Factors Affecting Customer Satisfaction at J&T Express in Malaysia

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ABSTRACT

This J&T Express is a courier company in Southeast Asia that emphasizes customer-oriented service and efficiency. Many shopping platforms such as Lazada, Shopee, Tiktok, and others have chosen J&T Express as one of their logistic partners. This research provides consumers’ evaluation of every detail of J&T Express’ operations and how the company improves and maintains those evaluations. The research examines how customer satisfaction is influenced by price, convenience, service quality, and safety. We applied SPSS to test hypotheses with a sample size of 150 customers. The online survey was carried out through Google Forms. The findings revealed that customer satisfaction was strongly influenced by service quality, safety, and price when using J&T Express.

Keywords: Convenience, Customer Satisfaction, J&T Express, Price, Safety, Service Quality.
INTRODUCTION

In 2015, J&T Express, a courier company, was established in Indonesia. According to Nur and Muqorobin (2020), J&T Express' courier services include land, sea, and air. In the following years, it expanded rapidly in Southeast Asia. For example, it expanded to Vietnam, the Philippines, Thailand, Singapore, Cambodia, and Malaysia (Rosendar, 2022). In addition to Southeast Asia, J&T Express has also expanded into China and the United Arab Emirates. J&T Express Malaysia was founded in 2017. Although it is a new company in the market, it has performed well. In 2019, the Malaysian Communications and Multimedia Commission (MCMC) awarded J&T Express 2 excellent awards: The Best Delivery Excellence Award and The Best Customer Service Excellence Award (J&T Express, 2020). The company's ability to stand out against many competitors also means exceptional customer satisfaction.

In the past decade, online shopping behavior has been deeply rooted among consumers, and effective delivery service is a key factor in determining customer satisfaction. J&T Express cooperates with several online shopping platforms and has become one of their logistics partners to provide shipping services for online shoppers. These online platforms are Lazada and Shopee. However, J&T Express is the only logistics partner appointed by Tiktok Shops. Undoubtedly, a good user experience has led to the rapid growth of J&T Express during and before the COVID-19 pandemic (Phing, Wei, Cia, Jenq, & Qonitah, 2022). However, an important factor is that Covid-19 is driving a surge in online consumption (Aryani et al., 2021). In response to Covid-19, the government's lockdown policies have hit most businesses, especially those involving the outdoors (Hu & Kee, 2021). Online shopping has become a trend (Aryani et al., 2021) to reduce physical contact with others and maintain social distancing. At the same time, online shopping platforms offered many discounts during this period, indirectly leading to a surge in demand for freight services.

According to Djan and Adawiyyah (2021), customer satisfaction will directly affect consumers' loyalty to the logistics service. J&T Express is the only logistics company in Malaysia without a break and has more than 4,000 offices in Malaysia to ensure a better experience for consumers (Flona, 2021). Although J&T Express has overgrown in Malaysia and gained public recognition in a short period, it cannot avoid scandal, which impacts customer satisfaction. In 2021, employees littered the warehouse with packages, but the management promised to compensate for the damaged goods afterwards (Palansamy, 2021). When customer complaints are dealt with in a just and solid framework, there will be a positive response to the company, thereby gaining customer satisfaction (Arumugam, Subramaniam, Mylvaganam, & Singh, 2020).

To achieve customer satisfaction, logistics companies need to meet consumers' requirements and expectations to provide services that satisfy customers (Tang et al., 2022). As we mentioned earlier, J&T Express gets two excellent rewards from MCMC among many competitors in the market. When faced with competition, companies will try to differentiate themselves from other companies to stand out from the crowd (Maslach, Stapp, & Santee, 1985). When differentiating yourself from others, it is crucial to ensure that your service achieves customer satisfaction continuously. Following the research conducted by Yo et al. (2021), who identified the influencing factors of customer satisfaction, we intend to examine the factors affecting customer satisfaction at J&T Express. This paper proposes price, convenience, service quality, and safety are the four key variables that may affect customer satisfaction:
LITERATURE REVIEW

The research was conducted to identify and investigate the relationship between 4 variables and customer satisfaction.

Price
Price is the amount charged for a product or service (Kotler & Armstrong, 2016). A deeper look can mean that price is the total amount a customer exchanges to benefit the product or service they enjoy. Price is the monetary value a merchant receives in exchange for a product or service (Nagle & Müller, 2017). When customers consider purchasing, they will set an upper limit and a minimum threshold for the product or service (Kotler & Keller, 2016). If the price exceeds the upper limit, they will not buy it, and if below the threshold, they will doubt the quality. Therefore, pricing is necessary to consider the product's actual and perceived value (Twin, 2022). There is a direct relationship between price and customer satisfaction. Consumers estimate the value of a product or service and make purchasing decisions based on price, so the price is critical to customer satisfaction (Kaura, Durga Prasad, & Sharma, 2015). At the same time, customers also observe the prices others are paying to make sure they are not overpaying (Razak, Nirwanto, & Triatmanto, 2016). If customers find out that competitors offer lower prices after purchasing, it will affect customer satisfaction. Hence, this research proposes a hypothesis:

H1: Price is positively related to customer satisfaction.

Convenience
Copeland established the notion of convenience, which divides consumer products into three categories: convenience goods, shopping goods, and specialty goods (Copeland, 1993). People nowadays demand a high-quality product or service and look for convenience. This is because convenience helps to save time and effort (Berry, Seiders, & Grewal, 2002; Kaura, Durga Prasad, & Sharma, 2015). In other words, a company's greater service convenience may give a competitive advantage if service options are identical in a homogenous market (Colwell, Aung, Holden, & Kanetkar, 2008). Previous findings have revealed several crucial connections between convenience and customer satisfaction; for instance, convenience can have a direct impact on customer satisfaction (To, Do, Bui, & Pham, 2020; Placeholder; Colwell, Aung, Holden, & Kanetkar, 2008; Berry, Seiders, & Grewal, 2002). This implies that logistics companies should evaluate the service quality and the service that is most convenient for customers, such as the simplicity of procedure when sending a parcel, making the parcel easier to track, etc. Berry has established five types of convenience: decision, access, transaction, benefit, and post-benefit convenience (Berry, Seiders, & Grewal, 2002). Thus, represent the actions that customers engage in throughout the purchase of services, which is able to affect customer satisfaction with a company. Therefore, customers will be satisfied if the company provides a high service level in convenience. As a result, this research proposes a hypothesis:

H2: Convenience is positively related to customer satisfaction.

Service Quality
Service quality determines the ability of service provided to meet the customers’ expectations. The customers will feel satisfied or highly satisfied when the service quality is high enough to meet or exceed their expectations. There are 5 dimensions of service quality which are reliability, tangibility, empathy, responsiveness, and assurance (Ramya, Kowsalya, & Dharanipriya, 2019). Service quality is an important element to an organization as it helps the company to increase sales and strengthen its reputation. Service quality and customer satisfaction possess a positive relationship. Good service quality is anticipated to lead to customer satisfaction. The organization will have more
competitive advantages in the market if more customers are satisfied with the service provided (Suciptawati, Paramita, & Aristayasa, 2019). This is because satisfied customers will continue to use the products or services and be loyal to the brand. Therefore, good service quality, such as the friendly attitude of delivery drivers and the good condition of the parcel delivered, are the important criteria that will affect customer satisfaction. Hence, we hypothesize:

**H3:** Service Quality is positively related to customer satisfaction.

### Safety

Safety of goods delivery is governed by article 468 of the Commercial Code (KUHD), stating that the carrier's primary responsibility is to carry out transport service and ensure the safety of goods delivered, from goods delivered to the recipient (Patria & Ariana, 2020). Hence, customers will expect the courier company to have the highest level of security to ensure that their goods arrive at the destination safely and without being damaged or stolen since they are buying the delivery service. Besides the top security and low risk of damage, customers also expect to have a delivery-tracking system. A delivery-tracking system gives customers complete visibility into delivery personnel and vehicles (iThink Logistics, 2020). The smart tracking system keeps the customer informed of the delivery status minute by minute to ensure the delivery package's safety. The tracking technology starts to track the order from the initial stage to its final delivery to customers (ViaMe, 2021). Aside from that, courier companies should take customer information privacy very seriously. Without customers' consent, J&T Malaysia will not disclose their personal data to unaffiliated third parties unless it is legally required or in good faith (J&T Express, 2022). Hence, we propose:

**H4:** Safety is positively related to customer satisfaction.

### Customer Satisfaction

Customer satisfaction is a degree of measuring how delighted customers are with the products or services an organization provides. In other words, customer satisfaction is reached when the perceived performance of products or services meets the customers' expectations. Customer satisfaction is crucial as it will bring some competitive benefits to a business, such as a rise in sales, increased brand loyalty, and so on (Neil Patel, 2022). In addition, customers satisfied with their consumption will tend to advocate and share their experiences with others, such as friends and family members. On the other hand, those dissatisfied customers may give bad ratings to the business and decide to switch brands. The feedback from all customers is quite important because it can help a business improve the effectiveness and efficiency of operational activities such as the decision-making process. Figure 1 below presents our research model.
Figure 1. The Research Model

RESEARCH METHOD

Data and information regarding the research topic "Factors Affecting Customer Satisfaction at J&T Express in Malaysia" are collected via an online survey in the google form. A google form is created and distributed to various social media platforms such as WhatsApp, Telegram, and Facebook for the respondents to express their opinions. A simple random sampling method was applied in this online survey, and the number of targeted respondents is set at 174 out of the respondents in Malaysia. This survey is being applied with a 5-point Likert scale, which enables the respondents to rate their degree of agreement ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

This online survey consists of 6 sections starting from Section A to Section F. Section A is related to the demographics of respondents, including gender, ethnicity, age, educational level, monthly household income, employment status, living area, and frequency of using the J&T Express's service.

Section B is regarding the price of J&T Express's service. Three items have been created and included in Section B to assess the degree of agreement toward the price of J&T Express's service. For example, one of the items included is "The pricing is reasonable based on the weight of the parcel".

Section C is related to the convenience of J&T Express's service. Five items have been developed and included in Section C to assess the degree of agreement toward the convenience of J&T Express's service. For example, one of the items included is "I can easily track and trace my parcel with J&T Express".

Section D is regarding the service quality of J&T Express's service. Five items have been created and included in Section D to assess the degree of agreement toward the service quality of J&T Express's service. For instance, one of the items included is "Parcels are received in good condition and well-packed".

Section E is regarding the safety of J&T Express's service. Three items have been created and included in Section E to assess the degree of agreement toward the safety of J&T Express's service. For example, one of the items included is "I believe that J&T
Lastly, Section F questions the respondents about customer satisfaction with J&T Express's service. Three items have been created and included in Section F to assess the degree of agreement toward customer satisfaction with J&T Express's service. For example, one of the items included is "I am satisfied with the experience of using J&T express".

RESULTS

Table 1 summarises the demographic information of the respondents. We have collected 174 responses through the survey, and most of the respondents are female (59.2%). In terms of ethnicity, most of the respondents are Chinese (56.3%). In addition, over half of the respondents are in Generation Z, which is between 10-25 years old (67.8%). 59.8% of our respondents have bachelor's degrees because most of our respondents are students (61.5%), and most of their monthly household income is B40, RM4,850, and below (52.3%). 47.7% of respondents live in the city. In addition, 25.9% of respondents use J&T Express's service once a quarter, and 25.3% use it once a month.

Table 2 presents descriptive statistics, reliability information, and zero-order correlations for the study variables. The factors of mean, standard deviation, number of items, correlation, and Cronbach Alpha are reported in Table 2. According to the table, the four factors have acceptable internal consistency reliability, with coefficients alpha ranging from 0.7 to 0.8. This indicates that all variables were reliable because Cronbach's Alpha value used the minimum threshold of 0.7. Hence, the four factors that affect consumer satisfaction, including price, convenience, service quality, and safety, correlate with customer satisfaction towards J&T Express.

Table 1. Descriptive Analysis of Respondents' Demographic (N=174)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>103</td>
<td>59.2</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>71</td>
<td>40.8</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>Chinese</td>
<td>98</td>
<td>56.3</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>34</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>Kadazan</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Malay</td>
<td>41</td>
<td>23.6</td>
</tr>
<tr>
<td>Age category</td>
<td>Boomers: Born: 1946-1964 (Age: 58-76)</td>
<td>6</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>Gen Z: Born: 1997-2012 (Age: 10-25)</td>
<td>118</td>
<td>67.8</td>
</tr>
<tr>
<td>Educational Level</td>
<td>Bachelor's degree</td>
<td>104</td>
<td>59.8</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>32</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>Master's degree</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>2</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>Secondary School</td>
<td>29</td>
<td>16.7</td>
</tr>
<tr>
<td></td>
<td>RM 10,971 and above (T20)</td>
<td>16</td>
<td>9.2</td>
</tr>
</tbody>
</table>
Table 2. Descriptive statistics, Cronbach's Alpha coefficients, and Zero-order correlations of variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Price</td>
<td>.841</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Convenience</td>
<td>.499**</td>
<td>.834</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Service Quality</td>
<td>.398**</td>
<td>.705**</td>
<td>.827</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Safety</td>
<td>.645**</td>
<td>.422**</td>
<td>.461**</td>
<td>.775</td>
<td></td>
</tr>
<tr>
<td>5. Customer Satisfaction</td>
<td>.618**</td>
<td>.584**</td>
<td>.624**</td>
<td>.638**</td>
<td>.872</td>
</tr>
</tbody>
</table>

Mean: 3.44 4.19 4.07 3.61 3.88
Standard Deviation: 0.93 0.67 0.70 0.85 0.81
No. of Items: 3 5 5 3 3

Note: N=174; *p<.05, **p<.01, ***p<.001. Diagonal entries in bold indicate Cronbach’s Coefficient Alpha.

Table 3 shows the summary of the multiple regression analysis. Price, convenience, service quality, and safety were independent variables, while customer satisfaction was categorized as a dependent variable. According to the table above, price, service quality, and safety were statistically linked to customer satisfaction. The relationship between price, service quality and safety were positively correlated to customer satisfaction with beta values of 0.253, 0.308, and 0.281. Hence, H1, H3, and H4 were supported. While R2 is 0.5999, this means that 59.99% of the variation in customer satisfaction is explainable by price, service quality, and safety. This demonstrates that price, service quality, and safety were the most important factors influencing customer satisfaction on J&T Express. With the beta value of 0.308, we know that service quality is the most important element influencing customer satisfaction of J&T Express, followed by safety with a beta value of 0.281 and a price with a beta value of 0.253. At the same time, convenience did not significantly impact customer satisfaction, and this result implies that H2 is not supported.
Table 3. Summary of Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>.253***</td>
</tr>
<tr>
<td>Convenience</td>
<td>.122</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.308***</td>
</tr>
<tr>
<td>Safety</td>
<td>.281***</td>
</tr>
<tr>
<td>R2</td>
<td>0.599</td>
</tr>
<tr>
<td>F Value</td>
<td>63.174</td>
</tr>
<tr>
<td>Durbin-Watson Statistic</td>
<td>1.611</td>
</tr>
</tbody>
</table>

Note: N=174 4; *p<.05, **p<.01, ***p<.001.

DISCUSSION

Service Quality has shown the most significant impact on customer satisfaction at J&T Express in Malaysia. J&T Express focus more on providing service quality to maintain a long-term relationship with their customers and to achieve long-term success in the service industry (Fida, Ahmed, & Al-Balushi, 2020). The customers feel satisfied and pleased when the perceived service quality reaches or exceeds their expectations. J&T Express has to maintain and increase service quality such as on-time delivery of the parcel, delivery to a correct and respective address, good condition of the parcel, and friendly attitude of delivery drivers. With those examples of service quality improvement, J&T Express will gain more customer loyalty and have a higher potential to obtain more new customers that try on their service due to the reason that those satisfied customers will continue using the service and may recommend it to their families and friends. Besides, J&T Express can strengthen its reputation and enjoy more competitive advantages in the market.

In addition, this study shows that safety has a significant impact on customer satisfaction at J&T Express. Most consumers feel it is secure to use J&T Express because their parcels are delivered safely, and their personal information is safely managed according to privacy policies. However, some of them have mixed opinions about the compensation provided by J&T Express. This could be the case for those who did not receive satisfactory compensation when their package was damaged. One study stated that J&T Express has clear agreements regarding guarantees for damaged and lost parcels. These guarantees function as a declaration of compensation for the parcels delivered by the logistic company in the event that they are damaged during the shipment in order to mitigate the loss that will be incurred by online retailers (Rizki, Cahyadi, & Slamet, 2020). Hence, the safety of using J&T Express could positively impact customer satisfaction.

Besides, this study also shows that price significantly impacts customer satisfaction with J&T Express. According to our survey, more than half of the respondents agreed that J&T express's reasonable logistics service charges. Reasonable prices are more likely to lead to customer satisfaction than high prices for high-quality services (Zardi, Wardi, & Evanita, 2018). Therefore, we believe that the reasonable price is one of the reasons why J&T Express can gain a high market share. However, more than half of the respondents did not select agree that the price promotions offered by J&T Express felt valuable. Price promotions will increase customer satisfaction and help customers expect the quality of service based on the price of the promotion (Parasuraman, Zeithaml, & Berry, 1985). Therefore, this study suggests that J&T Express focuses on price promotions, such as free shipping on one of the three packages, to increase customer satisfaction.
Our findings revealed that convenience has no significant correlation with J&T express' customer satisfaction. However, the findings indicate that convenience has a positive relationship with customer satisfaction. Even though convenience is not a significant factor in these findings, it was important because the influence of convenience on satisfaction is longer lasting and more effective on consumer satisfaction (Srivastava & Kaul, 2014). In addition, the procedure's simplicity and effectiveness when sending a parcel will reduce the time and effort spent by the customer. Thus, with this experience, it will increase the level of customer satisfaction.

**Figure 2. The Hypothesized Model**

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Price

Convenience
0.122

Service Quality
0.308***

Safety
0.281***

Customer Satisfaction

0.253***
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*Note: N= *p<.05, **p<.01, ***p<.001.*

This research provides a more comprehensive look at the major elements that affect customer satisfaction at J&T Express in Malaysia. We ought to bring numerous parties' attention to this section to increase customer satisfaction at J&T Express in Malaysia. The first implication of our research is to draw J&T Express's attention to the need to enhance the quality of its services. An excellent and competent service quality will give consumers confidence and a favorable image, leading to increased customer satisfaction. Based on this, J&T Express's management can provide continuous training programs for its employees, including delivery drivers and customer service staff. The purpose of training is to ensure that they can provide attentive and quality services to meet the consumer's satisfaction level. Thus, customers satisfied with J&T Express's service will recommend J&T Express to their friends or family, which will help expand the customer base and increase the commercial potential. Second, our research highlighted that the price factor has a greater impact on customer satisfaction. In our survey, most respondents rated neutral regarding the question, "Customers feel valued about the promotions provided by J&T Express". Therefore, J&T management should emphasize price promotions such as free shipping on one of the three packages, discount on the bundle package, etc. The price promotion helps to attract new and current customers and will increase their level of satisfaction. Last but not least, we hope that our research will be informative and useful to future scholars.

**CONCLUSION**

J&T Express is a new company established in Indonesia in 2015. However, it has overgrown and expanded to several countries, including Malaysia. Due to the growing trend of online shopping in recent years, the market demand for logistics services has increased. The rapid growth of J&T Express in the presence of many competitors must also mean that its company has achieved high customer satisfaction. This study examines customer satisfaction based on four key variables, which are price, convenience, service quality, and safety. This study not only allows scholars to
understand the reasons for the high market share of J&T Express services but also provides industry insiders to study the company's strategy.

A total of 174 respondents were found for the study to answer the questionnaire, and 169 had experience using J&T Express services. After data analysis with SPSS, we concluded that service quality, safety, and price significantly affect customer satisfaction. However, convenience did not significantly affect customer satisfaction. Therefore, for J&T Express to maintain and improve customer satisfaction, the study also gives some recommendations, which are providing a continuous series of training programs for its employees to enhance service quality and should emphasize more on price promotions to attract the new and current customers.

LIMITATION

The authors also encountered several limitations in this study. First, this research questionnaire is mainly disseminated among university students, so more than half of the respondents are current university students, which may not truly represent the customer satisfaction of all people in society. In addition, more than half of the respondents are Gen Z, which may be the reason of online shopping trend has led to more use of logistics services by Gen Z, or the questionnaire is mainly shared with university students. Future studies should address similar research in different research settings.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare that they have no financial interest or relationship with the work submitted to the journal and do not have any conflict of interest.

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