THE INFLUENCE OF SERVICE QUALITY AND PRICE FAIRNESS ON CUSTOMER SATISFACTION TOWARDS POSLAJU COURIER SERVICE

MIMI JULIYANA BINTI HALIMI

Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Partial Fulfillment of the Requirement for the Master of Sciences
(Management)

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Pusat Pengajian Pengurusan Perniagaan

SCHOOL OF BUSINESS MANAGEMENT

Universiti Utara Malaysia

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ABSTRAK

Kepuasan pelanggan merupakan isu yang penting dan kritikal dalam pelbagai industri, dan penyelidikan ini lebih fokus kepada industri perkhidmatan kurier. Dalam meningkatkan kepuasan pelanggan di dalam perkhidmatan kurier Poslaju, kualiti perkhidmatan dan keadilan harga merupakan penyebab penting untuk memastikan kepuasan pelanggan. Walaubagaimanapun, semakin meningkat pelanggan yang menggunakan perkhidmatan kurier Poslaju, sangat penting untuk memahami keperluan pelanggan untuk mewujudkan hubungan jangka panjang. Tujuan penyelidikan ini adalah untuk menentukan hubugan antara kualiti perkhidmatan dan keadilan harga terhadap kepuasan pelanggan dalam perkhidmatan kurier Poslaju. Kajian ini menggunakan kaedah penyelidikkan kuantitatif untuk mengukur lima dimensi kualiti perkhidmantan termasuk Bukti fizikal (Tangibles), Kebolehpercayaan (Reliability), Responsif (Responsiveness), Jaminan (Assurance) dan Empati (Empathy). Kemudian keadilan harga juga penyebab kepada kepuasan pelanggan. Kajian ini menggunakan teknik pensampelan rawak kelompok. Borang kaji selidik diedarkan kepada pelanggan perkhidmatan kurier Poslaju yang terletak di daerah Kubang Pasu. Seramai 334 responden yang terlibat dalam kajian ini. Analisis data dijalankan dengan menggunakan SPSS versi 25. Dapatan analisis regrasi berganda mendapati bahawa bukti fizikal (Tangibles), kebolehpercayaan (Reliability), responsif (Responsiveness), jaminan (Assurance) dan empati (Empathy) dan keadilan harga adalah signifikan terhadap kepuasan pelanggan di perkhidmatan kurier Poslaju. Tambahan pula, di dalam kajian ini jaminan (Assurance) dan keadilan harga mempunyai nilai signifikan yang paling tinggi terhadap kepuasan pelanggan.

Kata kunci: Kepuasan pelanggan, kualiti perkhidmatan, keadilan harga, industri perkhidmatan kurier.

ABSTRACT

Customer satisfaction refers to an important and critical issue in various industries and this research focus on the courier service industry. Improving customer satisfaction in the Poslaju courier service the service quality and price fairness are important predictors to determine customer satisfaction. Although the increasing number of customers consumes the Poslaju courier service, it is very important to understand customer needs and wants to create long term relationships. The aim of this study to determine the relationship between service quality and price fairness on customer satisfaction in the Poslaju courier service. This study applies the quantitative research method to measure the five dimensions of service quality including tangibles, reliability, responsiveness, assurance, and empathy. Then, price fairness also the factors on customer satisfaction. The sampling technique used is a clustered sampling technique. The questionnaire is distributed to the customer in the Poslaju courier service located at Kubang Pasu district. There are 334 respondents involved in this study. The data analysis is run by using SPSS version 25. The findings of multiple regression analysis reveal the result of the tangibles, reliability, responsiveness, assurance, and empathy as well as price fairness are significant toward customer satisfaction in the Poslaju courier service. Moreover, the assurance and price fairness variables are highly significant in customer satisfaction in this study.

Keywords: Customer satisfaction, service quality, price fairness, courier service industry.
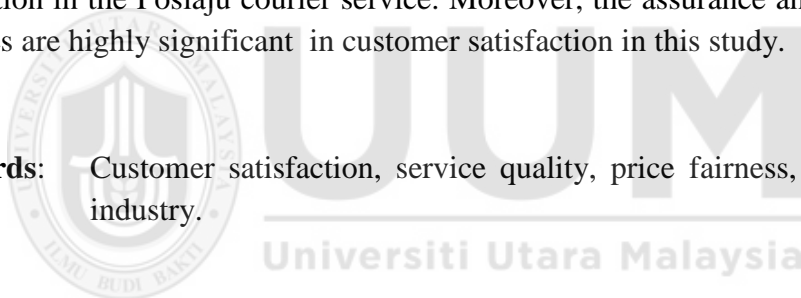
ACKNOWLEDGEMENT

In the name of Allah, the most gracious, the most merciful.
All praises and thank are due to Allah, the Lord of the Worlds, for all His bounties and blessings. May peace and blessings be unto the Holy Prophet Muhammad, his Progency, and his Companions.

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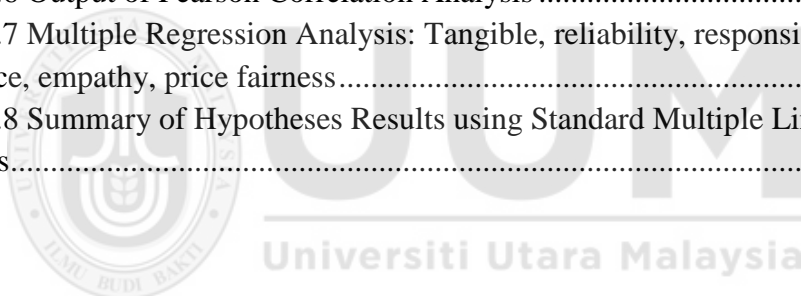7th June 2019

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LIST OF ABBREVIATIONS

A	Assurance
AIS	American Institution of Stress
CS	Customer Satisfaction
E	Empathy
EDT	Expectancy Disconfirmation Theory
MCMC	Communications and Multimedia Commission
PF	Price Fairness
PLS	Partial least square regression.
R	Reliability
RV	Responsiveness
SERVQUAL	Service Quality
SPPI	Service Producer Price Index
SPSS	Statistical Package for Social Sciene version
T	Tangibles
UMK	Universiti Malaysia Kelantan
UUM	Universiti Utara Malaysia

1.0 Introduction

This chapter introduces outline of the study. The chapter will begin with a problem statement that describing the concerning issues of the study. Then, the study will come out with the structure of research objective and research questions. In addition, the research objectives and research question will be demonstrated. Furthermore,the researcher describing the theoretical and practitioners of the study.

1.1 Background of the study

The satisfaction of the customer is important for every successful business to sustain. On behalf of that, the customer satisfaction is related to the business growth and profitability (Janahi & Mubarak, 2016; Saura, Contri & Moliza, 2018). Because without customer the business is nothing (Li, Riley, Lin & Qi, 2006). Thus, the reputation of the organization and successful are considered affected by the satisfaction of the customers (Li, et al., 2006). Moreover, the survival of the business is reflected by the satisfaction of the customer and how the service being delivered in order to ensure higher satisfaction by providing a better strategic of the organizations (Reichheld & Sasser, 1990). Therefore, businesses need to develop strategies to maintain long-term business such as strategies to achieve customer satisfaction (Hanif, Hafeez & Riaz, 2010).

Rashid, Mansor and Hamzah (2011) state the customer satisfaction is gain widespread recognition as a measure of quality in a various sectors. Due to that, the satisfaction of

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the customer influenced by the quality of service provided by the organization (Ghobadian, Speller & Jones, 1994). There are few studies indicates the service quality as factors that influence the customer satisfaction and also related to each other (Minh & Huu, 2016; Caruana, 2002; & Khattab, 2018). According to the past studies the result shows the significant relationship between service quality and customer satisfaction (Yee, Yueng & Cheng, 2011; & Oakland, 2005). Furthermore, the study by Kandampully, Mok and Sparks (2001) explained that there are quite challenge in providing the best service quality to customer in order to have a higher customer satisfaction. This is because the service quality is working as enhancing the business performance of the organization in adoption of quality improvement initiatives for various industries (Yasin & Anjum, 2015). Furthermore, five dimensions of Parasuraman, Zeithaml and Berry (1988) namely, tangibles, reliability, responsiveness, assurance and empathy were proposed to explain the service quality in this study.
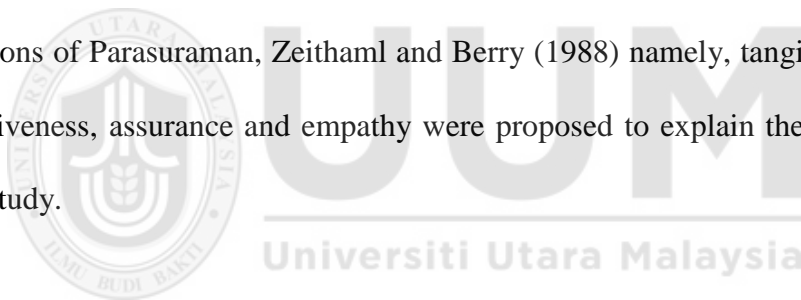
In addition, the price fairness is another factor that is considered as an instrument that highly affects the customer dissatisfaction (Mlekwa, 2014). The study by Hanif, Hafeez and Riaz (2010) determine the price fairness affect customer satisfaction and has stronger relationship. Price fairness can be explained when the customer satisfied or dissatisfied toward overall price their spending (Matzler, Faullant & Renzl, 2006). This is because the customer is sensitive toward the exchange of price (Usman & Rehman, 2017).

As connected, the study was focusing on the courier service industry that becoming the highest demand in the worldwide and as a medium of exchange goods and communication (Otsetova & Enimanev). Previously, courier service is known as delivery the information and messages from one place to another place (Tariq, Jan, Qadir & Ullah, 2017). In courier service industry, the satisfaction is being the crucial part when customers start to experience the services provided and determine the continuous repeated business (Otsetova, 2017). The courier service industry realizes that the customer satisfaction is an importance role in expanding the business and identify the consequences (Li et al., 2006; & Otsetova & Enimanev, 2014).

In Malaysia, the courier service is highly competitive. Currently, more than 900 of courier service operating in the market. According to Malaysian Communications and Multimedia Commission (MCMC), (2017) there are 921 numbers of postal and courier service that operating around Malaysia. Meanwhile, the parcel delivery services in domestic are 35.2 million and shown higher numbers rather than international with 4.9 million. Commonly, the postal vehicle involving the truck, aircraft, motorcycle and van. However, motorcycle is the most frequently used by the courier company with 6,623 units and followed by van with 2,997 units. Both vehicles are the basically used because fastest and easier to deliver the parcel in urban and rural area. With the aggressive development of courier services in the market segmentation, the courier companies need quality of the service to fulfill the satisfaction of customers (Otsetova, 2017). Quality of service is one of the factors for a business to survive in a long period (Hanif, Hafeez & Riaz, 2010).

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Pos Malaysia Berhad is the first postal and courier service was established in Malaysia and operating early 1987 (Izzah, Rifai & Yao, 2016). It was comprised of 914 total post office in Malaysia during 2018 (MCMC, 2018). The number drop 7% from the previous year due to restructuring. Pos Malaysia was introduced by the government as an initiative of logistics service provider to deliver good and parcel from the wholesaler to the end customers (Izzah, Rifai & Yao, 2016). Based on annual report 2018, Pos Malaysia Berhad had around 13 members of subsidiary company, including Poslaju (M) Sdn Bhd. This is because, Poslaju (M) Sdn Bhd is the largest courier services in Malaysia with covered 36% of the domestic market and deliver more than 83 million parcels in 2018. The increasing of Poslaju courier service is influenced by the e-commerce where huge traffic of online shopping. Indeed, the e-commerce survey 2018 shown 57.2% the majority of online shopping tend to send the goods by delivery to home and the rest prefer others method (MCMC, 2018). The result more severe decision to home delivery users. Hence, Poslaju courier service is part of 691 of post offices in Malaysia that offering some services, namely Poslaju Kiosk, EziBox Terminal and Poslaju Ezidrive-Thru. The service is convenient for the customers to deliver the package. As a result, the researcher is focused on Kubang Pasu District Poslaju courier service.

The main purpose of this research study to investigate the key variables that are having the most influence relationships on customer satisfaction towards Poslaju courier service. Does service quality (tangibles, reliability, responsiveness, assurance and empathy) and price fairness satisfies a customer? This study aims at determining which factor leads to customer satisfaction among the customers.

1.2 Problem statement

The service gained through the use of courier services should ensure that they satisfy the customer for a long period. In marketing, customers are the most important people to help grow their business. Therefore, the issue of customer satisfaction is an important aspect that will consider business success in the future and will affect the reputation of the organization.

The issues of customer satisfaction arise when there are some problem occur in the services. The study by Nyaga (2017) indicate the increase of global competition in the courier service industry is part of a challenge that needs to face in order to reach the customer expectations and customer satisfaction. For example, the courier service market is also concentrated in some players include UPS, FedEx, DHL, Japan Post Group, China Post, SF Express, Poste Italiane, Royal Mail, YTO Expess, ZTO Express, STO Express, Yunda Express. Through that, the competition between those players can be as a platform to improve the service quality for customer (Otsetova & Dudin, 2017). Moreover, one of newspaper article indicate that by 2025, the global courier service market expected to reach USD 46,4376 million (MarketWatch, 2019, February 5). The increasing is demonstrates that customer dissatisfaction towards the courier service industry. Thus, the service quality is a vital element need to consider in order to have a better customer satisfaction in the courier service industry (Li et al., 2006). Because, the service quality is extensive for the service organization and directly affect the customer satisfaction (Al Khattab & Aldehayyat, 2011).

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The technology advancements consider as a major platform in expanding the e-commerce around the world where can affecting the courier service industry like new ways of delivering packages (Kipyegon, 2009; & Gulc, 2017). Otsetova (2017) agree that the e-commerce is the key drivers in the courier service industry to enhance the business performance. Thus, Dong and Wu (2013) pointed out that there is some problem during the delivery process of parcel to the customers namely, delaying in delivery and the bad condition of the parcel receiving. Based on Razik, Rozar, Yusoff, Hassan, Ramli and Zain (2018) the late delivery, missing mail and damage of the parcel are the challenges in the courier service industry. Meanwhile, according to other past studies, the authors found the customer prefer to have a short time in receiving the delivery rather than longer waiting due to saving the time (Zhu 2010; & Valaei, Shahijan & Razaei 2016). The customers expecting of prompt delivery because indicates the cost of they spend on particular courier services (Li et al., 2006). Due to that, the customer does an assumption of the higher cost will be a shorter time in delivering the parcel (Otsetova (2017).

Now that, according to Dong and Wu (2015) the courier service employee attitude is cause of customer dissatisfaction in the courier service industry. Armstrong (2002) cited in Gabcanova (2011) the employee is one of the asset that contribute their work on the particular organization and with a good performance lead to the satisfaction of the customers. It's also supported by the past researcher where in the workplace environment, the daily job of employees as one contribution to the service quality in the organization that will indicate the customer satisfaction toward the service provider (Ismail & Yunan, 2016). Recently, the employee of courier service did not able to explain the accurate information in a transaction with the customer (Dong &

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Wu, 2015). Due to that, the American Institution of Stress (AIS) identifies that level of employee stresses come from workload compare to personal issues. The statistics show larger scale with 46% rather than personal issue with 28% and remaining affected by personal life and lack job security. To be connected with, the workload is the one of affecting the employees' performance and productivity during work that causes by insufficient task accomplish, absence of customer satisfaction and unfriendly with the customer (Vijayan, 2017). Hence, the service quality and customer satisfaction are become the considerable problem in the courier service industry.

Another key point, price and quality have a huge impact on customer satisfaction (Foster, 2016). By virtue of that, price is used to evaluate the product or services in business transactions (Setiyawati & Haryanto, 2016). Besides, the price also as a main factor in selecting products or services by the customer where the price fairness can consider when the customer tends to repurchase those products or services (Ehsani & Ehsani, 2014). Consequently, the price offering too high in the market and affecting the customer perception toward the service provider (Foster, 2016).

In Malaysia context, MCMC (2018) stated the number of post office in Kedah was 47 and the mini-post office was 15 in both urban and rural areas. The number is remaining the same as previous year. Meanwhile, in year 2016, the number of post office in rural area was increased by one. The statistics show from year 2016 there is a little bit increasing the number of post office, but in the year 2017 and 2018 the number keep constant. Furthermore, the postal traffic in domestic also was decrease starting from year 2015 until 2018 where the average of decline around 5.06% in

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2015, 8.67% in 2017 and 8.91% in 2018. Moreover, for postal parcel service delivery the number also decrease and shows that most of the local customers start change their preferred in choosing the courier service. The declining from year 2015 to 2016 and increment during 2017 but unfortunately, decrease again in 2018. Thus, the decreasing in term of post office and postal parcel service delivery can be due to some problem that might occur during the service performance (Razik et al., 2018).

The Communications and Multimedia Minister Gobind Singh Deo has said there are a lot of customer complaints towards Poslaju courier service through Twitter and Facebook such as did not receive a letter or parcel. According to Ho, Teik, Tiffany, Kok and Teh (2012) stated the complaint on quality is a major factor could lead to the customer dissatisfaction in the courier service study namely, timeliness, condition of parcel and quality of information. As a result, the quality is the common issue in courier industry (Ho et al., 2012; Razik et al., 2018; & Ismail & Yunan, 2016).

As stated previously, more than 900 of post offices around Malaysia. Recently fews newspaper has been reported about the dissatisfied of customer towards Poslaju Malaysia courier service. The Star Online (April, 2019), has emphasized that the delivery process of Poslaju needs improvement. The issue arises when the customer did not get any notification of delivery status and no detail information of the person in charge to deliver the parcel. Most of the customers in Poslaju need to aware about the delivery process by itself and sometimes need to wait at home for a whole day to wait the arrival of the parcel. In addition, the customers make a call in order to track their parcel but it does not work at all. This company failed to communicate within the employee and increasing the dissatisfaction of customers.

Likewise, the Star Online (May 2019), has highlighted the Poslaju staff was caught throwing the parcels during segregate it into the cage trolley. This happened in one of Pos Office in Kedah. During the video goes on social media, many of people take it as a big issue especially customers. Followed by New Straits Time (May 2019) underline that Poslaju need to improve their service in term of the deliver the package and employee attitude. Employee attitude is one of the characters that could lead to dissatisfaction (Dong & Wu, 2015).

As discus the issues arise, the researcher emphasizes the factors influence of customer satisfaction towards the Poslaju courier service. The paper focuses regarding the service quality and price fairness to indicate the customer satisfaction. To fill this gap, the researcher conducts to an empirical study into service quality and price fairness in Poslaju courier service in order to help provide the understanding on current phenomenon.

1.3 Research Objectives

The main objectives of this research are to investigate the relationship of the service quality and price fairness on customer satisfaction use in Poslaju courier service customers. Hence, based on the problem statements the researcher identify research objectives which are as follows:

i. To examine the relationship between service quality (tangibles, reliability, responsiveness, assurance and empathy) and customer satisfaction.

ii. To investigate the relationship between price fairness and customer satisfaction.

1.4 Research Questions

This research is required to answer the following question on service quality and price fairness on customer satisfaction. To be addressed are as follows:

i.   Does service quality (tangibles, reliability, responsiveness, assurance and empathy) have relationship with customer satisfaction?

ii. Does price fairness have relationship with customer satisfaction?

1.5 Scope of the Study

The scope of this study is focus on the customer satisfaction and factors affecting the customer satisfaction in the context of courier service industry in Malaysia. This research is conducted with respect to the Poslaju courier service customer in the Kubang Pasu district as a population. Poslaju Jitra, Poslaju Changlun and Poslaju UUM branch are part of the area in Kubang Pasu district and were chosen by the researcher to conduct the study. The Poslaju courier service is one of the subsidiary company under Pos Malaysia that cover the biggest portion in Malaysia courier service industry compare to others. Due to that, the researcher intends to investigate the factors that affecting the customer satisfaction in this study by considering the service quality (tangibles, reliability, responsiveness, assurance and empathy) and price fairness as an influence towards Poslaju courier service customers.

1.6 Significance of the Study

1.6.1 Theoretical Perspective

This study contributes to the students and organizations. The findings of this study are important for future research in the field of courier service industry. The outcomes enables to expand literature on the subject of discussion that contributes to existing body knowledge on customer satisfaction especially in Malaysia context. Furthermore, will able to enhance readers' understanding of current global phenomena and the come arise issues of the courier service industry regarding the service quality.

This study determines the findings between service quality and price fairness on customer satisfaction. By that, the study would be a basis for the research and other future research may identify and explore new variables. Apart from that, the study also can be conducted by the same approach in any tested that might not be tested yet such as different location and region because the scope is generally about customer satisfaction in Poslaju courier service. Thus, the study might provide knowledge and ideas for the researcher.

1.6.2 Practitioners' Perspective

With the current trends of online purchasing, the traffic of the courier service industry becomes busier and obviously be attentive in the study. Regarding that, it is useful for the academics and practitioners in order to discuss further on this. In addition, the academics can find out many studies through the variable relationship. The insights

useful for the research in order to predict a new variable rather than most previous studies have done on customer satisfaction.

This study has contributed to the industry where the practitioners responsible as an authorities to understand the importance of service quality that affect customer satisfaction which highly leads to many consequences. For example, the bad services provided or long waiting time during the service delivery. All of these consequences will influence the satisfaction of customers and make the business more alert on what exactly the customer want. The results of this study will be useful to the courier service industry where let them get more understanding of the customer satisfaction and impression of the service quality and price fairness. This finding also to determine the strengths and weaknesses of the Poslaju courier service.

1.7 Definitions of Key Terms

1.7.1 Customer Satisfaction

In this study, customer satisfaction can be defined in this research as the degree to determine the customer experience in consuming the Poslaju courier service. According Kennedy and Schneider (2000), the customer satisfaction describes as how to reach the customer expectation and presenting the customers' emotional.

1.7.2 Service Quality

Service quality is part of the influences that indicate the customer satisfaction in a particular study. In this study, the service quality is developed in the research framework that consider as SERVQUAL model. The SERVQUAL model are including the five dimensions, namely tangibles, reliability, responsiveness, assurance and empathy.

Tangibles

Parasuraman, Zeithmal, and Berry (1988) define tangible as physical facilities and environment where the customer can see and feel directly the service provided. The study explained the Poslaju office equipment and technology are part of the element that affecting the customer satisfaction and might important for the organization in improving the service.

Reliability

Reliability defined as how the service provider promises to execute the service accurately (Parasuraman, Zeithmal, & Berry 1988). This dimension mostly indicates the ability of Poslaju in delivering the parcel to the end customers.

Responsiveness

Based on Parasuraman, Zeithmal, and Berry (1988) responsiveness is to measure the fast services provided and how the employees help. This dimension is to measure the

fast services provided and how the employees help the customers when they have a problem. In this study, Poslaju usually helping the customer in managing the problem they face such as delaying in parcel delivery, losing of a parcel and damage of items they receive.

Assurance

Assurance that can be interpreted as the trust and believe of customer in using the services (Parasuraman, Zeithmal & Berry 1988). The Poslaju courier service one of the biggest courier services in Malaysia and high traffic in logistic. This study indicates there are many customers consume Poslaju courier service as a choice in delivery the items.

Empathy

Parasuraman, Zeithmal, and Berry (1988) define empathy is measuring the employees' awareness and caring toward their customers. In this study, the Poslaju courier service aware their customer problem in handling them and also fulfill the customer needs during the process of delivery and receiving the items.

1.7.3 Price Fairness

According Matzler (2006) the price fairness is the price that considers as acceptable, reasonable and justifiable to the customer. In this study, the price fairness determines the service charge that Poslaju state for every service. The reasonable charge for the service is the best offering to the customers. Because of that, leads to the satisfaction

of customers. The low service charge and high quality are the best idea for increasing the number of consumers in using the service.

1.8 Organization of the Chapters

In this study, the research paper consists of five chapters. The organization of the chapter as follows:

Chapter One: This chapter addressed the background of the study and the problem statement that arise in the context of study. Then, the objectives of the study, research questions and scope and limitation of the study. Followed by the significance of the study and the definitions of key terms. After all, the organizations of the chapter explained all the requirement of each chapter.

Chapter Two: This chapter comprises the literature review that focuses on the previous research that is associated with this study. It presented in this literature review includes a discussion of the theoretical underpinning of the study, dependent variable and independent variable. In addition, the hypotheses development is discussed in this chapter.

Chapter Three: This chapter study about methodology which include the research design, the population and sample of the study. Indeed, the sampling method has been discussed. On the other hand, the questionnaire design is construct for collecting the data from respondents. Furthermore, the development of instrument and measurement of the variables. This chapter also analyzes the data collection process and data

analysis techniques that comprise of descriptive analysis, inferential analysis, reliability analysis, validity analysis and normality analysis.

Chapter Four: This chapter analyzes the findings and results of this study. It presents the response rate, descriptive analysis and mean and standard deviation. Furthermore, reliability analysis, normality analysis and inferential statistics are conducted. Then hypotheses are discussed in this chapter.

Chapter Five: This comprised summary of the whole study according to result of data analysis based on research hypotheses in this study. Then, this chapter ends with suggestions and recommendations for future research. Hence, this chapter gives as overall scenario regarding the background of the research concern.
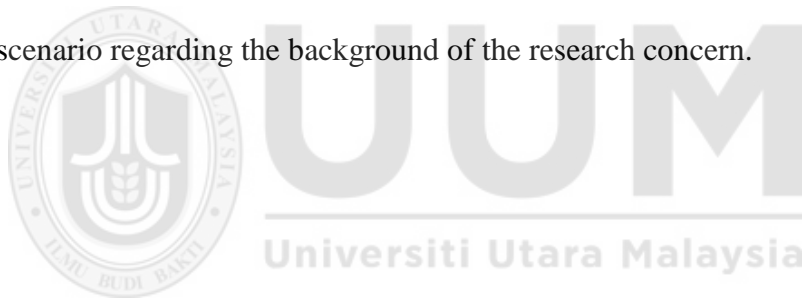
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter is discusses past literature that related to the study. This chapter addresses the primary variables of customer satisfaction are service quality and price fairness to be discussed. This chapter will explain the SERVQUAL model as proposed by Parasuraman, Zeithaml and Berry (1985) namely tangibles, reliability, responsiveness, assurance and empathy and followed by the discussion of price fairness. Then, the discussion explains the hypothesis development and comes out with a research framework.

2.2 Definition and Concept of Customer Satisfaction

The customer plays an important role in the company as the existence and development of the company growth (Biesok & Wrobel, 2011). Based on past studies, the satisfaction can be defined as "post consumption" that refers to the customer experience of consuming the particular product or services with a certain expectation on quality (Gundersen, Heide & Olsson, 1996; & Otsetova, 2017). Oliver (1981) defined satisfaction as post purchase evaluation and comparison process were part of the customer's emotional reaction after consuming or purchase any product or service. Furthermore, Biesok and Wrobel (2011) agree the atmosphere of satisfaction can be described before and after the purchase process that associated with feelings. Moreover, satisfaction is a psychological process where the customer compared the

service they received with other service at higher expectation (Biesok & Wrobel 2011).

In this study, customer satisfaction address as a dependent variable. Cronin and Taylor (1992) define customer satisfaction as conceptualized meaning based on the customer's experience on a particular service encounter. Agreed by Kennedy and Schneider (2000) identify customer satisfaction on behalf of the customer experience and presenting customer feeling toward the product or service. The scholars Fornell, Johnson, Anderson, Cha and Bryant (1996) determine the term customer satisfaction as the customer consumption experience of purchase the goods or service that consider as overall evaluation. Together the past study pointed out the customer experience is undergo to customer satisfaction. Conjointly, the previous research Schiffman and Kanuk (2004) discuss customer satisfaction refer to individual perception regarding the product or service performance in order to exceed his or her expectations. Furthermore, the authors Farzana, Ahasanul, Abdulah, Aftab and Nuruzzaman (2012) mentioned the customer satisfaction is measuring the understanding of customer desires on service or product.

Along with this, the customer satisfaction indicated the overall evaluation of product or service performance with enables the level of satisfaction (Yang, Shih, Nha & Wang, 2017). The level of satisfaction describes the customer feeling on how they satisfy with those services as expected, especially the good service, meanwhile for the dissatisfied customer it might be when the service did not perform as their expectation (Strauss, Chojnacki, Decker & Hoffman, 2001). Thus, the level of satisfaction is to examine the distinction between perceived performance and expectations of the

product or service (Kotler & Anderson, 1987). In another study by Kotler (2000) the result of a person's feeling of his/her expectation are representing as a pleasure or disappointment. Regarding that, the past researcher Duy & Hong (2017) found there are three stages of satisfaction namely satisfied, disappointed and neutral. In satisfied stage, the performance of the service or product perform within the customer expectation. Then, in the disappointed stage, the performance of service or product is lower than the customers' expectation. Last but not least, neutral stage representing on the performance of product or services meet the expectation. Besides, the theory by Oliver also discusses the satisfaction level that widely accepted in determining customer satisfaction which is an Expectancy Disconfirmation Theory (EDT) (McQuitty, Finn & Wiley, 2000).

In relation to this study, the few past research discovered that achieving satisfaction would assist the business growth (Leland & Bailey, 1995; Anderson & Zemke, 1998; & Shagari & Abubakar, 2014). It's supported by the previous research, the business growth of a company is directly pretentious by the customer satisfaction where the higher satisfaction leads to increase revenue, profitability and cash flow for the business (Ittner & Larcker, 1998; Heskett, Sasser & Schlesinger, 1994; Reichheld Teal, 1996; & Luo & Homburg, 2007). Furthermore, one of the advantages for the company due to understanding the customer feeling, behavior, needs and attitude in a certain situation could help the company growth indirectly (Rizwan, Umair & Fiaz, 2014). Besides, according to Incesu and Asikgil (2012) the satisfied customers can describe as a regular purchaser of the product or service and providing good feedback. Meanwhile, the dissatisfied customer will reflect on the different phenomenon that gives negative feedback toward a particular product or service. The feedback is a

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good medium for business performance and it is weakened by the dissatisfied customers (Anderson & Zemke, 1998). Thus, the customer becomes the judge in order to measure the satisfaction itself (Washburn & Petroshius, 2004).

Apart from that, the customer satisfaction can be considered as to measure the customer preferences and customer expectation. To measure it, the sense of judgment about a product or services is needed such as the judge of service delivery as well as the accuracy and dependability (Jamal & Naser, 2003). For the purpose of satisfying the customer, there are a few factors for perceived benefits likely, location, facilities, reputation and quality that will impact the customer itself (Washburn & Petroshius, 2004). The quality is acknowledged by the personal evaluation performance such as the quality of the product and service itself together with a good way in delivery the product or service (Siali, Wen & Hajazi, 2018). In view of some researcher examined the prompt service is one of the factors of the satisfaction. For fear that the company should consider the factor in business performance. Aside from, the past research Atkinson (1988) and Knutson, (1988) criticize the satisfaction are from several factors such as cleanliness, security, value of money, courtesy of employees, prompt service and friendliness of employees.

Hence, in the courier service industry, the effectiveness of the delivery process of the parcel might be part of prompt service (Nyaga, 2017). Due to that, the company gains a high level of satisfaction or the other word the customer feels satisfied with that service. Furthermore, customer satisfaction is vital in the courier service industry and this study focuses to examine the influence that contributes to customer satisfaction. Even there is a lot of the previous study has been done. Yet still essential a further

research to fulfill the customer satisfaction and requirement contexts, such as different people and different region. At the end, the researcher identify the customer satisfaction is an important subject to the survival of a company.

Therefore, few studies agree the customer satisfaction is important in order to meet the customer expectation and customer meet. Thus few study was conducted firstly, Duy and Hoang (2017) tested a study in Vietnam from one of the huge ceramics company. The dependent variable of the study indicates customer loyalty while the service quality, price and product quality belong to independent variables. Moreover, customer satisfaction acted as a mediator variable. Then, the authors found that all the variables (independent variables and mediator variables) have the positive effect on customer satisfaction.

Secondly, the scholars Nguyen, Nguyen, Nguyen and Phan (2018) conducted the studies in Vietnamese Life-Insurance that determines the factors influence of customer satisfaction and loyalty. Customer loyalty as the dependent variable and corporate picture, service quality and price are regarded as independent variables. The mediator in this study controlled by customer satisfaction. The study proved the customer important because all the independent variables have a significant result.

2.3 Definition and Concept of Service Quality

The service acknowledged by the several characteristics such as intangibility, heterogeneity and inseparability (Bateson, 1977; Berry, 1981; Lovelock, 1981; & Shostak, 1977; Parasuraman et al., 1985). The study by Hartman and Lindgren (1993)

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also finds out the vital characteristics of service, namely, intangibility, heterogeneity and inseparability and perishability. This characteristics is to differentiate the service and product in examining service buyer behavior.

According to Eldin (2011) the quality means to meet customer needs and delivering customer satisfaction. The philosophy of better quality should be representing superior customer satisfaction and invest the higher cost of those services are relevant nowadays. In other words, in consuming the good quality the customer needs to pay a higher cost for the service provider.

Parasuraman, Zeithaml and Berry (1988) define service quality as a term that evaluates the customers' expectations and assumptions of the service. Customers' expectations are as contextual predictions that can be expressed by the feeling of customer uncertainty or unsure what they want after using certain services (Prakash & Mohanty, 2012). Conversely, the customers' expectations in service quality can be interpreted as one desire that fulfills the customer uncertainty by having a good service (Parasuraman, Zeithaml & Berry, 1986).

In others study, the service quality explain as consumers' overall impression toward the excellence service offered by the company (Bitner, Booms & Mohr, 1994). For the reason that, service quality is an assessment of customer on service performance based on perception and differences between consequences and desires (Dias, 2011). Furthermore, the main element to determine the customer satisfaction is the customers' perception (Minh & Huu, 2016). On the other hand, service quality is the most important part of evaluating customer satisfaction. As stated in prior studies, the

perception of customer in service quality can be in two-dimensional specifically functional quality and technical quality (Gronroos, 1984: Gronroos, 1990; & Little & Little, 2009). Functional quality has measured the perception of a customer on 'how' the service should deliver whether in good or bad service the customer will receive. Meanwhile, the technical quality is measures 'what' the customer actually receive from the service or consider as outcomes such as the customer interaction during the service encounter (Gronroos, 1984; Gronroos, 1990; Gronroos, 1992; & Mels, Boshoff & Nel, 1997). Most of the research has a different perspective of the service quality definition because until now there is no exact the existence of any define about the term service quality (Wisniewski, 2001).

According to Yee, Yeung and Cheng (2011) there are many previous studies showed the evidence that supported the relationship between customer satisfaction and service quality. This relationship can be specified in three major positions (Brady, Cronin & Brand 2002). Firstly, indicate customer satisfaction as antecedents that describe the service quality. Secondly, suggest the causes of customer satisfaction such as service quality. Thirdly, the satisfaction argued that neither satisfaction nor service quality may be antecedent to others. The expert scholar Parasuraman, Zeithaml and Berry (1985) stated that service quality function as the degree and direction of the gap between expectation and perception of the performance received. Regarding that, the SERVQUAL model is the furthermost reliable and appropriate tools to evaluate service quality. This model was developed to examine the result of the contrast between customer expectation and perception of the services. Many researchers have been using this well-known model that comprises of 22 items of instruments and

representing the five dimensions that will be useful in the courier service industry to quantity the service quality.

In this study, the researcher found out the service quality by Parasuraman et al., (1985) is part of the biggest contribution to the service quality model and suitable for most research in service quality. Furthermore, the dimension of SERVQUAL included tangibles, reliability, responsiveness, assurance and empathy that carry out in this study to indicate customer satisfaction. Thus, the dimension will be discussed in the next section.

Therefore, the few of previous studies also approve the service quality is one of factor that influence the customer satisfaction. Firstly, the scholars Saghier (2015) done a study on managing the service quality to recognize the customer perception and expectation of the factors affect the hotel customers' satisfaction in Egypt on 150 respondents. This study constructs the framework that encompasses the service quality as an independent variable while the dependent variable is customer satisfaction. At the end of this study, the service quality is important to measure the customer satisfaction.

Secondly, the prior study by Rahman (2014) indicates the factors distressing customer satisfaction tested on 282 respondents in the mobile telecommunications sector in Bangladesh. Through this study, the customer satisfaction recognizes as dependent variable while service competitiveness, service innovativeness, service reliability, pricing, service consistency, network/signal coverage, quality of offering, customer demand, contribution to the society, value added service, and brand value are

independent variables. The findings of this study, reveals only four variable hypotheses supported out of eleven namely, service consistency, service reliability, service competitiveness and service innovativeness.

2.3.1 SERVQUAL Model

Based on study by Parasuraman, Zeithaml & Berry (1991) there are ten dimensions in SERVQUAL that was established in 1982. This SERVQUAL model can determine the five gaps of customer perception and indicate the quality of the service judge (Parasuraman et al., 1985; & Yasin & Anjum, 2015). After that, Parasuraman, Zeithaml and Berry (1988) has summarized the dimension and become five dimensions that including into five parts such as tangibles, reliability, responsiveness, assurance and empathy. All the dimension are indicate the service quality based on the environment. Especially in the courier service industry, those five dimensions can influence the service quality performance. Thus, the five dimensions defined by the author as follows:

Table 2.1
Five Dimensions of Service Quality

Dimensions	Definitions
Tangibles	Physical facilities that offering to the customer.
Reliability	Ability to perform the promised service dependably and accurately.
Responsiveness	Ready to help customers and provide on time service.
Assurance	Knowledge and courtesy of employees and the ability to inspire trust and confidence.
Empathy	Caring, individualized and attention given individual attention.

Source: Parasuraman et al., (1988).

According to the Table 2.1, there is a significant relationship between SERVQUAL and customer satisfaction (Rashid et al., 2011). However, few of researcher is adapting the new version of SERVQUAL where by adding the dimensions of this model.

Therefore, in the courier service study, service quality needs to measure the customer satisfaction and to see the customer perception towards the industry where the service provider can be part of the satisfaction or vice versa. Hence, in this study there are only referring to the Parasuraman et al., (1988) as an indicator of this entire research.

Tangibles

Tangibles described as a physical factors such as facilities and equipment that customers can see and feel (Parasuraman et al., 1988). Besides, tangibles are referring as all the facilities or equipment that help accommodate consumers. This dimension is an imperative factor in reviewing the service quality in the service providing because tangibles play as extrinsic sues and persuade the perceptions of customers' emotions (Russel & Ward, 1982). Furthermore, according to Zeithaml, Bitner and Gremler (2006) the tangibles have a unique characteristics that make it different from the products.

The study of Jager and Plooy (2015) the tangibles is the physical aspect of service environment that influence the customer purchasing intentions and increase the satisfaction through several mediums such as word-of-mouth, recommendation and others. As well as, the service delivery that work as an assessment of the service

quality perception. For instance, the satisfaction when the service being delivered in good conditions.

The previous studies found the tangibles are no significant differences between the customer expectation (Jager & Plooy, 2015) and this context of study can be measured in term of customer satisfaction. Based on the studies of Jager and Plooy, (2015) neater appearance is the most perceived the best in the customer satisfaction rather than cleanliness, noises and others. In this study, the equipment, technology and employees of the Poslaju courier service are considered as tangibles.

Reliability

Reliability is a part of SERVQUAL dimensions. Parasuraman et al., (1988) indicates reliability as an ability to accomplish promised services to customers. Moreover, the prior studies also describe reliability as an ability to execute service as promised with accurately and dependably (Mamilla, Janardhana & Babu, 2013; & Damen, 2017). The study by Iberahim, Taufik, Adzmir and Sharuddin (2016) determining the reliability on how the company handles the service problem of customer with performing the better services. The promise that the company had with the customer as a platform to gain more customer trust (Siali, et al., 2018). Thus, Omar, Saadan and Seman (2015) found the reliability is a vital dimension in the service quality.

In the perspective of courier service industry, reliability measured timeliness of parcel delivery to reach the customer, how the employees solve the problem during the customer faced any difficulties and promises of something. According to

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Hennayake (2017) the company or organization should keep their promise in executing the promises such as a promise to deliver on time, pricing and service provision.

Responsiveness

According to Parasuraman et al., (1988) describe the responsiveness as a provision of assistance and prompt service to the customers. Indeed, Gulc (2017) mentioned the responsiveness dimension is according to the fast responses and receive the feedback from customers even there are positive or negative feedback. For the reason that, the researcher found the responsiveness have a positive influence on customer satisfaction (Rehaman & Husnain, 2018).

In the study, responsiveness measured by the prompt service as well. Further, the ability of employee to reply any query of customer and readiness in helping the customers. Those elements are part of measuring responsiveness. In the business the promptness of the service is part of service quality that needs to be highlighted because it could lead to the satisfaction of the customers (Pandey & Sharma, 2011; & Bhardwaj & Chawla, 2013).

Assurance

According to Parasuraman et al., (1988) the definition of assurance interprets as a knowledge and politeness of employees and skill to carry trust and confidence. In research of Alhkami and Alarussi (2016) the assurance involves the respectful

conduct of the staff in giving the customer confidence to repurchase the service in order to ensure the customer feel safe in the business transaction. Furthermore, the employees always providing the information and answering the question properly for the customers. The customer feels trust with the employees and choose to deal with that company again in future.

The study by Phiri and Mcwabe (2013) indicate the assurance is the vital element in the service quality. This dimension will guarantee the customer satisfaction by reason of the customer choose to deal with the persons or business they trust. In this study, the dimension of assurance is most important in Poslaju courier service in order to gain a high level of customer satisfaction.

Empathy

Based on Parasuraman et al., (1988) the empathy shows the attention on how the company gives attention to their customers. Alhkami and Alarussi (2016) define the empathy on how the company provides the individualized attention to their customers for example, communicate and understand the customer needs. This dimension could help the organization to have more understanding regarding the customer problems as well as individual personal attention.

According to Sin, Tse, Yau, Chow, Lee and Lau (2005) empathy refers to a process of a business relationship that allow more than one party to see the condition from the diverse perspective view of others. Furthermore, empathy is understanding of the company in term of the customer need and wants by providing the individual attention

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(Qadri, 2015). Then, the author Nautiyal (2014) determine empathy as a shows the employees helpful and aware of the customer needs where the employees fully involve during every customer relation.

2.4 Definition and Concept of Price Fairness

From the customers' perception price defined as on giving up or sacrificed to acquire the product or service (Zeithaml, 1988). According to Foster (2016) the price refers to an amount of money that essential to spent by the customer as an exchange to obtain the number of product and services. The price should be reasonable for the customer because lots of company paying less attention about this factor by setting the high price. The former studies found that the price is an important aspect for the customer to receive the benefits of the product or services (Dimyati & Subagio, 2016). In cause of that, the company should set a lower price to the customer for surviving in the business for long term (Foster, 2016). Furthermore, the organizational's view the price increase could low the company profitability (Ko, Cho & Lee, 2018).

Basically, the customer tends to deliberate the relation between prices and expectation on the performance of the purchased products or services (Marina, Kartini, Sari & Padmasasmita, 2016). Regarding the philosophy that generally accepted mentioned the higher price of product or service offered by the company will let the lower desire to buy whereas when the price decrease, the customer will buy more (Leasure, 2013). In addition, the price can be a resource to increase profit and customer satisfaction (Ehsani & Ehsani, 2014). From the point of view of the organization, it should be considered the profitability. Meanwhile, customer satisfaction is at the point of the

customer itself. The customer satisfaction is important because sometimes customer feels some of the product or service does not deserve the price and there no-repeat purchase of that product or service (Ehsani & Ehsani, 2014).

In relation of the study, the price determines fair if the customer feels the product are perceived high benefits to them and parallel to the price they paid for that product or service (Monroe, 1985). The previous study by Bolton, Warlop and Alba (2003) the fairness refers as a process to reach the outcomes which is including the aspect of righteous, rationale and acceptable. Thus, Matzler, Renzl and Faullant (2006) determine the price fairness denotes as consumers' perception of the difference between the price accepted by the socially and other comparative parties where the price considers reasonable, acceptable and justifiable. In addition, as supported by Xia, Kent and Jennifer (2004) mentioned the price fairness work as a customers' assessment of the price whether acceptable, reasonable and justifiable for the purchased product or service.

According to Matzler et al., (2006) the concept of price fairness can be explained when the customer satisfied or dissatisfied toward overall price their spending, whereas the customer can refer the specific price dimension namely, price reliability, price quality ratio and relative price. In some condition, the customer can partially satisfy with the price dimension and the rest dissatisfied. By reason of that, the price is a crucial component in understanding the customer behavior (Ryu & Han, 2010).

Hence, the price fairness has the most effect to the customer satisfaction, where the proper offered price by the service provider will gain more satisfaction from

customers (Han & Ryu, 2009; Gumussoy & Koseoglu, 2016). Furthermore, the price fairness is vital for the service industry as well in order to protect the company from failure in service encounter and competition in the service industry (Keaveney, 1995;& Chen, Gupta & Rom 1994).

Therefore, there are some past studies agree the price fairness is important to encounter the customer dissatisfaction. Firstly, Herrmann, Xia and Huber (2007) conducted the study in the automobile purchaser in the German car dealership. This study was participated by 246 car buyers via mail and phone calls. The survey was done by face to face at dealerships and interviews. Along with that, the customer satisfaction role as dependent variables and price fairness act as an independent variable. Then, the result indicates the overall buyers' satisfaction is influenced by the price fairness perceptions.

Secondly, the study noted by Kaura, Prasad and Charma (2015) was conducted the study in State Bank of India (SBI) in order to determine the most variables affected. The customer satisfaction role as a mediator of the relationship between antecedents and customer loyalty. The variables involved were perceived price and fairness, service quality and service convenience. At the end, the result shows the perceived price and fairness show a positive influence on customer satisfaction and customer loyalty.

2.5. The Expectancy Disconfirmation Theory (EDT)

This theory is conceptualized by Oliver (1980) that utmost generally accepted theory in the concerning of customer satisfaction by addressing the relationship between customer satisfaction and actual buying behavior. Besides, suggested by Zeithaml, Parasuraman and Berry (1985) that this theory covering the overall evaluation of service performance and judged on excellence.

Based on previous study, this theory consist of two variables namely, expectation or desire and experience or perceived performance (Elkhani & Bakri 2012). The past study by Elkhani and Bakri (2012) explained the expectation or desire as a customer first expectation during the pre purchase time and desire related to the precise performance such as the quality of the product or service. Meanwhile, experience or perceived performance discusses on when a customer gets the experience during post purchase stage and received the real performance of the product or service. Those two variables also recognize as disconfirmation of expectation or desire (Oliver, 1980; Spreng & Jr, 2003; & Bhattacherjee & Premkumar, 2004). According to Yi, (1990) this theory is proposed about the positive disconfirmation and negative disconfirmation. The positive disconfirmation arises when the customer's perceived performance above the customer's expectation toward the product or service. In the same way, the negative disconfirmation can be described as when the customer perceives worse performance than they expected on the product or service.

Moreover, as noted by Huang (2015) this theory discusses two variables also which are customer's expectation and outcome performance. This two important variables

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can indicate the judgement of satisfaction measure. Regarding this theory, the organization could increase the satisfaction by having a good performance of business and reducing the customer's expectation. Thus, the process of satisfaction judgments reveals that include of four levels. Firstly, customer experience the expectation of after purchase. Secondly, the expectation of customer reveals after consume the product or service whether perceived performance. Thirdly, the perceived performance shows the result of either confirm or disconfirm that indicates the prepurchase expectation (Anderson & Sullivan, 1993). Fourth, the expectation and perceived level of disconfirmation affected by satisfaction.

In addition, the theory explaining the process of how the customer compared the experience of receiving actual service performance with the expected service (Beardon & Teel, 1993; Oliver 1980). Because the customer satisfaction impact on satisfaction level based on customer expectation (Bhattacherjee & Perols, 2008). Therefore, EDT provides a benchmark for the level of satisfaction and refer as consequences of the event will be (Oliver 1980).

In this study, this theory is suitable for indicating customer satisfaction in the Poslaju courier service industry. By the reason, the EDT founded as an element of customer satisfaction in the various studies of products and services sector (Ryzin, 2013).

2.6 Hypotheses Developments

Hypotheses can be defined as a tentative argument of research issues, an educated assumption about the research results (Kabir, 2016). Thus, it needs to be specific and transparent in describing to indicate the research outcome. Hypothesis developed for this study includes the following:

2.6.1 Relationship between tangibles and customer satisfaction

Many literatures demonstrate different component in measuring customer satisfaction as well from various concepts and dimensions. However, service quality acts essential role in providing customers satisfaction in any field. Previous studies emphasize service quality in diverse perception which leads to customer satisfactions.

Nyangarika (2016) highlights that in marketing services, SERVQUAL model proposes five distinct dimensions, namely tangibles, reliability, responsiveness, assurance and empathy. Primely, the author conducted the study at Tanzania Posts corporation, a national postal service within the United Republic of Tanzania. The study focused on service quality analysis for customer satisfaction and tested on 30 samples which the finding reveals that tangibles is significant to predict customer satisfaction.

Moreover, a study conducted by Islam (2011) on fashion house of Malaysia specifically under textile industry reveals that service quality level including dimensions have a significant impact on customer satisfaction. 17 out of 116 major

fashion house in Kuala Lumpur has significant attachment to customer satisfaction. Wang and Shieh (2006) disclose the relationship of tangibles on user's satisfaction, when tested on 11 university libraries countrywide. The study shows significant positive effects among the variables. Thus, researcher hypothesized as;

H1: There is a significant relationship between tangibles and customer satisfaction.

2.6.2 Relationship between reliability and customer satisfaction

Literatures expose the relationship between reliability and customer satisfaction which determines when reliability is high, potentially influence customer's satisfaction. Study done by Nyangarika (2016) on service quality, found that reliability highly significant to customer satisfaction. The author emphasized that constructs under reliability are weigh to the organization's ability in performing the promised service constantly and precisely. Thus, it develops their customer's satisfactions towards postal agency in Tanzania. Moreover, the findings of the study explain positive evaluations on service reliability, ranging from 70% to 83.3% for all the factors under reliability construct.

Furthermore, enhance supplier who capable to be reliable in delivering their services with first-class level such as on-time delivers will obtain customer's satisfaction. Research conducted by Razik et al., (2018) on measuring parcel quality study contribute to evaluate Universiti Malaysia Kelantan (UMK) HEP parcel service quality towards their student's satisfaction. The study intensify moderate Kotler and Keller (2006) positive correlation between reliability and customer satisfaction.

Besides that, Markovic and Raspor (2010) conducted research on 15 hotels in Opatija Riviera (Croatia) found reliability is among the important predictor to influence customer's expectation and satisfaction. Besides, in the same year, Karunaratne and Jayawardena (2010) assess customer satisfaction with 5-star hotel in Kandy district, Sri Lanka. The authors expose that the hotel do not fulfill the customers' satisfaction with respects to reliability and empathy. Based on the discussion, it was hypothesized as;

H2: There is a significant relationship between reliability and customer satisfaction.

2.6.3 Relationship between responsiveness and customer satisfaction

Past studies reveal inconsistency between responsiveness and customer satisfaction. Study by Minh, Ha, Anh and Matsui (2015) on service quality and customer satisfaction in Vietnamese hotels, were tested on 432 hotel guests of 33 three-star hotels, the analysis found that responsiveness significantly impacts customer satisfaction. In addition, Hossain (2012) executed study on Cox's Bazar tourists in Bangladesh. The author tests the study on 385 tourists and found the service quality dimensions (tangibles, reliability, responsiveness, assurance and empathy) has a positive significant relationship towards customer's satisfaction.

However, Boonitt and Rompho (2012) executed a comparison study in Thailand between boutique (textile) and business hotels and came out with results from 108 responses that reveals service quality is moderately low, which means the hotels were not fit or under their capability to deliver the services as expected by their customers.

Besides, the customer's expectations for boutique hotels is much higher compared to business hotels. It shows that their customers having more preference to receive a good service quality including responsiveness in boutique hotels since the age group of respondents majorly are in range between 25 – 34 years old.

Despite that, a pilot study was executed in Cheras, Kuala Lumpur, Malaysia on measuring customer's satisfaction in parcel service delivery (Yee & Daud, 2011). The findings shows non-significant correlation among responsiveness and customer satisfaction. Furthermore, the result was contradict from past researches where most studies showing a significant relationship between responsiveness and customer satisfaction regardless on industries. Thus, based on previous discussion, researcher develops the hypothesis as;

H3: There is a significant relationship between responsiveness and customer satisfaction.

2.6.4 Relationship between assurance and customer satisfaction

In literatures, interpretations of dimensions of service quality were well established, and assurance playing as a crucial role in delivery services. It enhances the bonding between the customers as well increase the customer's satisfaction.

As cited by Wang et al., (2006) on a study conducted with 11 university libraries that there is positive significant impact on overall service quality dimensions except for responsiveness towards user's satisfaction. Additionally, Minh et al., (2015), defined

assurance as to the ability of hotel in gaining trust from customers regarding the hotel's services, as well as the hotel staff's skills and knowledge. Thus, the authors formulate the hypothesis for assurance that has a positive effect on customer satisfaction and the analysis result were support the hypothesis developed with (p value = 0.008). It explains that customers feel secure and safe, besides assure on staff's credibility in handling customers' expectations.

Moreover, many past studies indicating positive significant between assurance and customer satisfaction, (Knutson et al., 1990; Mei et al., 1999; & Juwaheer, 2004). The scholars elaborate that assurance is one fundamental key to attract more customers besides engage existing customer with trying to maximize in fulfilling their preference or expectations.

Despites, Suki (2013) investigate the correlation between hotel service quality application (tangibles, reliability, responsiveness, assurance and empathy) on the tourist's satisfaction level. The findings revealed the hotel service quality applications significantly correlated with tangibles, reliability, responsiveness and empathy, yet assurance is not predicted to be significant to tourist's satisfaction. Thus, it was hypothesized as;

H4: There is a significant relationship between assurance and customer satisfaction.

2.6.5 Relationship between empathy and customer satisfaction

Literatures expose the relationship between empathy and customer satisfaction which found mixed results, positive and negative. There are some studies that indicate positive correlation between empathy and customer satisfaction, which revealed that empathy does not necessarily be positive to make the customer satisfied. There are few conglomerates of studies been explained below.

In Bangladesh, specifically at Cox's Bazar, a study had been tested by Hossain (2012) on 385 tourists who were visiting the Bazar. The study focused on effects of perceived service quality to the customer's satisfaction, and found that overall the dimensions of SERVQUAL (tangibles, assurance, reliability, empathy and responsiveness) were positively significant to predict customer satisfaction. Additionally, empathy was the strongest factor in influencing customer's satisfaction and followed by the rest dimensions. On the other hand, Markovic and Raspor (2010) established that accessibility, tangible, empathy, reliability and staff competencies are the key factors that dominant in explaining customers' satisfactions.

Nevertheless, AlKhattab and Aldehayyat (2011) findings were contradict with general past results on empathy, possibly due to many reasons such as human capital, work condition and ex cetera. The authors conduct the study on measuring the hotel's SERVQUAL performance from the perspective of customer in Jordan. They test on 280 respondents and found that hotels in Jordan need improvisation regarding the SERVQUAL dimensions as the customers itself expecting from the hotel authority in

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providing better services. Moreover, empathy and tangibles have the lowest perspective from customers. Thus, it was hypothesized as;

H5: There is a significant relationship between empathy and customer satisfaction.

2.6.6 Relationship between price fairness and customer satisfaction

Price fairness describes as a user's assessment that connected with emotions regarding the differences among a seller's price and the comparative price offered by other party, either reasonable or acceptable (Xia et al., 2004). Past studies reveal mixed results as discuss below.

Dimyati and Subagio (2016) executed study on two different angles, service quality, price and brand image on customer satisfaction and tests effects of loyalty and customer's satisfaction at East Jaya Pos Ekspres. There are 133 respondents were participate in the study and findings reveal that there is a positive significant correlation between price and customer satisfaction and the hypothesis supported as well. Moreover, study of Xia, Monroe and Cox (2004) show in order to measure the price fairness the contrast of price needed including through competitor's price, previous price and distribution of cost profit for inequality. The study by Martin, Ponder and Lueg (2009) found the price fairness can be explained regarding the low and high price that affect the customer perception.

Furthermore, based on Matzler et al., (2006) the product price at different levels, and the conglomerate of price awareness has the initiative to intimidate customer's

satisfaction. Besides, study by Mlekwa (2014) on the effects of price fairness and customer services towards customer satisfaction were tested among mobile phone users of Tanga city. The study reveals high correlation (r = 0.848) and define price fairness positively significant to predict customer satisfaction, extended with multiple linear regression that price fairness is significant at 0.01 level. Its explain that when the price offered is fair and reasonable, ultimately help increase the level of satisfaction customer when utilize the services. Thus, researcher hypothesized as below;

H6:   There is a significant relationship between price fairness and customer satisfaction.

2.7 The Research Framework

This study involves seven variables and subset of the six variables represent as independent variables and one is the dependent variable. The independent variables of service quality comprise of five dimensions of service quality, including tangibles, reliability, responsiveness, assurance and empathy. Then, price fairness also part of the independent variables. The research framework for this study was developed as proposed by Parasuraman et al., (1988) on the service quality variables which suggested tangibles, reliability, responsiveness, assurance and empathy as dimensions. Each dimension shows a relationship towards customer satisfaction (Parasuraman et al., 1988). Moreover, the price fairness are obtained from Matzler et al., (2006). The price fairness is part of the factors that affecting the customer satisfaction (Matzler et

al., 2006). Thus the researcher constructs the research framework to show the linkage

of the service quality and price fairness and on customer satisfaction as Figure 2.1.
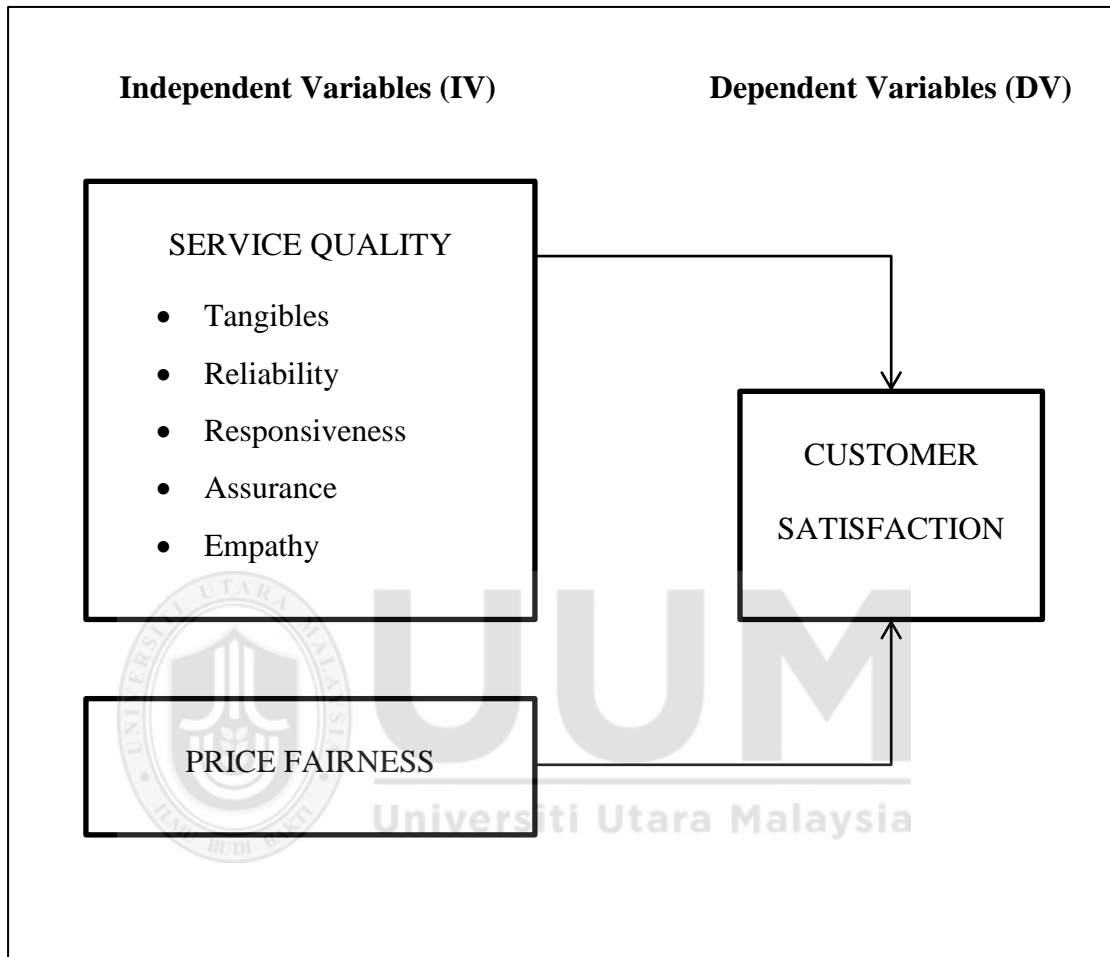
Figure 2.1
Research Framework

2.8 Chapter Summary

Based on the review of the literature, the relationship between the dimensions of service quality, price fairness and customer satisfaction are investigated among customers at the Poslaju courier service. Further study will be conducted on the relationship between variables of service quality and price fairness on customer satisfaction. This research is to examine the most factors on customer satisfaction in customers' Poslaju courier service.

CHAPTER THREE
METHODOLOGY

3.1 Introduction

This chapter describes the discussion on research design, sampling design, population and sample in the study, sampling method, questionnaire design, measurement of variables, data collection methods, operational definition of construct, and technique of data analysis. Furthermore, this chapter obtained the tool to be use and analyze the data collected and came out with the result of the relationship between service quality and price fairness on courier service customer satisfaction.

3.2 Research Design

In this study, researcher used quantitative research approach. According to Daniel (2016) quantitative research defined as a statistical data or numerical representation of data analysis that relevant to the study. Furthermore, Aliaga and Gunderson, (2002) agree that the data is utilized by the numerical data by using statistical techniques to collect the information such as who, where, when, how and others. Thus, the researcher uses quantitative methods as it is time and cost effective approach. Moreover, Creswell (2009) mentioned that the quantitative research is to determine the relationship between dependent variable and independent variables. Besides, researcher prepares a set of questionnaire as an instrument in collecting data from respondents. Questionnaires are one of the methods in survey collecting and considered an effective way because the questionnaire is the popular fundamental use

of the research (Bird, 2009). Thus, the use of quantitative analysis is to find out the causal relationship between variables.

3.3 Population and Sample of the Study

In this study, the population is categorized as subject that focus on a particular research project. The customers of Poslaju in Kubang Pasu district are considered as population. Kubang Pasu district was covered up with fews cities such as Jitra, Changlun, Sintok and others. Moreover, Talib, Yusof and Zan (2017) agreed Changlun and Sintok is part of the Kubang Pasu district and located at the north of Malaysia.

Referred to Department of Statistics Malaysia (2018) the latest data of population by districts of Kedah state were only available for the year 2016, and the total population in Kubang Pasu district is 243300 residents. Table 3.1 shows the total population number in Kedah by districts. In that case, the population target in Kubang Pasu is suitable with the aims of the researcher.

Table 3.1
Distribution of population in Kedah by districts year 2016

District	Number of Population
Kuala Muda	500,900
Kota Setar	401,200
Kulim	317,000
Kubang Pasu	**243,300**
Baling	149,600
Langkawi	106,500
Pendang	104,900
Yan	75,300
Sik	74,600
Padang Terap	69,700
Pokok Sena	54,900
Bandar Baharu	46,600

Source: Department of Statistics, Malaysia

3.3.1 Sample Size

Ajay and Micah (2014) define the sample size as a number to be selected in the study. The larger the sample size is more reliable results and reducing the sampling error (Marshall, 1996; Taherdoost, 2017; Kabir, 2016). Therefore, the researcher must choose the right sample size of the research to analyze the reliable and valid results. Based on the number of population in Kubang Pasu district (refer to Table 3.1), researcher identify the sample size for this study by referring to Krejcie and Morgan

(1970) table. Since the population consists of a huge number of residents, researcher imply the maximum number of sample as suggested by the table, 384 sample for population size 100000. Researcher focus on Poslaju courier service customer in Kubang Pasu. Moreover, larger sample gives more reliable results than the smaller samples (Roscoe, 1975). In present study, 400 questionnaires were distributed to the Poslaju customers in Kubang Pasu area including Poslaju Jitra, Poslaju UUM Branch and Poslaju Changlun.

Table 3.2
Sample size for a Given Population Size

N (Population Size)	S (Sample Size)	N (Population Size)	S (Sample Size)
8000	367	30000	379
9000	368	40000	380
10000	370	50000	381
15000	375	75000	382
20000	377	**100000**	**384**

Source: Krejcie and Morgan (1970).

3.3.2 Sampling Method

Sampling is a procedure in identifying subject from the population and also a place to collect the data. In this study, the sampling technique been used is probability sampling technique. The probability sampling techniques can be defined as each of the elements have a chance to be selected in the sample and also familiar as non-zero probability (Showkat & Parveen, 2017). There is one method can be determined by a probability sampling technique that suitable with this study namely cluster sampling. Sekaran and Bougie (2013) define cluster sampling as a group of target population, then divide the group by the cluster.

Population of Kubang Pasu district were selected and the cities in named district were grouped into a few clusters (Jitra, Changlun and Sintok). Furthermore, a survey was conducted at Poslaju courier service's customers within the area, including Poslaju Jitra, Poslaju Changlun and Poslaju UUM branch during working hours. The researcher distributes questionnaires conveniently to customers in selected Poslaju courier service. The respondents were randomly chosen by the researcher. Furthermore, the researcher allocates a time range between three to five minutes for each respondent to complete the survey and collected back. Generally, this technique help researcher to reduce time consuming and also very cost effective approach. Hence, this sampling method is effective to apply in research.

3.4 Questionnaire Design

This study is derived from the primary data and considered as quantitative study that was gathered using the self-administered questionnaires. According to Sekaran and Bougie (2013) self-administered questionnaire as one of the usual tools used in the survey. Furthermore, self-administered questionnaire also can reduce the time of collecting data during the survey that could help the researcher to get within a specific time (Sekaran, 2003).

The questionnaire survey was distributed to the respondent who are customers of Poslaju in Kubang Pasu including Poslaju Jitra, Poslaju Changlun and Poslaju UUM Branch. Furthermore, the questionnaire was divided into four sections, A, B, C, and D. The section A is about demographic information of the respondents. In this

section, there are five questions which cover respondent's gender, age, income range, ethnicity and experience of using Poslaju courier service.

The section B is about the details of service quality that determine the customer satisfaction of Poslaju in Kubang Pasu, it consists of twenty-two (22) items. Followed by section C that measures price fairness of Poslaju courier service. There are eight items (8) measures price fairness while the final section is section D comprises customer satisfaction items. It consists of four items and were measured to identify the level of satisfaction among customers that utilizing Poslaju courier services.

Thus, in section B, C and D, respondents were instructed to rate the level of agreement with statements by using five-point Likert scales. The scales raging between "strongly disagree" (1) to "strongly agree" (5). This five-point Likert scale questions are used to measure the level of agreement by respondents. According to Colman, Norris and Preston (1997), the five-point Likert scale is acceptable for many research because the scale is simply to answer and tick on the proper space provided. At the same time, researcher found the five-point Likert scale is suitable for the most research compared to seven or nine-point Likert scale, which considered lengthy. In total, the questionnaires consist of thirty-eight (38) items, including the demographic, service quality, price fairness and customer satisfaction items.

3.5 Measurement of Variables

Measurement was described as the method of allocating symbols or numbers to a characteristic of the object to the pre-specified set of rules (Sekaran & Bougie, 2013).

The figure enables the researcher to create statistical analysis of the data acquired and from which to test the hypothesis. The research used the nominal and interval scale to determine the perception of respondents about the customer satisfaction effect on service quality.

The nominal scale used as for labeling the variables without numerical values or quantitative value (Velleman & Wilkinson, 1993). In context study, the nominal scale was used to allocate the respondents' demographic profile from the questionnaires. Firstly, the genders' responses considered as number one (1) male and number two (2) as female. Furthermore, nominal scale used to assign the respondents' age, income range, ethnicity of respondents and experience status from using the Poslaju courier service.

For the interval scale, the scale were known as the numerical scales where not only the order but also the precise differences between the values are known (Velleman & Wilkinson, 1993). Then, used to assign the relevant statements numbers regarding the study variables on the respondents' perception about the relationship between variables. In this study, Five-point Likert scale was used with statements assigned number one (1) to five (5). Thus, each of the variables is discussed in the next topic.

3.5.1 Customer Satisfaction

The customer satisfaction instruments were held from two authors. The items were adapted for this study and Goh Kow, Lee, Loh and Sam (2013) are represented two

(2) items of the instruments. Additionally, Siali et al., (2018) also representing two (2) items of the instruments in Table 3.2.

Table 3.3
Measurement of Customer Satisfaction Variables

Variables	Operational Definition		Items	Sources
Customer Satisfaction	Customer satisfaction is how to reach the customer expectation and presenting the customers' emotional. Kennedy and Schneider (2000)	1	I am satisfied with the safety and condition of my parcel.	Adapted from Goh, et al., (2013)
		2	I am satisfied with the postman of Poslaju Courier Services attitude.	
		3	I am satisfied with the service provided by customer service of Poslaju Courier Services.	Adapted from Siali, Wen & Hajazi (2018)
		4	Overall, I am satisfied with Poslaju Courier Services courier service.	

3.5.2 Service Quality

Service quality is the independent variables, it was adapted from an instrument developed by Parasuraman, Zeithmal and Berry (1988). The service quality items have been divided into five dimensions that adopted from the SERVQUAL model, consists twenty-two (22) items overall in service quality. It represents four (4) items of tangibles, five (5) items of reliability, four (4) items of responsiveness, four (4) items of assurance and five (5) items of empathy.

The originality of tangibles, reliability and assurance items are positive statements. Meanwhile, the responsiveness and empathy items are negative statements. The researcher has done reverse coding for those two dimensions namely responsiveness and empathy in data analysis by using SPSS version 25 that helps representing the accurate and reliable results in findings. Thus, the measurement of service quality variables summarizes as Table 3.3 below.

Table 3.4
Measurement of Service Quality Variables

Variables	Operational Definition		Items
Tangibles	Tangible can be determined as physical facilities and environment where the customer can see and feel directly the service provided.	1	Poslaju Courier Services has up-to-date equipment and technology.
		2	Poslaju Courier Services physical facilities are visualling appealing.
		3	Poslaju Courier Services uniform are well dressed and appear neat.
		4	The appearance of the physical facilities of Poslaju Courier Services is in keeping with the type of services provided.
Reliability	Reliability can be defined as how the service provider promises to perform the service accurately.	1	When Poslaju Courier Services promise to do something by a certain time, they do so.
		2	When you have problems, Poslaju Courier Services is sympathetic and reassuring.
		3	Poslaju Courier Services is dependable.
		4	Poslaju Courier Services provides it services at the time it promise to do so.
		5	Poslaju Courier Services keep it records accurately.
Responsiveness	Responsiveness is to measure the fast services provided and how the employees help	1	Poslaju Courier Services does not tell customers exactly when services will be performed. (R)
		2	You did not receive prompt service

	the customers when they have a problem.		from Poslaju Courier Services's employees. (R)
		3	Employees of Poslaju Courier Services are not always willing to help customers. (R)
		4	Employees of Poslaju Courier Services are too busy to respond to customer requests promptly. (R)
Assurance	Assurance can be interpreted as the politeness of the employee and skill to carry out the trust of customer in using the services.	1	You can trust employees of Poslaju Courier Services.
		2	Customer feel safe in doing transactions with Poslaju Courier Services's employees
		3	Employees of Poslaju Courier Services are polite.
		4	Employees get adequate support from Poslaju Courier Services to do their jobs well.
Empathy	Empathy is measuring the employees' awareness and caring toward their customers.	1	Poslaju Courier Services does not give you individual attention. (R)
		2	Employees of Poslaju Courier Services do not give you personal attention. (R)
		3	Employees of Poslaju Courier Services do not know what your needs are. (R)
		4	Poslaju Courier Services does not have your best interests at heart. (R)
		5	Poslaju Courier Services does not have operating hours convenient to all their customers. (R)

*(R): Reverse coding
Source: Adapted from Parasuraman, Zeithmal, & Berry (1988)

3.5.3 Price Fairness

Price fairness is another independent variables implied in this research. Price fairness

is adapted from Mlekwa (2014). The price fairness variables are needed in this study

to fulfill objective of the research. Thus, the summarize as Table 3.4 below:

Table 3.5
Measurement of Price Fairness Variable

Variables	Operational Definition		Items
Price Fairness	The price fairness is the price that consider as reasonable, acceptableand justifiable to the customer. Matzler (2006)	1	The price I am paying is fair for service.
		2	The price I am paying is within my expectation.
		3	The price of Poslaju Courier Services is good value for money comparing to others.
		4	I get the value for money for what I have been paying.
		5	This Poslaju Courier Service provide a variety of pricing plan.
		6	This Poslaju Courier Service offer the best possible price that meet my need.
		7	This price I am paying is competitive.
		8	Overall, this Poslaju Courier Service provides superior pricing options compared to other courier service

Source: Questions adapted from Mlekwa (2014)

3.6 Data Collection Method

In this study, the primary data were collected to address the research objectives. As stated by the Ajayi (2017) primary data is the first hand data that gathered by the researcher in fulfill the study requirement. With the permission of the management, the set of questionnaire has been distributed to the customers in Poslaju courier service that represent Kubang Pasu district.

The clustered sampling was generated from Department of Statistics Malaysia. The data provided includes the whole Kedah district that address Kubang Pasu with 243, 300 numbers of the population in 2016. Then, a convenience sampling method was chosen by distributing 400 numbers of questionnaires to the Poslaju courier service customers including Poslaju Jitra, Poslaju Changlun and Poslaju UUM branch. However, only 334 of questionnaires consider as reusable questionnaires in this study.

The self administered questionnaire was practiced in the data collected method. The self administered questionnaire was attended by covering the information and direction about the survey to help the respondent answering accurately. The questionnaire was distributed by face-to-face to the respondents in order to respond to the set of question with approximately time range around 5 to 8 minutes per person. The questionnaire responses have been conducted over the period of one week began from 23rd June to 29th June 2019. As appreciation there was an exchange of notebook as a token of appreciation from the researcher to respondent.

3.7 Validity of the Study

Validity is a procedure required in a research and it was conducted by expert to facilitate validation (Taherdoost, 2016). In this study, the content validity of the questionnaire approach was implied and conducted it by presenting to experts and professionals in related background to review the questionnaire including researcher's supervisor. The aim is to ensure that respondents fully understand the entire content of questionnaire and clarity on wordings. The results disclosed that all items in this questionnaire are clear, transparent and straightforward. Thus, no amendments were

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made from the adapted items. The finalized questionnaire attached (Refer Appendix A).

3.8 Reliability of the Instrument

Reliability is the degree to measure how consistently in measuring the instrument in any concept used (Sekaran & Bougie, 2013). According to Sekaran (2003) explained measure reliability determines the degree to which measurement is performed over time and across the multiple items in the instrument without bias and coherent measurement. Moreover, the reliability is measuring the internal consistency within the variables. Internal consistency determines the each question should be pointed at measuring the same thing and to improve the level of reliability of the survey instruments.

Moreover, reliability analysis measure to test the internal consistency among items using Cronbach's alpha coefficient. The value of Cronbach's alpha for adapted items were declared in measurements below. For the current study, the reliability level was referred to Sekaran and Bougie (2016), that considered internal consistent as following alpha value, 0.60 and below (poor reliability), in range of 0.70 (acceptable reliability), and over 0.80 (good reliability). The Table 3.6 as a summary of the reliability levels.

Regarding the study, the reliability analysis has been done to all variables which are dependent and independent variables, then the result discussed. The pilot test is used for reliability analysis and the results found significant with the coefficient reliability of cronbach's alpha.

Table 3.6
Summary of Cronbach's alpha levels

Range of reliability (Cronbach's alpha)	Description of strength
0.60 and below	Poor reliability
In range 0.70	Acceptable reliability
Over 0.80	Good reliability

Source: Sekaran & Bougie (2016)

3.8.1 Pilot Test

Researchers conduct a pilot test in order to identify the possible arising problem with testing for the small study in the research (Lancaster, Dodd & William, 2004). Furthermore, the goal of the pilot test is to make sure respondents ready to understand the content and answer accordingly. In the present study, researcher distributes to a minimum of 30 questionnaires to the respondents in order to test the study. According to Billingham, Whitehead and Julios (2013) the average sample size to detect an issue in a feasibility or pilot study was 30 participants per group. The total of 30 respondents was received and shows that respondents able to answer accordingly, refer to Table 4.3. The researcher coded the data into reverse coding due to dimensions of responsiveness and empathy has a negative statement before proceed to pilot test.

3.9 Normality Test

Normality test is undertaken to indicate no violation on some assumptions, namely normality and linearity (Pallant, 2007). According to Oztuna, Elhan and Tuccar, (2006) there are several ways to explore this assumption of normality test namely Kolmogoroz-Smirnov (K-S) test, Shapiro-Wilk test, Lilliefors corrected K-S test, D'Agostino skewness test, Anscombe-Glynn kurtosis test. Commonly, the used test are K-S and Shapiro-Wilk test. Furthermore, the normality assumption can be assessed through the graphical and test methods, but not to guarantee the normal distribution of the shape (Oztuna, Elhan & Tuccar, 2006).

In this study, the researcher acknowledges the normality of the data were tested by using the skewness and kurtosis through SPSS. The skewness and kurtosis was indicated the distribution shape (Coakes, 2011). Based on Coakes and Steed (2007) when the positive values of skewness, it indicate the positive skew of the distribution, while positive value for kurtosis indicate a distribution is peaked or Leptokurtic. Besides, when the values of skewness negative, it indicates the negative skew of the distribution while the value of kurtosis negative, it indicates flatter distribution or Playkurtic. Therefore, the result shows there no violation of normality assumption. All the variables are normally distributed in the study.

According to Das and Imon (2016) for the normality assumption checking, generally the histogram, box plots, stem-and-leaf plots, percent-percent (P-P) plots and more variants of probability plots are used. However, in this study, histogram and percent-percent (P-P) plots has been implemented to determine the assumption of normality.

Nevertheless, the histogram was a simple graphical plot to indicate the observed values and estimated the bell shape or not. Furthermore, the histogram also providing the insights gap or outliers. Meanwhile, the (P-P) plot (percent-percent plot or probability-probability plot) determine the idea about the idea of outlier, skewness, kurtosis and become the famous normality testing. The plots describes when the line shows like a straight line or no curve that include of outliers and explained as normal distribute of data. But, if the data shows difference from the previous, the assumption of normality is failed.

3.10 Technique of Data Analysis

The results gathered from data collected were coded using the latest version of the Statistical Package for Social Sciene version (SPSS) version 25.0. There are four techniques were applied in this study, namely demographic analysis, descriptive analysis, reliability analysis, and inferential analysis. Demographic analysis uses the frequency analysis in reporting the demographic information including gender, age, income range, ethnicity and experience using Poslaju Courier service.

3.10.1 Descriptive Statistics

Descriptive analysis executed to indicate the central tendency of items which includes value of mean, standard deviation, minimum and maximum values. The minimum and maximum variables is to identify if there any outliers fall out of scale. Followed by cronbach's alpha, that computed to indicate the reliability of instruments which the most common uses and looks as an index of reliability (Field, 2006; & Tavakol &

Dennick, 2011). Tavokol, Mohagheghi and Dennick (2007), defines the reliability as an instrument to a degree consistently.

3.10.2 Inferential Statistics

Inferential analysis is intended to indicate the significant values in contributing the relationship of variables. Inferential analysis was ran through SPSS.

Pearson correlation analysis

Pearson correlation analysis was conducted to indicate the relationship between dependent and independent variables, whether strong, moderate or weak. According to Ong and Puteh (2017), the commonly used method is correlation analysis to decide the significance of the bivariate relationship between the variables. Regarding the prior study, Table 3.6 shows the guidelines for Pearson Correlation Coefficient value.

Table 3.7
Rules of thumbs for the strength of correlation coefficients

Range of Coefficient	Description of Strength
±0.70 or higher	Very Strong
±0.40 to ±0.69	Strong
±0.30 to ±0.39	Moderate
±0.20 to ±0.29	Weak
±0.01 to ±0.19	Negligible or No Relationship
0	No Relationship

Source: Andale (2012)

Multiple Regression analysis

Multiple regression analysis was applied to examine the relative contribution of independent variables to predict the dependent variables and to test the hypotheses developed for the study. According to Coakes and Steed (2007), the result of regression reflects the best forecast of the dependent variable from some independent variables. Moreover, the multiple regression is used to test the hypotheses, whether the independent variables explain a significant variation in the dependent variable.

3.11 Chapter Summary

This chapter explained the methodology approaches being executed in the study. This includes identifies the potential respondents of Poslaju courier service in Kubang Pasu, research design, population and sample of the study, sample size, sampling method, questionnaire design, measurement of variables, data collected method as well techniques of data analysis. The analyses was performed to determine the contribution of predictors affects (beta) criterion and the contribution of SERVQUAL and price fairness in explaining the variance (R^2) of customer satisfaction, (Pallant, 2007; Sekaran & Bougie, 2010). In a nutshell, this chapter provides a better clue on research methodology that researcher embraced to come out with technical statistic analysis.

CHAPTER FOUR
DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the result of the data analysis in the statistical findings that led the discussion in the next chapter. This analysis begins from the collecting the demographic information of the respondent and the measurement of variables. The next part discusses about intercorrelation of the variables that were focused on reliability, correlation and multiple linear regression. At last, the analysis were indicating the hypothesis testing among the variables.

4.2 Response Rates

In view of data collection that was self-administered questionnaire was sent out to 400 customers' in Poslaju Courier Service in Kubang Pasu district to participate in this study. The questionnaire was separated into four sections that including demographic information, service quality items, price fairness items and followed by customer satisfaction items. However, the response out of 400 questionnaires, a total of 334 (86.98%) respondents only accomplished the questionnaire successfully. Generally, the response rate is high as able to say that researcher applied the most functional survey mode (in-person) rather than other types of survey that helps to increases the response rate from the respondents, it enhanced by Lindemann (2018) that in-person survey mode would be the most effective compared to other modes with 57%.

4.3 Descriptive Statistics

4.3.1 Participant's Demographic Distribution

The data were collected through a questionnaire, distribute randomly on customers' in Poslaju Courier Service. This section describes the respondents' background that participated in this study. The demographic results are comprised those information like gender, age, income range and ethnicity. Tables 4.1 shows the demographic data of the sample participated in the study (n = 334).

The output shows female is the highest respondents that consisted of 244 females (73.1%) and 90 male respondents (26.9%). Followed by the customers' age in range between 18-21 years old (62.0%) is the highest. The second highest is 22-25 years old (15.3%) and followed by 26-29 years old and 34 and above years old of categories with the similar percentage (10.2%). Meanwhile the least range is between 38-42 (6.9%) and 30-33 years old (5.7%).

Furthermore, the data revealed the respondent income range is less than RM1000 is 238 (71.3%) and the highest percentage. Meanwhile followed by RM1001-RM4000 (20.1%) percentage and income range between RM4001-RM6000 (5.1%) are followed. It also followed between RM6001-RM8000 (2.4%). Lastly, income range between RM8001-RM10000 (6%) and income range between RM10001 (6%) and above is the lowest range. In addition, most of the respondents are Malay (81.4%) and followed by respondents of others ethnicity with (6.6%), next is Indian with 6.3%

and remaining 5.7% is Chinese respondent. Thus the participant's of demographic

distribution are summarize as Table 4.1.

Table 4. 1
Output of Respondents' Profile

Demographic	Frequency	Percentage (%)
Gender		
Male	90	26.9
Female	244	73.1
Age (Years Old)		
18 – 21	207	62.0
22 – 25	51	15.3
26 – 29	34	10.2
30 – 33	19	5.7
34 and above	23	6.9
Income range (RM)		
Less than 1000	238	71.3
1001 – 4000	67	20.1
4001 – 6000	17	5.1
6001 – 8000	8	2.4
8001 – 10000	2	0.6
10001 and above	2	0.6
Ethnicity		
Malay	272	81.4
Chinese	19	5.7
Indian	21	6.3
Others	22	6.6

4.3.2 Mean And Standard Deviation

The main features of descriptive statistics are collecting data in quantitative. Hence, mean and standard deviation were used to identify the central tendency of the variables score (Hanif, Hefeez, & Riaz 2010). Besides, standard deviation and mean is important to indicate the construct being accessed. The negative items in responsiveness and empathy were reverse coded to ensure that all items aligned in one positive direction. According to Pallant (2007) states that to ensure the highest intensity of optimism, the five-point Likert Scale were used in a research survey to be in line. Additionally, the minimum and maximum value were added to identify if there are any outliers from the scale.

In this study, the Table 4.2 indicates the mean and standard deviation score for the variables. Overall the mean score is moderate and for customer satisfaction the score nearest to 4 with the five point Likert scale while for tangibles, reliability, responsiveness, assurance, empathy and price fairness it shows slightly moderate. Furthermore, the minimum and maximum value indicating that there is no any outliers fall out of the five-point Likert scale.

Table 4.2
Output of Mean and Standard Deviation for Variables

Variables	Min	Max	Mean	SD
Customer Satisfaction	1.25	5.00	3.8802	.81389
Tangibles	1.00	5.00	3.7665	.60039
Reliability	1.00	5.00	3.6599	.71518
Responsiveness	1.25	5.00	3.5921	.83285
Assurance	1.50	5.00	3.8443	.62698
Empathy	1.20	5.00	3.6958	.85764
Price Fairness	1.13	5.00	3.7073	.70422

a. N = 334

4.4 Reliability Analysis

To indicate stability and internal consistency of reliability, the concept goodness of measure has been implemented. Then the Cronbach alpha was conducted to test the reliability of the each item in each variable. Cronbach alpha is a widely use to test the reliability (Hair, Black, Anderson, Babin & Tatham, 2014). Referred to Sekaran and Bougie (2016) there is a range of acceptable on level of reliability, thus the authors came out with consideration that reliability lesser than 0.60 is poor, in range of 0.70 is acceptable and reliability over 0.80 is considered as good, and may proceed to further measures. Furthermore, the study of Hair, et al. (2014) explained that the high value constructs of reliability means the value were determine the existence of internal consistency. In this study, the analysis reveals that variables (customer satisfaction, price fairness, service quality consist of tangible, reliability, responsiveness, assurances as well empathy) were indicates high level of reliability as stated by Sekaran and Bougie (2016) and can be categorized as higher internal consistency for both pilot test and actual study as shows in Table 4.3 and Table 4.4.

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4.4.1 Pilot Test

Table 4. 3
Output of Reliability Analysis (Pilot Test): Cronbach's Coefficient Alpha

Constructs	No. of Items	Cronbach's Alpha	Level of Reliability
Customer Satisfaction	4	0.937	Good
Price Fairness	8	0.923	Good
Service Quality			
Tangibles	4	0.805	Good
Reliability	5	0.820	Good
Responsiveness	4	0.778	Acceptable
Assurance	4	0.809	Good
Empathy	5	0.789	Acceptable

a. N = 30

4.4.2 Actual Study

Table 4. 4
Output of Reliability Analysis (Actual Study): Cronbach's Coefficient Alpha

Constructs	No. of Items	Cronbach's Alpha	Level of Reliability
Customer Satisfaction	4	0.898	Good
Price Fairness	8	0.884	Good
Service Quality			
Tangibles	4	0.755	Acceptable
Reliability	5	0.829	Good
Responsiveness	4	0.810	Good
Assurance	4	0.733	Acceptable
Empathy	5	0.869	Good

a. N = 334

4.5 Normality Test

The function of normality test to ensure that there is no violation on the assumption of normality (Pallant, 2007). The Skewness and Kurtosis are developed to assess the normality significance values. There is a rule to ensure normality, as skewness between -2 to +2 are measured acceptable to prove the normal univariate distribution, (George & Mallery, 2010; & Khan, 2015). Meanwhile, for kurtosis between -7 to +7 are measured acceptable to normal univaritae distribution (Field, 2009; Pallant, 2016). The result shows in Table 4.5 expose the values are in acceptable range, even data shows a little skewed and kurtotic for all the variables, however it does not differ significantly from normality. Thus, the results shows the skewness and kurtosis values are within the recommended range which indicate the data were normally distributed.

Besides, linearity is to ensure a linear relationship between predictors and the outcome variable. The rule of thumb is that the variables must have a similar variance to the line instead of inconsistent. In other words, the values of linear show a uniform cluster round the regression line (Shaweer & Alkahtani, 2012). Thus, to assess the linearity between variables, normal probability plot was performed. The visual inspection of normal P-P Plot and histogram with bell curve showed in Figure 4.1, Figure 4.2 and Figure 4.3. It's shows data scored were approximately normally distributed and its substantially skewed as all variables are below -2. Hence, there is no major deviation found in normal probability plot as observed in shown figures and therefore it met the prerequisite of basic assumption and it enable to proceed into inferential statistics to testify the research objective.

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Table 4. 5
Normality Analysis: Skewness and Kurtosis Ratios

Constructs	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
CS	-1.078	.133	.941	.266
Tangibles	-.781	.133	2.349	.266
Reliability	-.709	.133	.693	.266
Responsiveness	-.673	.133	-.322	.266
Assurance	-.793	.133	1.457	.266
Empathy	-.805	.133	-.118	.266
Price Fairness	-1.078	.133	.941	.266

a. N=334
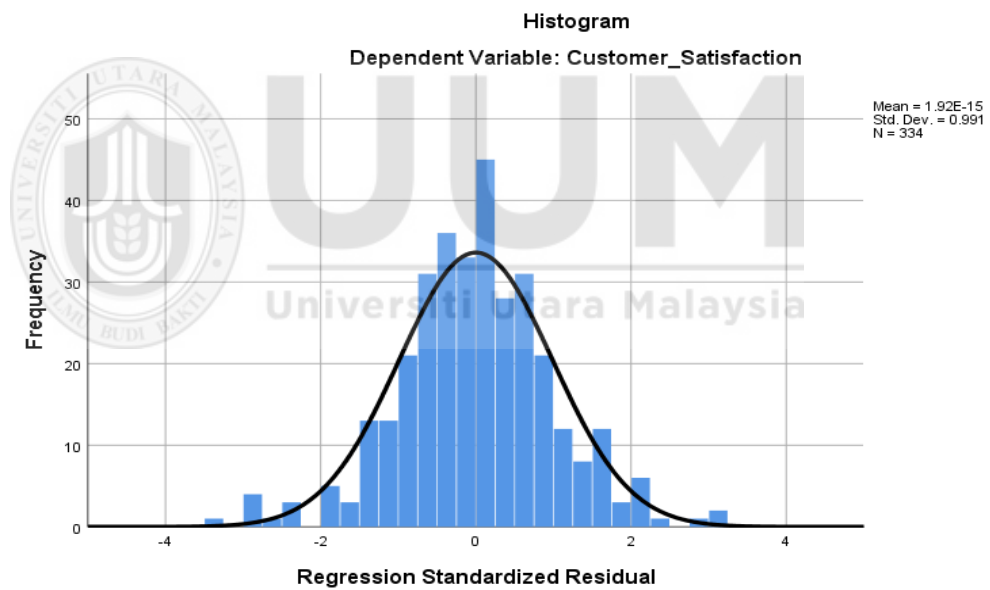
Figure 4.1
Statistics Histogram for Tangible, Reliability, Responsiveness, Assurance, Empathy and Customer Satisfaction

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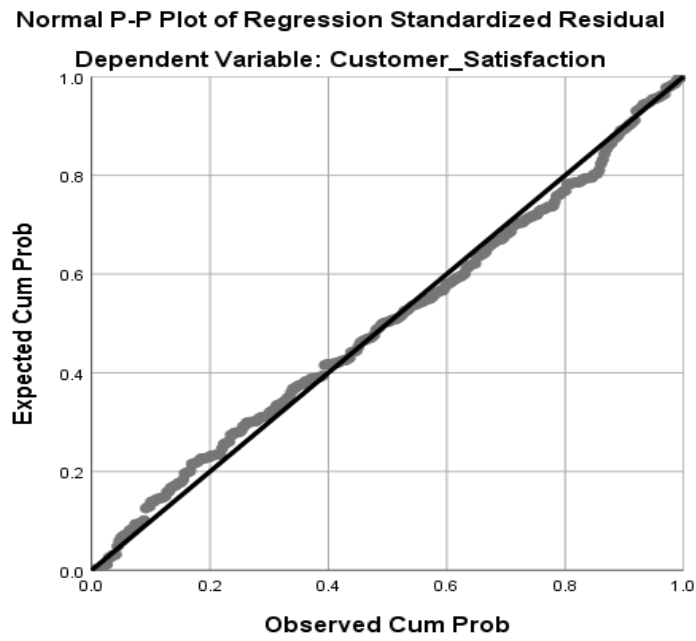
Figure 4. 2
Normal P-Plot of Regression Standardised Residual
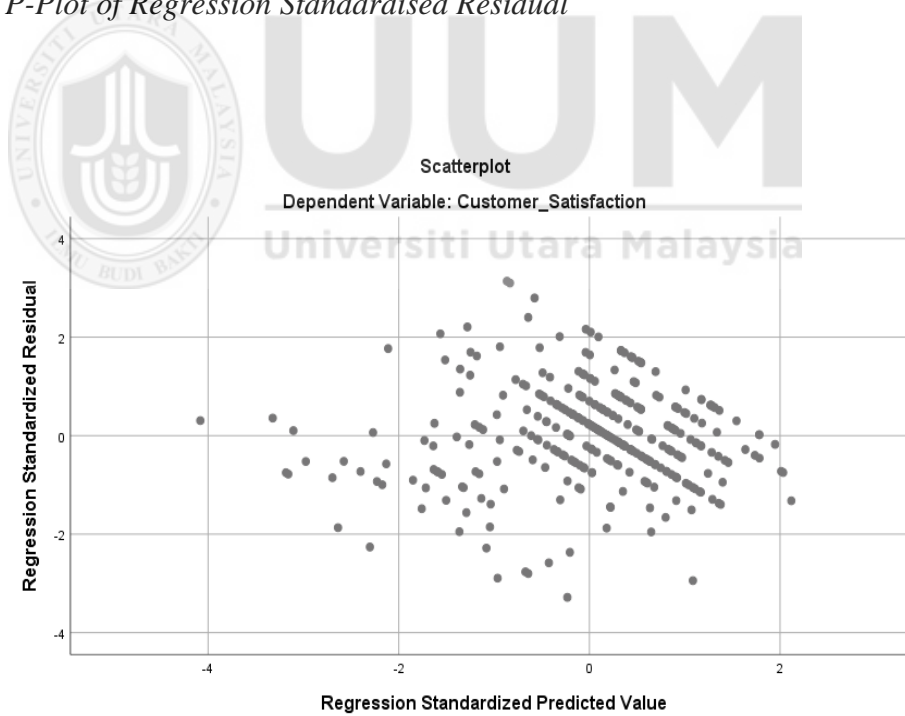
Figure 4.3
Scatterplot

4.6 Inferential Statistics

4.6.1 Pearson Correlation Analysis

Pearson correlation analysis is to determine the relationship between variables. The variables including the independent variables such as tangibles, reliability, responsiveness, assurance, empathy, price fairness and dependent variables which is customer satisfaction. To interpret the correlation coefficient, the researcher needs to identify the coefficient and associated significance value (p), (Coakes & Steed, 2007).

The correlation coefficient indicates +1.0 that would explain as perfect positive correlation within two variables. Meanwhile, if the values -1.0 is considered as perfect negative correlation (Gliner, Morgan & Leech, 2009). Based on Coakes and Steed, (2007) indicates the acceptable significant value (p) will be either 0.01. Meanwhile, Pallant (2007) explained if the value scored zero (0), it referred as no correlation.

Based on the results presented that all variables were related to the customer satisfaction that significantly related. Generally, the independent variables are positively correlated at 0.01 with the dependent variable. From the correlation analysis, it experimental the customer satisfaction is strongly correlated with assurance ($r = 0.625$, $p < 0.01$). There is strong positive relationship between price fairness and customer satisfaction ($r = 0.662$, $p < 0.01$). The rest of the variables are strong relationship with customer satisfaction where the tangibles ($r = 0.490$, $p < 0.01$), reliability ($r = 0.553$, $p < 0.01$), responsiveness ($r = 0.466$, $p < 0.01$) and empathy ($r = 0.475$, $p < 0.01$). Therefore, Table 4.6 shows the output of Pearson

correlation analysis. Thus, it's enable to state that the results reveals all independent

variables were positively correlated to customer satisfaction.

Table 4. 6
Output of Pearson Correlation Analysis

	CS	T	R	RV	A	E	PF
CS	1						
T	0.490**	1					
R	0.553**	0.610**	1				
RV	0.466**	0.250**	0.385**	1			
A	0.625**	0.497**	0.579**	0.424**	1		
E	0.475**	0.235**	0.358**	0.660**	0.472**	1	
PF	0.662**	0.454**	0.499**	0.364**	0.557**	0.353**	1

a. *N=334*
b. ***Correlation is significant at the 0.01 level (2-tailed)*

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4.6.2 Multiple Linear Regression Analysis

Multiple linear regression analysis is the extension from correlation analysis, it's to determine the contribution of overall model as well to test the hypotheses formulated for this study. This analysis was performed to indicate the relationship between tangibles, reliability, responsiveness, assurance, empathy and price fairness on customer satisfaction.

The regression coefficient demonstrates how crucial those independent variable in the forecast of dependent variable (Sekaran & Bougie (2013). Multiple linear regression analysis indicates the p values below than 0.05 are significant. Thus, in this study, the assurance and price fairness have highly significant with ($p = 0.00$) compared to others variables. Table 4.7 shows the results of multiple regression analysis for hypothesis testing.

Furthermore, the R^2 value is 0.586, which is the indicator of how well the model fits. In other words, the independent variables (tangibles, reliability, responsiveness, assurance, empathy and price fairness) explain about 58.6% of the variance in the dependent variable, customer satisfaction. According to Cohen (1992) the result of R^2 = 0.26 considers (substantial). Meanwhile, if the result $R^2 = 0.13$ (moderate) and $R^2 = 0.02$ (weak). Thus, the R^2 in this study indicates the substantial result overall. In addition, the result of F value was recorded 76.987, $p < 0.00$ were the significant value that conclude the correlation between independent value and dependent value are significant.

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Besides, the results also reveal all the variables were significant in influencing customer satisfaction. Assurance ($\beta = 0.212$, $p < 0.05$) and price fairness ($\beta = 0.368$, $p < 0.05$) are highly significant result in this study. Meanwhile, tangibles ($\beta = 0.101$, $p < 0.05$), reliability ($\beta = 0.105$, $p < 0.05$), responsiveness ($\beta = 0.098$, $p < 0.05$), empathy ($\beta = 0.119$, $p < 0.05$) are significant results as well. Thus, H1, H2, H3, H4, H5 and H6 were supported.

Table 4. 7
Multiple Regression Analysis: Tangibles, reliability, responsiveness, assurance, empathy, price fairness

Variable	Beta (β) (Standardized Coefficient)	t	Sig.
(Constant)		-2.134	0.034
Tangibles	0.101	2.167	0.031**
Reliability	0.105	2.078	0.038**
Responsiveness	0.098	2.009	0.045**
Assurance	0.212	4.216	0.000**
Empathy	0.119	2.400	0.017**
Price Fairness	0.368	8.112	0.000**
R Square (R^2)	0.586		
Adjusted R Square	0.578		
F Value	76.987		
Sig. F Change	0.00**		

a. N = 334
b. Dependent Variable: CS
c. **Correlation is significant at the 0.05 level (2-tailed)

4.7 Hypotheses testing

Table 4. 8
Summary of Hypotheses Results using Standard Multiple Linear Regression Analysis

Hypotheses	Description	Results
H1	There is a significant relationship between tangibles and customer satisfaction.	**Supported**
H2	There is a significant relationship between reliability and customer satisfaction.	**Supported**
H3	There is a significant relationship between responsiveness and customer satisfaction.	**Supported**
H4	There is a significant relationship between assurance and customer satisfaction.	**Supported**
H5	There is a significant relationship between empathy and customer satisfaction.	**Supported**
H6	There is a significant relationship between price fairness and customer satisfaction.	**Supported**

4.8 Chapter Summary

Based on the above results, six research objectives have been accomplished via hypothesis testing. There is a strong indication that all independent variables were highly connected to the dependent variable. In other words, entirely the independent variables have a significant relationship to customer satisfaction in this context of study. The output of the statistical analyses (SPSS output) were attached (Appendix B, C, D and E).

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CHAPTER FIVE
DISCUSSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the outcomes from the analysis performed in chapter four. Firstly, will explain the elaboration of findings where the hypotheses of study are reviewed. Then, continued with the discussion on contribution of the study, including the theoretical and practical implications of the findings. Lastly, the chapter will cover the limitations and recommendations for future research that suit in the field of study. Thus, the researcher concluded overall the research have been conducted.

5.2 Discussion of the Findings

This study investigates the influence of service quality (tangibles, reliability, responsiveness, assurance and empathy) and price fairness on customer satisfaction in Poslaju courier service.

5.2.1 Relationship between tangibles and customer satisfaction

The first objective of the research was to examine the relationship between tangibles and customer satisfaction. Based on the findings, it revealed the results of multiple linear regression analysis is a significant relationship between tangibles and customer satisfaction in Poslaju courier service. This result was consistent with Islam (2017) which indicated that tangibles significantly influence customer satisfaction. It is an

evident in Poslaju courier service as the customer concerning on the physical facilities, equipment and technology.

Due to a huge portion of respondents are originate ages between 18-21 (62.0%) and recorded as the highest percentage in this study. Thus, the study by Cilliers (2017) found the range age between 18-21 consider as Generation Z where starting from 1995 years and onward. This generation are require technology advancement in their daily life because the lifetime is more innovation (Linnes & Metcalf, 2017). This explained why the tangibles were significant to customer satisfaction. Moreover, with the advancement of technology could allow systematic business such as reduce the waiting time of the customer to be served. In addition, the tangibles dimension able to improve service quality (Narangajavana & Hu, 2008). For example, the best initiative Poslaju courier service has taken by providing better facilities to the customer such as a convenient seat, space and a good environment. Thus, it can be summarized that the tangibles dimension is essential in influential customer satisfaction before and after the service has been received.

5.2.2 Relationship between reliability and customer satisfaction

The second objective of the research was to examine the relationship between reliability and customer satisfaction. From the result, the multiple linear regression analysis indicates there is a significant relationship between reliability and customer satisfaction in Poslaju courier service. The prior study by Kotler and Keller (2006) resulting the reliability have a positive correlation on customer satisfaction. It implies that reliability as a valuable predictor. The possible justification may be the Poslaju

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courier service has providing the service as what they promise, then the customer feels safe in doing the transaction with them. In addition, the customer able to track the parcel in the system via Poslaju Tracking. This system allows the customer to track and check the movement of their parcel as align with the delivery time. For example, the customer can estimate the time of delivery and received the parcel accurately without return back the parcel to Poslaju.

According to Saghier (2015) reliability has a significant relation between reliability and customer satisfaction for the brand quality of the hotel. The finding shows the customers' perception regarding the reliability of the brand quality of the hotel is one of the influences distressing customer satisfaction. In the relation to this study, the Poslaju courier service is well known to establish and one of the biggest courier services in Malaysia. To maintain the quality of the brand, the management should consider the reliability dimension since it's one of the contributions in service quality that could contribute to customer satisfaction.

5.2.3 Relationship between responsiveness and customer satisfaction

The third objective of the research was to examine the relationship between responsiveness and customer satisfaction. Based on the result, multiple linear regression analysis demonstrates there is a significant relationship between responsiveness and customer satisfaction in Poslaju courier service. The results found responsiveness is the lower significant value. However, the study by Saghier (2015) shows the responsiveness are more predictive of customer satisfaction where there are positive relationship between responsiveness and customer satisfaction. Furthermore,

the study by Hossain (2012) supported the result, where the responsiveness has a positive significant relationship towards customer satisfaction.

In order to increase the customer satisfaction on the responsiveness dimension, Siali et al., (2018) said responsiveness is one of the feelings of customers where employee need to react well to the requests and issues of the customers. Due to the past literatures, the fast service provided by the employee to the customer would resulting the positive perception of the customer towards the particular services (Liu, 2005; & Millas, 2013). The possible justification may because the customer received the service on time as well as the employees really helpful in whatever conditions. For example, providing accurate information and fast reaction to customers. In the end, the Poslaju courier service executes the prompt service to reach a customers' expectations.

5.2.4 Relationship between assurance and customer satisfaction

The fourth objective of the research was to examine the relationship between assurance and customer satisfaction. This study has revealed the result of multiple linear regression that there is a significant relationship between assurance and customer satisfaction in Poslaju courier service. Its indicates assurance has highly significant value on customer satisfaction compared to tangibles, reliability, responsiveness and empathy. Additionally, the study tested by Minh et al., (2015), was indicated assurance has a positive impact on the customer. Conjointly, the few past studies indicated the same result that shows the significant relationship between

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assurance and customer satisfaction (Wang et al., 2006; Juwaheer, 2004; & Suki, 2013).

Since assurance is a highly significant relationship to customer satisfaction, the employee politeness required to treat the customers. The best training and a hardworking employee might better in responding to the customer request that could help gain the customer's trust (Siali et al., 2018). Furthermore, the excellent service supply the positive relationship between the service provider and customers (Baruah, Nath & Bora, 2015). Apart from this, the excellent service can lead to build up the customer's trust in the Poslaju courier service as well as rise the company profit. Most of customers tend to use the service once they trust and believe that the service could perform better for them. In the study, customers of Poslaju trust that the Poslaju able to sent or receive their parcel in a good condition. In conclusion, the assurance dimension constructed as vital for service quality, especially in courier service industry. The customer chooses to deal with the company they trust whereas the higher chances in switching to the competitors' company (Cook, 2000; & Phiri and Mcwabe, 2013).

5.2.5 Relationship between empathy and customer satisfaction

The fifth objective of the research was to examine the relationship between empathy and customer satisfaction. The observation of this finding indicates that the result of multiple linear regression analysis show there is a significant relationship between empathy and customer satisfaction in Poslaju courier service. This result also supported by the study Ismali, Zaki and Rose (2016) there is significantly correlated

with customer satisfaction. So, it considers as important antecedents to the customer satisfaction.

For this study, the empathy dimension is considered as important because the result of p values is significant. It obviously determines the customer perception and judgement in Poslaju courier service. As discussed, the empathy dimension describes as the awareness and care of the employees to the customers. In Poslaju courier service, the customer feels the employee pay attention to them and provide the individualized attention (Nautiyal, 2014). For example, Poslaju courier service prepares the customer-friendly Poslaju feedback. By this initiative, it allows the customer to have a right to speak and leave a feedback toward the customers. Thus, it as a big chance for the company to retain their customers in business and increase the satisfaction on them. In concluding, the customer of the Poslaju courier service indicates the empathy still relevant in the context of study in order to improve the satisfaction of a customer. Then its agreed by several authors (Morales, 2011; & Goh et al., 2013).

5.2.6 Relationship between price fairness and customer satisfaction

The last objective of the research was to observe the relationship between price fairness and customer satisfaction. The finding of this study indicates that the results multiple linear regression analysis show there is a significant relationship between price fairness and customer satisfaction in Poslaju courier service. In this study, price fairness also has highly significant value on customer satisfaction same goes to assurance compared to tangibles, reliability, responsiveness and empathy. One of

study by Mlekwa (2014) indicate the positive relationship between price fairness and customer satisfaction were tested among mobile phone users of Tanga city. Furthermore, one of the study conducted on 250 tourists in French Polynesia hotel found the price fairness has positively significant factors impact the customer satisfaction (Chapuis, 2012). The relation of this study indicates that the most influence customer satisfaction in the Poslaju courier service is price fairness.

Nowadays, the price fairness become the crucial indicator to measure the customer satisfaction in Poslaju courier service. As stated, the result of this finding implied the most of the respondents income range are less than RM 1000 (71.3%). By reason, the most of the respondents come from the young age as well. The study by Wolla and Sullivan (2017) reported the young age are the lowest in earning the income. Then, the price offered by the Poslaju courier service becomes the factors to determine as price fairness on customer satisfaction. However, some of the customers enjoying the lower price offered by the Poslaju courier service because most of the competitors like Gdex, Citylink, J&T and others offered a higher range of price. Besides, one of the results shows that price fairness's perception seems to appear first, not only at the moment of consumption but during the purchase process (Bolten, Warlop & Alba 2003). Thus, customer are rigid when involving the monetary value in any business transaction and the company should take an intelligent way to satisfy the customers.

5.3 Contribution of the Study

The findings of this study have expressive managerial contributions to Poslaju courier service management and theoretical contribution to the potential researchers.

5.3.1 Practical Implication

The findings of this study might help the Poslaju courier service to improvise their service in the future where the practitioners responsible as an authority to comprehend the prominence of customer satisfaction. In the context of the study, the involvement of practitioners seems as important of developing better service quality and allocate the reasonable pricing that might be fair to the customers towards their services and products.

The study reveals that service quality (tangibles, reliability, responsiveness, assurance and empathy) and price fairness had a positive impact on customer satisfaction level. In specific, the assurance and price fairness is the most influence on customer satisfaction compared to others. Regarding that, the management of the courier service company should ensure that by providing the best services to the customer such as enhance the politeness of employees and reduce the time in delivery the parcel as well as offering an equitable price. Moreover, the management must implement an effective initiative to gain the customer's trust by regulating the employees' attitude. For example, the customer able to express and share the feedback during the service is performed.

5.3.2 Theoretical Implication

The contribution of this research from the theoretical perspective lies in determining the relationship of service quality (namely, tangibles, reliability, responsiveness, assurance and empathy) and price fairness on customer satisfaction. The result shows the associations of the five indicators of service quality and price fairness to customer satisfaction. Apart from this, one of the theory that has been discussed in chapter two is aligned with the study, which is The Expectancy Disconfirmation Theory (EDT). Generally, this theory determines the overall evaluation of service performance (Zeithaml, Parasuraman, & Berry, 1985). Therefore, this theory is accurate to be applied in this study.

To begin with, this theory implies the study by explaining the process on how the customer compared the experience of receiving actual service performance with the expected service (Beardon & Teel, 1993; & Oliver 1980). Thus, by providing good service quality for the customer within their expectation it could help increase the satisfaction as well as it merges with the theory that to evaluate the disconfirmation of service whereas, vice versa. In addition, price fairness part of the influences to be recognized by the organization were an important aspect of enhancing customer satisfaction. Thus, both predictors in this study namely service quality (tangibles, reliability, responsiveness, assurance and empathy) and price fairness are align to be seen in this theory.

5.4 Limitations of the Study

There are some limitations found in this study that might provide significant contribution to the literature. Thus, the limitations of the study were discussed below.

Firstly, the sample of this research may not be represented by the entire population because it is restricted in Poslaju courier service at Kubang Pasu only. The data were collected involving three branches of Poslaju courier service namely Poslaju Jitra, Poslaju Changlun and Poslaju UUM branch. Secondly, the respondents refuse to answer the questionnaire even though the researcher provided a token for them. Thirdly, the researcher found the lower response rate because most of them refuse to answer. Furthermore, the questionnaires also might not have the bilingual language that were not able to provide understanding for the customer during answering. Last but not least, due to the limited time of office hours and fewer customers during weekdays rise up the burden of the researcher in order to find the respondents.

5.5 Suggestions for Future Researches

There are some suggestion that able to provide to the future researches. Firstly, the researcher can expand the scope of the study by not limiting the association of factors toward customer satisfaction. The future researchers can attach the new predictors in order to estimate the customer satisfaction more accurately. For example, band image, service delivery, customer loyalty, order accurately, packages condition and personal contact quality are the relevant indicator that may be investigated. Secondly, the future researchers should test on different customer group and different geographical

areas such as other district and across the country. By the reason, the population of the customer from different regions helps to verify the finding of the study. Thirdly, the future researchers may adapt the PLS statistical packages rather than SPSS statistical packages. PLS is a capacity to manage smaller sample sizes and more robust and precise production (Hair, Ringle & Sarstedt 2011). Last but not least, the researchers can do the study by adding the mediating variables because it would allow more accurate results.

5.6 Conclusion

This research aimed to explore the influence of service quality (tangibles, reliability, responsiveness, assurance and empathy) and price fairness to customer satisfaction. The study covers the customer's Poslaju courier service from Kubang Pasu district and the outcome founded that the entire variables have a significant relationship on customer satisfaction. Along this, the study also can be used as a tool for management to improve on their policy, tactics and strategy by upgrading their level of service quality to enhance customer satisfaction in Poslaju courier service. Therefore, this study answered the research question and obtain the research objective as well as the hypotheses were explained.

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APPENDIX A: QUESTIONNAIRE

UNIVERSITI UTARA MALAYSIA

THE INFLUENCE OF SERVICE QUALITY AND PRICE FAIRNESS ON CUSTOMER SATISFACTION TOWARDS POSLAJU COURIER SERVICE

Dear respondent,

Thank you for your participation in this survey. It is a great pleasure to inform you that currently I am conducting a research project titled "The Influence of Service Quality and Price Fairness on Customer Satisfaction Towards Poslaju Courier Service". Therefore, I am seeking your cooperation in completing a questionnaire that will take approximately 5 minutes, has 4 sections including section A, B, C and D, total of 38 questions. I highly recognize that your time is valuable and I appreciate all your contributions in answering this questionnaire. Information provided will be kept confidential and used purely for academic purpose. Please do not hesitate to contact me, if you have any query about this research.

Thank you very much for your precious time and cooperation.
Wish you have a great day.

Yours sincerely,

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Directions: Please read all instructions and ANSWER all questions carefully.

Section A: Personal Details

Please tick √ for the answers that best describe your demographic information in the box provided.

1. GENERAL

	Male
	Female

4. ETHNICITY

	Malay
	Chinese
	Indian
	Others

2. AGE

	18 – 21 years old
	22 – 25 years old
	26 – 29 years old
	30 – 33 years old
	34 years old and above

3. INCOME RANGE (RM)

	Less than 1,000
	1,001 – 4,000
	4,001 – 6,000
	6,001 – 8,000
	8,001 – 10,000
	10,001 and above

Section B : Service Quality

The following set of statements relate to your feelings about Poslaju Courier Services. For each statement, please show the extent to which you believe Poslaju Courier Services has the feature described by the statement. Please do circle a number to indicate the extent to which you agree or disagree with the statement.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly agree

NO	ITEMS	SCALE				
1	Poslaju Courier Services has up-to-date equipment and technology.	1	2	3	4	5
2	Poslaju Courier Services's physical facilities are visualling appealing.	1	2	3	4	5
3	Poslaju Courier Services'uniform are well dressed and appear neat.	1	2	3	4	5
4	The appearance of the physical facilities of Poslaju Courier Services is in keeping with the type of services provided.	1	2	3	4	5
5	When Poslaju Courier Services promises to do something by a certain time, it does so.	1	2	3	4	5
6	When you have problems, Poslaju Courier Services is sympathetic and reassuring.	1	2	3	4	5
7	Poslaju Courier Services is dependable.	1	2	3	4	5
8	Poslaju Courier Services provides it services at the time it promise to do so.	1	2	3	4	5
9	Poslaju Courier Services keep it records accurately.	1	2	3	4	5
10	Poslaju Courier Services does not tell customers exactly when services will be performed.(R)	1	2	3	4	5

11	You did not receive prompt service from Poslaju Courier Services's employees. (R)	1	2	3	4	5
12	Employees of Poslaju Courier Services are not always willing to help customers. (R)	1	2	3	4	5
13	Employees of Poslaju Courier Services are too busy to respond to customer requests promptly. (R)	1	2	3	4	5
14	You can trust employees of Poslaju Courier Services.	1	2	3	4	5
15	Customer feel safe in doing transactions with Poslaju Courier Services's employees.	1	2	3	4	5
16	Employees of Poslaju Courier Services are polite.	1	2	3	4	5
17	Employees get adequate support from Poslaju Courier Services to do their jobs well.	1	2	3	4	5
18	Poslaju Courier Services does not give you individual attention. (R)	1	2	3	4	5
19	Employees of Poslaju Courier Services do not give you personal attention. (R)	1	2	3	4	5
20	Employees of Poslaju Courier Services do not know what your needs are. (R)	1	2	3	4	5
21	Poslaju Courier Services does not have your best interests at heart. (R)	1	2	3	4	5
22	Poslaju Courier Services does not have operating hours convenient to all their customers. (R)	1	2	3	4	5

Section C : Price fairness

In this section, you are given series of statement in the affirmative. Please do circle a number to indicate the extent to which you agree or disagree with the statement.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly agree

NO	ITEMS	SCALE				
1	The price I am paying is fair for service.	1	2	3	4	5
2	The price I am paying is within my expectation.	1	2	3	4	5
3	The price of Poslaju Courier Services is good value for money comparing to others.	1	2	3	4	5
4	I get the value for money for what I have been paying.	1	2	3	4	5
5	This Poslaju Courier Service provide a variety of pricing plan.	1	2	3	4	5
6	This Poslaju Courier Service offer the best possible price that meet my need.	1	2	3	4	5
7	This price I am paying is competitive.	1	2	3	4	5
8	Overall, this Poslaju Courier Service provides superior pricing options compared to other courier service	1	2	3	4	5

Section D : Customer satisfaction

The following set of statements relates to your feelings about Poslaju Courier Service. Please circle the scale to respond to each of the following satisfaction statements.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly agree

NO	ITEMS	SCALE				
1	I am satisfied with the safety and condition of my parcel	1	2	3	4	5
2	I am satisfied with the postman of Poslaju Courier Services attitude	1	2	3	4	5
3	I am satisfied with the service provided by customer service of Poslaju Courier Services	1	2	3	4	5
4	Overall, I am satisfied with Poslaju Courier Services courier service.	1	2	3	4	5

'END OF QUESTIONS'

'THANK YOU FOR YOUR COOPERATIONS'

APPENDIX B: DESCRIPTIVE STATISTICS

i.   Profile of Respondents

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	90	26.9	26.9	26.9
	Female	244	73.1	73.1	100.0
	Total	334	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-21 years old	207	62.0	62.0	62.0
	22-25 years old	51	15.3	15.3	77.2
	26-29 years old	34	10.2	10.2	87.4
	30-33 years old	19	5.7	5.7	93.1
	34 years old and above	23	6.9	6.9	100.0
	Total	334	100.0	100.0	

Income_Range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM1000	238	71.3	71.3	71.3
	RM1001–RM4000	67	20.1	20.1	91.3
	RM4001–RM6000	17	5.1	5.1	96.4
	RM6001–RM8000	8	2.4	2.4	98.8
	RM8001–RM10000	2	.6	.6	99.4
	RM10001 and above	2	.6	.6	100.0
	Total	334	100.0	100.0	

Ethnicity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	272	81.4	81.4	81.4
	Chinese	19	5.7	5.7	87.1
	Indian	21	6.3	6.3	93.4
	Others	22	6.6	6.6	100.0
	Total	334	100.0	100.0	

ii.   **Level of variables**

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tangibles	334	1.00	5.00	3.7665	.60039
Reliability	334	1.00	5.00	3.6599	.71518
Responsiveness	334	1.25	5.00	3.5921	.83285
Assurance	334	1.50	5.00	3.8443	.62698
Empathy	334	1.20	5.00	3.6958	.85764
Price_Fairness	334	1.13	5.00	3.7073	.70422
Customer_Satisfaction	334	1.25	5.00	3.8802	.81389
Valid N (listwise)	334				

iii.   **Descriptive**

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistics	Statistics	Std.Error	Statistics	Std.Error
Tangibles	334	-.781	.133	2.349	.266
Reliability	334	-.709	.133	.693	.266
Responsiveness	334	-.673	.133	-.322	.266
Assurance	334	-.793	.133	1.457	.266
Empathy	334	-.805	.133	-.118	.266
Price_Fairness	334	-1.007	.133	.855	.266
Customer_Satisfaction	334	-1.078	.133	.941	.266
Valid N (listwise)	334				

APPENDIX C: RELIABILITY OF THE INSTRUMENTS

i.   Tangibles

Case Processing Summary

		N	%
Cases	Valid	334	100.0
	Excluded[a]	0	.0
	Total	334	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.755	4

Item Statistics

	Mean	Std.Deviation	N
T1	3.66	.817	334
T2	3.64	.814	334
T3	3.94	.743	334
T4	3.81	.787	334

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
T1	11.40	3.352	.584	.679
T2	11.42	3.368	.582	.680
T3	11.12	3.844	.471	.739
T4	11.25	3.474	.570	.687

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.07	5.767	2.402	4

ii. Reliability

Case Processing Summary

		N	%
Cases	Valid	334	100.0
	Excluded[a]	0	.0
	Total	334	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.829	5

Item Statistics

	Mean	Std.Deviation	N
R1	3.51	.955	334
R2	3.50	.961	334
R3	3.79	.832	334
R4	3.70	.986	334
R5	3.79	.899	334

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
R1	14.79	8.244	.662	.784
R2	14.80	8.487	.603	.802
R3	14.51	8.875	.649	.790
R4	14.60	7.767	.737	.761
R5	14.51	9.296	.489	.831

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
18.30	12.787	3.576	5

iii.   **Responsiveness**

Case Processing Summary

		N	%
Cases	Valid	334	100.0
	Excluded[a]	0	.0
	Total	334	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.810	4

Item Statistics

	Mean	Std.Deviation	N
RSr1	3.42	1.053	334
RSr2	3.53	1.047	334
RSr3	3.75	1.014	334
RSr4	3.66	1.058	334

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
RSr1	10.95	6.568	.634	.759
RSr2	10.84	6.570	.639	.756
RSr3	10.62	6.645	.655	.749
RSr4	10.71	6.767	.584	.784

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
14.37	11.098	3.331	4

iv.   Assurance

Case Processing Summary

		N	%
Cases	Valid	334	100.0
	Excluded[a]	0	.0
	Total	334	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.733	4

Item Statistics

	Mean	Std.Deviation	N
A1	3.83	.805	334
A2	3.87	.826	334
A3	3.90	.852	334
A4	3.78	.881	334

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A1	11.55	4.236	.424	.727
A2	11.51	3.668	.614	.621
A3	11.48	3.541	.631	.608
A4	11.59	3.966	.441	.722

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.38	6.290	2.508	4

v. Empathy

Case Processing Summary

		N	%
Cases	Valid	334	100.0
	Excluded[a]	0	.0
	Total	334	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.869	5

Item Statistics

	Mean	Std.Deviation	N
Er1	3.55	1.023	334
Er2	3.66	1.027	334
Er3	3.75	1.050	334
Er4	3.77	1.070	334
Er5	3.75	1.118	334

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Er1	14.93	13.199	.557	.873
Er2	14.82	12.026	.745	.830
Er3	14.73	11.927	.739	.831
Er4	14.71	11.522	.788	.818
Er5	14.73	12.091	.649	.854

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
18.48	18.388	4.288	5

vi. Price Fairness

Case Processing Summary

		N	%
Cases	Valid	334	100.0
	Excluded[a]	0	.0
	Total	334	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.884	8

Item Statistics

	Mean	Std.Deviation	N
P1	3.58	.945	334
P2	3.57	.936	334
P3	3.70	.981	334
P4	3.76	.881	334
P5	3.78	.903	334
P6	3.77	.918	334
P7	3.77	.992	334
P8	3.72	1.020	334

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
P1	26.07	25.403	.572	.877
P2	26.09	25.743	.539	.881
P3	25.96	24.044	.700	864
P4	25.90	25.145	.659	.869
P5	25.88	24.965	.660	.869
P6	25.89	24.504	.703	.864
P7	25.89	24.090	.684	.866
P8	25.93	23.731	.701	.864

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
29.66	31.739	5.634	8

vii. **Customer Satisfaction**

Case Processing Summary

		N	%
Cases	Valid	334	100.0
	Excluded[a]	0	.0
	Total	334	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.898	4

Item Statistics

	Mean	Std.Deviation	N
CS1	3.80	.954	334
CS2	3.85	.950	334
CS3	3.89	.911	334
CS4	3.98	.907	334

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CS1	11.72	6.191	.737	.881
CS2	11.67	6.029	.786	.863
CS3	11.63	6.312	.756	.874
CS4	11.54	6.129	.812	.854

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.52	10.599	3.256	4

APPENDIX D: NORMALITY OF THE DATA

Histogram
Dependent Variable: Customer_Satisfaction

Mean = 1.92E-15
Std. Dev. = 0.991
N = 334
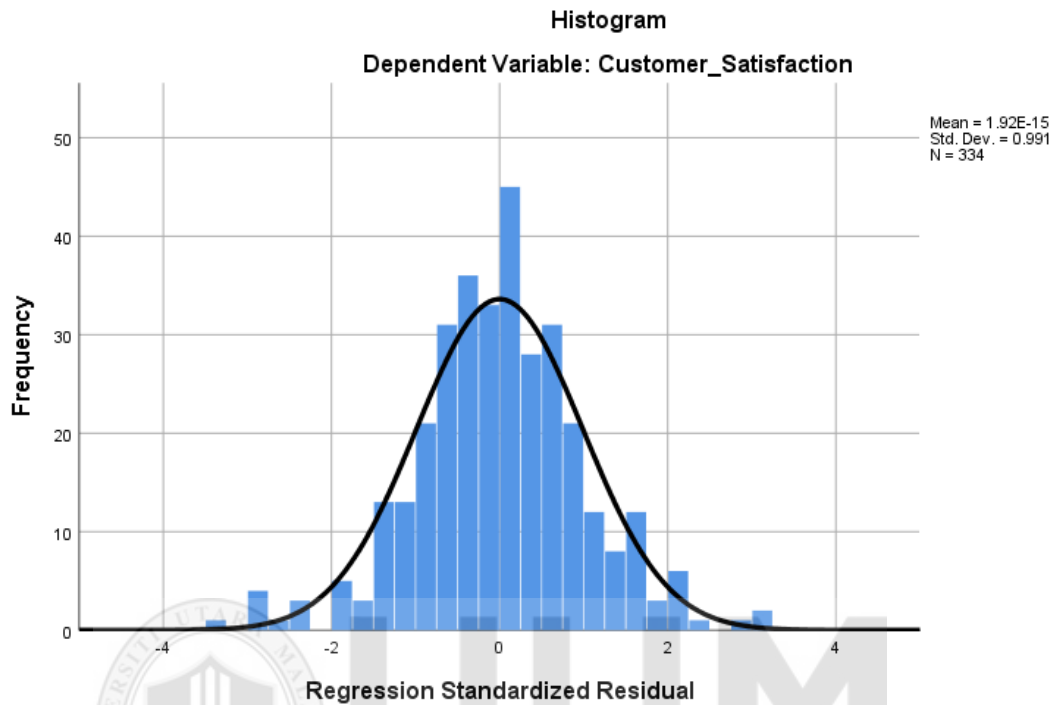
Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Customer_Satisfaction

Scatterplot

Dependent Variable: Customer_Satisfaction
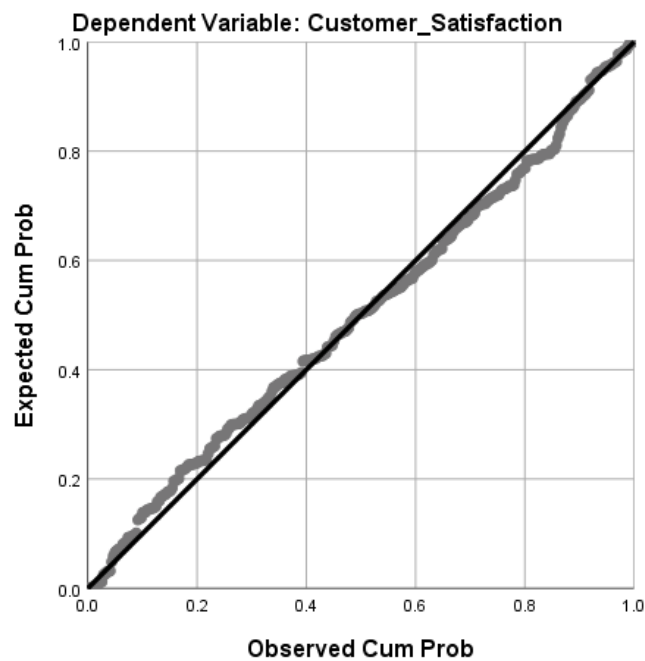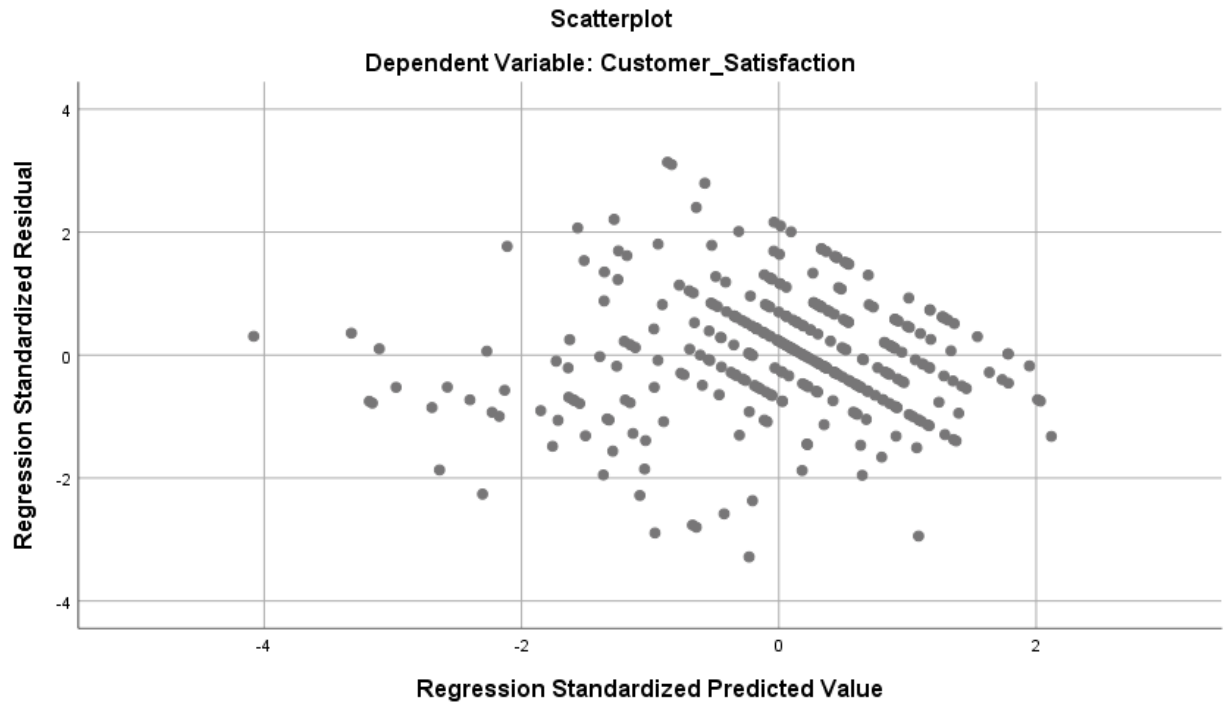
APPENDIX E: INFERENTIAL STATISTICS

i. Pearson Correlation Analysis

Correlations

		Tangibles	Reliability	Responsiveness	Assurance	Empathy	Price_Fairness	Customer_satisfaction
Tangibles	Pearson Correlation	1	.610**	.250**	.497**	.235**	.454**	.490**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N		334	334	334	334	334	334
Reliability	Pearson Correlation	.610**	1	.385**	.579**	.358**	.499**	.553**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	334	334	334	334	334	334	334
Responsiveness	Pearson Correlation	.250**	.385**	1	.424**	.660**	.364**	.466**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	334	334	334	334	334	334	334
Assurance	Pearson Correlation	.497**	.579**	.424**	1	.472**	.557**	.625**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	334	334	334	334	334	334	334
Empathy	Pearson Correlation	.235**	.358**	.660**	.472**	1	.353**	.475**
	Sig. (2-tailed)	.002	.000	.000	.000		.000	.000
	N	334	334	334	334	334	334	334
Price_Fairness	Pearson Correlation	.454**	.499**	.364**	.557**	.353**	1	.662**
	Sig. (2-tailed)	.002	.000	.000	.000	.000		.000
	N	334	334	334	334	334	334	334

Customer_ satisfaction	Pearson Correlation	.490**	.553**	.466**	.625**	.475**	.662**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334

**. Correlation is significant at the 0.01 level (2-tailed).

ii. Multiple Linear Regression Analysis

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Price_Fairnss, Empathy, Tangibles, Assurance, Responsiveness, Reliability[b]	.	Enter

a. Dependent Variable: Customer_satisfaction
b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765[a]	.586	.578	.52877

a. Predictors: (Constant), Empathy, Tangibles, Assurance, Responsiveness, Reliability

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	129.154	6	21.526	76.987	.000[b]
	Residual	91.430	327	.280		
	Total	220.585	333			

a. Dependent Variable: Customer_satisfaction
b. Predictors: (Constant), Empathy, Tangibles, Assurance, Responsiveness, Reliability

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.467	.219		-2.134	.034
	Tangibles	.137	.063	.101	2.167	.031
	Reliability	.119	.057	.105	2.078	038
	Responsiveness	.096	.048	.098	2.009	.045
	Assurance	.275	.065	.212	4.216	.000
	Empathy	.113	.047	.119	2.400	.017
	Price_Fairness	.425	.052	.368	8.112	.000

a. Dependent Variable: Customer_satisfaction

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.3384	5.1993	3.8802	.62278	334
Residual	-1.73618	1.65858	.00000	.52399	334
Std. Predicted Value	-4.081	2.118	.000	1.000	334
Std. Residual	-3.283	3.137	.000	.991	334

a. Dependent Variable: Customer_satisfaction