest (Sohail and Sohal, 2003).

Meanwhile, a new or added service will help to increase courier service efficiency by offering competitive advantages. Customers would benefit from that because they would have a better experience. Furthermore, courier services are essential for people who use them regularly. As a result, courier service companies must have outstanding customer service to retain customer loyalty. As a result, a problem will emerge in MCO because everyone must stay at home, and the high demand for courier services will cause service providers to be unable to satisfy this demand at the same time.

The study would look at whether courier companies' additional or new services affect customer loyalty during the coronavirus pandemic. This research will decide whether courier companies' added or unused services will affect customer satisfaction during a coronavirus pandemic. The focus of this research is on Peninsular Malaysia's west coast,

specifically Kuala Lumpur. Malaysia's capital, Kuala Lumpur, is one of the country's wealthiest cities. As a result, the survey conducted in Kuala Lumpur. Many courier users reside in Selangor and Kuala Lumpur, and an increasing number of customers want faster courier delivery. Since the majority of people need to transfer items, they would need to use a courier service. Malaysia's federal capital and most populous city, Kuala Lumpur, was founded in 1957. There will generally be more residents in these places.

2.Literature review

2.1.Customer Service

According to Norizan and Abdullah (2010), customer service's perceived level substantially affects loyalty, impacting consumers' future purchasing intention. Other than that, customer service plays a vital role in establishing a healthy partnership between companies and consumers (Zhi Li and W. M. Wang, 2019). It supports that companies provide to customers before and after purchasing the companies' goods or services. Recognising the need to differentiate their services, organisations in many competitive markets have recognised that improved customer experience is the way to separate themselves from their rivals (Kanovska, 2009). The use of customer service skills is vital for today's organisations. It has been an essential part of the marketing mix and a necessary part of the marketing strategy to achieve success (Baker, 2000).

Customer service is an integral part of both satisfaction and loyalty. It has a study that shows the relationships of pride and commitment, such as perceived quality, expectations, perceived value, and service quality on satisfaction and loyalty (Karjaluoto et al., 2012). Customer services are values that increase activities related to goods or services that satisfy customer needs and eventually provide customer satisfaction and loyalty (Kursunluoglu, 2011). The level of customer service offered to the market depends on specific criteria, such as the characteristics of the retailer, the services provided by the competitors, the type of merchandise served, price image of the store, the revenue of the target market, the cost of providing the service (Lusch et al., 2011). Finally, the perceived quality of customer service directly affects customer satisfaction (Jahanshahi, 2011).

2.2.Insurance

Insurance is an arrangement between the policyholder and the insurer under which the insurance company covers any incident within the insurance scope. In exchange, the policyholder must pay a premium for the so-called insurance regularly (Darooneh, 2007). Insurance services are intangible and reliant on declarations since they are guarantees and contracts kept by a sales median for the consumer, enabling the seller and the customer to have confidence from the beginning of the agreement (Sedighiyan, 2000). According to Osuagwu (2002), insurance is a pure service since it is not related to a tangible product. Insurance programmes sold using the same styles and techniques as real marketing goods. Indirectly, there would be a desire to establish partnerships with service providers (Jap, 2001).

2.3.Luggage Delivery

Luggage delivery service aims at serving customers travelling with luggage. Hanna Hussein (2019) concluded that luggage delivery service has a big following among foreign customers and nowadays gained popularity among individuals. This service will improve the quality of parcel collection and management. This service also enables a courier company to pick up the luggage from any address on the day before the actual travel date, including home, office, or hotel. On the next day or a pre-selected day, luggage will be delivered to any address using courier vans (Magrath, 2014). While this service will provide extra benefit to an organization by improving flexibility and efficiency, which minimizes operational costs when adequately planned and managed (Rockwell Automation, 2017). According to Johnstone et al. (2015), the material handling system will improve efficiency by precision delivery.

2.4.Customer Satisfaction

Consumer satisfaction has a positive effect on customer retention (Bei and Chiao, 2001). Customer satisfaction has a positive impact on customer loyalty. Customer satisfaction refers to the customer's reaction to the state of delivery and the customer's assessment of the satisfied business. Another author argued in his theory that "consumer satisfaction principles refer to a single transaction (the difference between planned and perceived service) in comparison to more persistent and less situationally oriented behaviours." The customer's perceptions of service quality are the most significant factor affecting customer loyalty. As has been discovered, emotion can play a critical role in deciding customer satisfaction, especially in the context of service (Dalla Pozza, 2014).

Consumer satisfaction is one of the main factors influencing customer loyalty, according to Wong and Zhou (2006), Aktepe et al. (2015), and Chang (2015). Furthermore, customer retention is an excellent indicator of customer engagement. Customer satisfaction increases customer loyalty, decreases marketing loss costs, removes customer turnover, reduces price aversion among customers, enhances advertising performance, and improves company reputation.

Customer service, insurance, and luggage delivery are all listed as independent variables in the report. Customer satisfaction with courier service is the dependent variable. Since there haven't been any previous studies with this three-independent variable, the researcher chose it as an independent variable for this study. It means that these three independent variables have a lower repetition rate than any independent variable. The researcher

selected these three key independent variables for this analysis for this reason. As a reference, there is a Coronavirus pandemic.

3. Methodology

The descriptive analysis method use in this study. Besides, a formal questionnaire is used as a research tool in this report. Each research portion within the standardised questionnaire was also subjected to descriptive analysis. This research aimed to conduct a cross-sectional survey of the population of courier companies in the vicinity of Kuala Lumpur, Malaysia. The study's target population is Kuala Lumpur, Malaysia, who worked as couriers during the coronavirus pandemic. The respondents will be selected at random, and the sample will be sent via Google Method. In 2018, Kuala Lumpur's population was estimated to be 19.2 million people (Department of Statistics Malaysia, 2018).

A population is used to determine the sample size. The researcher attempts to conclude the sample that is generalizable to the people of interest (Sekaran, 2016). For most research, a sample size greater than 30 but less than 500 is adequate (Roscoe,1975). Furthermore, according to Boddy (2016), a large sample size makes it easier for the analysis to be more reliable in mean computing. Many participants were decided to be needed, with 250 or more being required. A total of 384 people was chosen out of a population of 1000000. During the coronavirus pandemic, 384 sets of questionnaires will be distributed randomly to people who use courier services. According to Rowley (2014), when a researcher deals with many respondents from various locations, the questionnaire becomes a more critical research tool. The researcher will use an online closed-ended questionnaire survey and submit survey questions links to the participants during this study. The questionnaire is written in both English and Malay. The online survey is broken down into five parts. The respondents' demographic profiles were required in the first section, which was designated as Section A.

4. Findings

The statistical package is a research programme used to develop a more significant knowledge base of statistical concepts. We ran the answers through appropriate data processing before final submission to the respondents' answers were labelled as numbers so that they could be utilised before computational calculations. Using the SPS software, the researcher will conduct statistical tests on the data from this study to answer the questions to see whether it has expanded significantly over time. Qualitative methods because these models can sometimes extend to solve other research problems with large datasets that can't be adequately treated with traditional mathematical methods (Ong & Puteh, 2017). for further data processing, the collected data will be inserted into SPSSPSS. Statistics include describing the variables' normalcy, variable assessment, variable relevance, and variable correlation coefficient testing. Exploratory research may be defined as a small-typically-an exploration of the test of data to search for or assess instruments' reliability and validity. For this research, 384 individuals from the population of Kuala Lumpur, Malaysia were chosen to calculate Cronbach's alpha, as mentioned in chapter 3. According to the pilot test result in table 2, the conclusion in the table is confirmed.

4.1. descriptive or expressive analysis

An exploratory analysis of 20 things should test out via Table 3 will focus on variables, with specific ranges, displaying the mean and standard deviation of those values.

used to test if a product or service is trustworthy

Study and trial research may be restricted by reliability, since measurements must be extremely accurate in order to serve as standards. An estimate of a project's reliability can be made into two classes: an inner class estimate and an outer class. Inner validity and efficiency of the trial's methodology were investigated by measuring and calculating the general correlation and the amount of confidence placed in these two parameters: general and specific. The random error freedom of the instrumentation scale refers to how available the instrument's readings are. However, if the output remains the same and unchanging, then a measuring device should be thought of as reliable. In internal consistency, which also is known as split-half reliability, Cronbach's alpha is calculated.

When it comes to internal consistency, the coefficient of internal consistency, Cronbach's alpha is also utilised to measure the overall instrument consistency or the average correlation of a survey to its measurement. The alpha value for each variable was computed by using SPSS alpha analysis can be seen in Table 4. When we include insurance and delivery, three things influence the outcome of a customer's loyalty: service of the customer, insurance of the customer, and the shipper. Which has a Cronbach's alpha value of 0.29, each of the independent variables has approximately 0.88, 0.88, and 0.88 respectively have all exhibit perfect reliability on their measures Although a reasonable customer satisfaction with courier service is shown by the Cronbach's alpha coefficient of

0.892 in this study, an internal consistency metric called "liking" was tested and had a value of 0.89 The results showed that the questionnaire tested for 384 participants was reliable and was well-accepted in this study.

shows whether an effect can be safely be developed to cover the entire population

In this case, the study, the normality test will be employed to verify the validity of the data set using kurtosis and sample mean. The acceptable range of skewness lies between the minimum value of -1 and the maximum value of 1. This expansion represents the tendency of the variable's values getting closer to the -1 skewed, while other expansions represent the variables tending to lean toward +toward.

Pearson's correlation is used to investigate the interdependency between the independent variables and the dependent variable. The mediator in this section in this experiment is regarded as a dependent variable to help establish the connection between it and the rest of the section. The coefficient correlation gives a statistical summary of the IV and DV relationship, while the coefficients of the relationship provide a measure of the actual relationship strength. However, Pearson correlation coefficients (r) are valued from -1 to indicate a negative correlation and 1 to indicate a positive correlation. When r is between 0.00 and 0.31, it is classified as "very weak"; r is between -51 and 0.70 and 0, "weak"; r is between 0.71 and 90 and 0.50, "weak"; r is + or r + / is between 0.50, and 1, it is "moderate"; and it is strong, it is considered to be strong.") Expansion of the scope: Since there was only one independent and one dependent variable in this research, it was focused on customer satisfaction with courier service, insurance, and delivery and insurance policies.

For the p-value to be found to be equal to or lower than 0.005, customer service and luggage handling can be included in the analysis. The results in this experiment proved that every hypothesis could be accepted. The current first theory put forth by this study is that there is a significant positive correlation between customer satisfaction with courier service and the relationship between courier service and the customer. For a p-value (hypothesis1) with an alpha value of 0.005, H1 can be rejected at 95% certainty. As can be seen in Table 7, the p-value for H2 in this table is equal to zero. Hence, since the p-value is less than 0.005, and because of this, we believe there is a significant relationship between the level of customer satisfaction and insurance, H2 is accepted. And finally, the p-value of luggage delivery is 0.005, which is lower than 5%. Thus, because of this, it is understood that H3 is accepted, it is known that there are a strong courier service delivery and significant customer satisfaction.

5.Discussion

Coronavirus pandemics expansion was recently identified and this study has discovered courier service or new delivery services that may be important in them The overall result analysis carried out from SPSS software reflects that most of the respondents are strongly agreed and agreed with the customer service factor, which the mean of this variable factor is a score of 3.98696. There is only one level of consistency across all other variables, so there are no real-world conditions that are really unique to this. For this mean, the insurance company charges $3.892 for every one pound of coverage, and the delivery charge means $3.74 for every pound delivered. The regression equation reaches this conclusion by finding a correlation coefficient value, which reveals that all independent variables are significantly linked to the dependent variable, which means that the theory of all three independent agencies is applicable.

The survey data show that there are significant connections between the independent variables and the dependent variables. The study found that three components influence delivery: supply chain influence, customers' effect, and next-of-tier supply chain customers' influence.

Regarding the previous result in Table 6, which demonstrated a moderate and positive correlation between the score being assigned to this characteristic is 0.573, the above mentioned variables appear to be related. Customers were convinced that getting their luggage influenced their courier satisfaction, which showed that they had faith in the service. Thus, companies catering to and helping young and adult customers will be addressed by way of this study.

this table 6 displays the correlation coefficient, which is also referred to as the Pearson correlation ratio or Pearson's correlation coefficient, showing an appreciable positive connection between the variables Customer satisfaction is likely to increase in the long term by providing service coverage in the Expand The research proved that the customer in the industry is the same as those in other service industries who must have insurance to meet their expectations It was shown that the insurance could meet the needs of those who were satisfied with this statement: Respondents in agreement contributed to proving this to the survey.

Other stakeholders may also exert pressure on the organisation's service offering, but they are relatively negligible. This table's Pearson correlation shows that when two independent variables are given, a positive and a second one remains constant, the value of the third variable is 0.477. This means that there is a positive and

negative correlation between these two variables. The practice of customer service between couriers and customers will benefit the industry because it will lead to higher customer satisfaction. As a result, this service helps the courier companies, it allows them to better connect with customers in the digital era. As a result, these findings show that users' intentions to use the courier to accomplish their tasks prove this study's assumption correct.

Thus, the messenger delivery method should play a leading role in this change. Additional research has to follow on the following recommendations based on the addition of a particular restriction. This would allow future research to examine other state-based courier service or demand expansion as a lot more topics to be explored and delivery locations in other than the state could become necessary to a study. Like in Malaysia, the researcher will be incentivised to investigate various surveys of all participants, even those who have used the service with a more extensive user base. based on this limited research, this study's results have to be considered very tentative in Kuala Lumpur, Malaysia. While a more extensive population base provides more significant resources and will aid in the investigation, but is not essential for results, broadening the study's generalisation in a broader context increases the findings.

Companies may be able to fulfil the standard requirements further as well as be courier companies but will need to remain financially viable if they want to grow. They may be furthering the country's economy in the latter. There was a time in the not-so-too-distant past when delivering services to customers' doorsteps and shipping small packages was the work of couriers. Still, in the last few years, the industry has become far more involved in online shopping than it was in delivering service to doorsteps. Another example is the routine maintenance issue that has been remedied through increased automation in the sector such as the regularising the delivery vehicles and sorting processes in the morning rather than loading them on a conveyor belt in the trucks at night.

In terms of customer service, most people's decision to use courier services is drastically influences how they use the available options. In the 21st century, customer service is at the forefront of business strategy. Today's customers demand to get good service on any medium, whether it is through the app or a device. An excellent customer service rep makes it easy for people to get new services and products while retaining customers by filling requests quickly and returning purchases. On top of this, the various resources they provide for customers, courier companies can use online and offline tools to offer a good delivery support for customers who use track and trace shipments as well as the webpages that help customers answer questions about their delivery status and have an interactive option to enhance it.

To get a better idea of what and the level of customer service that may be influenced by various services, an exploration of the additional services a customer desires, a range of other customer-satisfying qualities such as faster insurance claims time, better baggage delivery, and better customer service could be useful. This study focuses on three specific service types and insurance, but here are some of the other things that might influence courier choices that customers may need to think about. Because the articles and journals provide an indirect guide to investigate the other variables that may affect whether or not given courier services are employed, future research can use the information they gather to explore different theories or examine additional research possibilities. For those who would like to research the number of times individuals and demographics who used courier service in the past, a demographic survey could be used to examine those findings regarding various ages and aspects that take into account group analyses.

Finally, in the pursuit of information, research and exploration may also focus on various data collection methods. Instead of utilising quantitative data collection techniques like questionnaires, the researcher can use qualitative techniques like interviews to obtain the most significant and most reliable results. This allows respondents to ask questions and enables researchers to contact and speak with respondents since both parties will know respondents' requirements during the interview. As a result, full and precise data will be collected in the whole time period. Suppose future research confirms the arrival of a pandemic. In that case, couriers can cause satisfaction levels to rise, and their services will be expanded or introduced to help with the resolution of a future pandemic.

References

Bei, L.-T. and Y.-C. Chiao (2001). "An integrated model for the effects of perceived product, perceived service quality, and perceived price fairness on consumer satisfaction and loyalty." Journal of consumer satisfaction, dissatisfaction and complaining behavior 14: 125.

Boddy, C. R. (2016). "Sample size for qualitative research." Qualitative Market Research: An International Journal. Gouvea, M. A., et al. (2001). "The prices of mailing services evaluated by companies."

R. V. and D. W. Morgan (1970). "Table for determining sample size from a given population." Educational and Psychological Measurement 30(3): 607-610.

Rezaei, S., et al. (2016). The moderating impact of product classification on the relationship between online trust, satisfaction, and repurchase intention. Encyclopedia of e-commerce development, implementation, and management, IGI Global: 1674-1692.

Roscoe, J. T. (1975). Fundamental research statistics for the behavioral sciences [by] John T. Roscoe.

Rowley, J. (2014). "Designing and using research questionnaires." Management Research Review.

Sekaran, U. and R. Bougie (2016). Research methods for business: A skill building approach, John Wiley & Sons.

Kanovska, L. (2009), "Customers service and their role for industrial small and medium companies", Economics and Management, Vol. 14 No. 14, pp. 413-20.

Baker, M.J. (2000), Marketing Strategy and Management, 3rd ed., Macmillan Business, New York, NY.

Karjaluoto, H., Jayawardhena, C., Leppaniemi, M. and Pihlstrom, M. (2012), "How value and trust influence loyalty in wireless telecommunications industry", Telecommunications Policy, Vol. 36 No. 8, pp. 636-649.

Kursunluoglu, E. (2011), "Customer service effects on customer satisfaction and customer loyalty: a field research in shopping centers in Izmir city – Turkey", International Journal of Business and Social Science, Vol. 2 No. 17, pp. 52-59.

Lusch, R.F., Dunne, P.M. and Carver, J.R. (2011), Introduction to Retailing, Cengage Learning, Ohio, OH.

Jahanshahi, A.A. (2011), "Study the effects of customer service and product quality on customer satisfaction and loyalty", International Journal of Humanities and Social Science, Vol. 1 No. 7,

Darooneh A (2007). "Insurance pricing in small size Market", J. Market. 2:412-420.

Sedighiyan H (2000). "Marketing management and insurance sale", Iran Insurance Publications, First edition. [15]Osuagwu, L. (2002). Marketing Principles and Management. Lagos, Nigeria: Grey Resource Limited.