



**SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA MALAYSIA
MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION**

CONSUMER SATISFACTION SURVEY FOR COURIER 2019



MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION, 2019

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SECTION 1: EXECUTIVE SUMMARY

Consumer Satisfaction Survey Courier 2019 (CSS Courier 2019) was the first survey conducted in-house by Malaysian Communications and Multimedia Commission (MCMC), with the objective to explore the following:

1. To benchmark consumers' needs and expectations for courier services by performing service quality gap analysis;
2. To identify areas of improvement of courier services by performing importance-performance analysis; and
3. To understand and measure consumer satisfaction level and expectation from seven major courier companies based on consumer satisfaction index;

The survey focused on six (6) criteria with 22 attributes on courier services. These attributes relate to their efficiency of the facilities provided, convenience of tracking and tracing items/products, compensation policy and etc. The six (6) criteria are as follows:

1. Accuracy
2. Convenience
3. Economic efficiency
4. Responsiveness
5. Safety
6. Tangible

Accordingly, the survey covered two different type of consumers, which are individual consumers and business consumers. Based on sampling methodology, the sample for this survey reached 2,688 respondents for individual consumers¹ and 1,362 respondents for business consumers². For data collection, respondents for individual consumers were conducted through telephone interview using computer assisted telephone interview (CATI) system, while business consumers were assessed through secure online survey questionnaires system.

¹ Individual consumers: Confidence level of 95% and precision of $\pm 5\%$

² Business consumers: Confidence level of 95% and precision of $\pm 7\%$

Highlights of Consumer Satisfaction Survey Courier Results 2019

Individual consumers showed higher satisfaction level compared to business consumers

Overall CSI Score

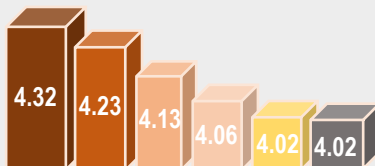


Individual Consumers:
4.12

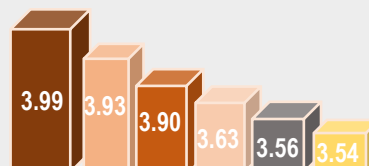


Business Consumers:
3.78

Individual



Business



Accuracy criteria topped the list for both consumers

Promptness of customer service showed highest gap between consumers' expectation and courier performance for both consumers

Courier Performance



Consumers' Expectation



Promptness of customer service to consumers' complaint and resolution to the complaint

Customer Service



Speed

Considerate

Knowledgeable

Competent

Professional

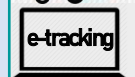
Speed and competency in handling customer service are crucial

Individual

Maintain coverage to deliver efficiently

Robust tracking system

Condition of items were ensured



Business

Timely and easiness of pick-up services

Extensive delivery coverage which suits with consumers' needs

Facilities and transportation tools provided are well-equipped



Drivers of courier providers for individual and business consumers

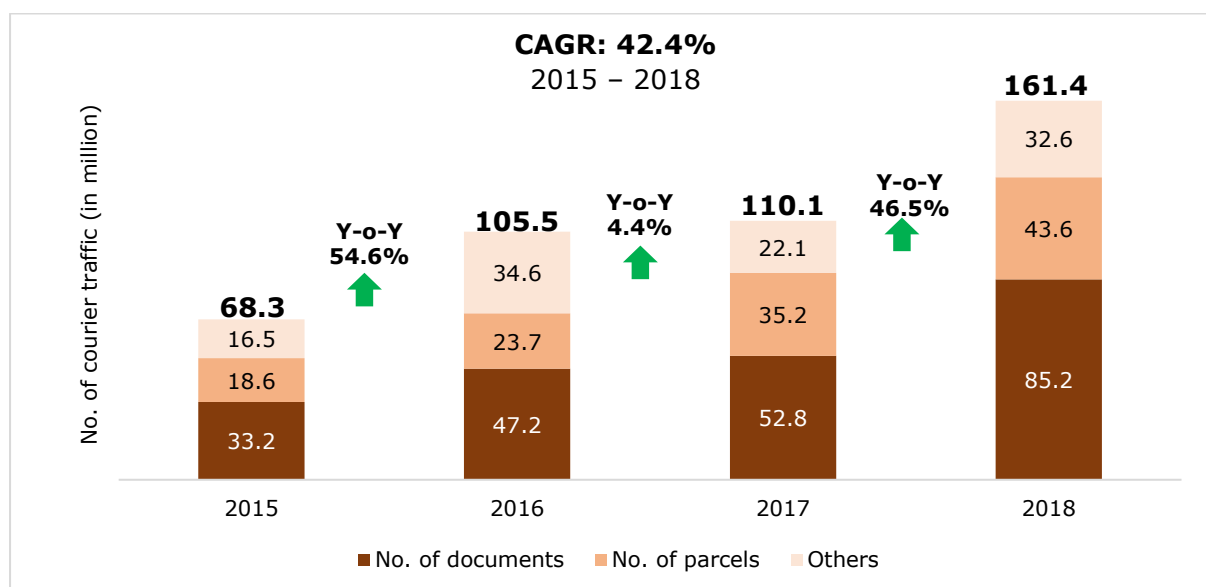
SECTION 2: INTRODUCTION

BACKGROUND OF SURVEY

The continuous development of broadband services has driven the growth of e-Commerce industry. In 2018, there were approximately 16.6 million e-Commerce consumers³ in Malaysia. In addition, the value added of e-Commerce industry registered a growth of 7.9% with RM 115.5 billion recorded in 2018 as compared to RM 107.1 billion in 2017⁴. The growing number of e-Commerce activities has resulted in the growth of several industries, particularly on courier industry.

As a result, the volume of courier traffic showed a positive trends for the past four years⁵. From 2015 – 2018, volume of courier traffic recorded a compounded annual growth rate of 42.4% during the four years period.

Figure 1: Courier services for domestic traffic



As to date, MCMC has licensed 116⁶ of courier providers in Malaysia to anticipate with the growing demand on courier services. This reflects that both local and International companies are broadly present in Malaysia as they see potential in Malaysian market. The growing consumption on courier services brings a wide array of benefit and opportunities as well as challenges. In this competitive market, each company is putting paramount

³ MCMC e-Commerce Consumers Survey 2018

⁴ DOSM ICT Use and Access by Individuals and Households Survey Report, Malaysia, 2018

⁵ MCMC Pocket Book of Statistics: Postal and Courier 2018

⁶ <https://www.mcmc.gov.my/skmmgovmy/media/General/pdf/List-of-Courier-Services-Licenses-January-2020.pdf>

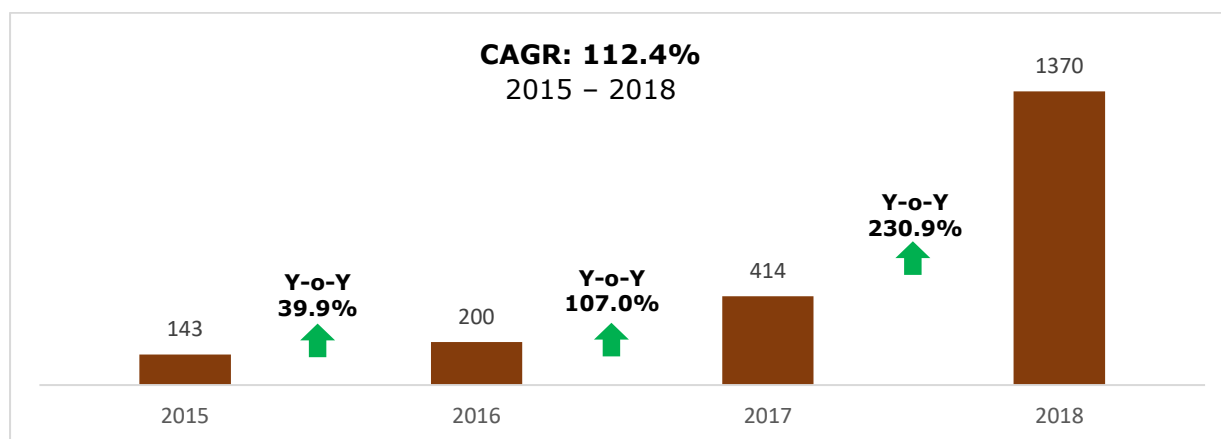
effort to provide the best services to their consumers. Hence, at this juncture, service quality is important to meet expectations of consumers.

Accordingly, MCMC commissioned Consumer Satisfaction Survey Courier 2019 (CSS 2019) as a purpose built survey with the objective to benchmark consumers' needs and expectation from courier services, to identify areas of improvement of courier services and to understand and measure consumer satisfaction level and expectation.

SIGNIFICANCE OF SURVEY

In line with the upsurge of e-Commerce activities, the aspect of quality of service will continue to be the main focus to ensure courier providers offered the best services. Based on Figure 2, it showed that the number of complaints received by MCMC on postal and courier services showed a tremendous hike in the past three years (2016 – 2018). In 2018, there were 1,370 complaints⁷, 7 times higher from 143 complaints received in 2015. The complaints includes late delivery, poor service, lost item, unsatisfied with customer service, not satisfied with price and refund and etc.

Figure 2: Number of complaints received by MCMC on postal and courier services













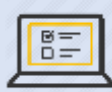


In light of these observations, CSS 2019 (Courier) 2019 can be a tool of assessment in measuring consumers' expectation and satisfaction. Furthermore, courier providers can have better understanding on their consumers' expectation as well as apply required courses of actions to move towards more satisfactory consumers.

⁷ MCMC Industry Performance Report 2018

SECTION 3: METHODOLOGY

CSS 2019 METHODOLOGY

	Individual	Business
 Courier Providers	    	 
 Sample	Courier customer database: Consumers' mobile-cellular 	Courier customer database: Business emails 
Data Collection	 Computer Assisted Telephone Interview (CATI)	 Online survey questionnaire: Verint system
Sampling Technique	Simple Random Sampling <i>Confidence Level: 95%</i> <i>Precision Level: $\pm 5\%$</i>	Simple Random Sampling <i>Confidence Level: 95%</i> <i>Precision Level: $\pm 7\%$</i>

The survey covered two type of consumers⁸, namely individual and business consumers. Seven courier providers were included in the survey which are ABX Express (M) Sdn Bhd, Citylink Express (M) Sdn Bhd, GD Express Sdn Bhd, Nationwide Express Courier Services Bhd, Ninja Logistics Sdn Bhd, Pos Malaysia Berhad (Poslaju) and Skynet Worldwide (M) Sdn Bhd.

Sample for individual consumers were randomly selected from list of mobile-cellular consumers with Mobile Station International Subscriber Directory Number (MSISDN) while business consumers were randomly selected based on the business' emails.

The survey adopted confidence level of 95% with precision level of $\pm 5\%$ reaching a total of 2,688 respondents for individual consumers. Meanwhile for business consumers, the

⁸ For the purpose of this survey, CSS 2019 consumers defined as respondents who used courier services in the past 12 months

survey adopted confidence level of 95% with precision level of $\pm 7\%$ reaching a total of 1,362⁹ companies.

Fieldwork for CSS 2019 started on 20 June 2019 and ended on 30 October 2019. For individual consumers, the survey was canvassed using a Computer Assisted Telephone Interview (CATI) system, while business consumers were assessed using secure online questionnaire (Verint system).

⁹ Ninja Van was excluded from business consumers due to insufficient sample size

TERMS AND DEFINITION

Tangible

The tangible criteria represent the *facilities & personnel attitude* of the courier providers. The criteria refers to physical facilities (i.e waiting area, queuing number system, etc), transportation tools (i.e vehicles appearance), appearance of personnel and tools, as well as materials that can be perceived by the five human senses.

Convenience

Convenience criteria represent *coverage, schedule and easiness booking & tracking* of courier providers. It caters the ease of service provided by courier operators whether coverage area meet consumers' needs, booking and tracking functions, and schedule for pick-up and delivery.

Economic efficiency

Economic efficiency represent the *price dimension*. Economic efficiency includes topics such as price level charged by carriers, the rate structure and etc. Economic efficiency provides the economical perspective, particularly on consumers' views of charges stated by courier providers.

Safety

Safety represent the *product safety* of items/goods that need to be delivered by courier providers. It refers to the transparency of the compensation policy to be informed to consumers. Safety criteria also addressed the condition of items/ product received by the consumers.

Accuracy

Accuracy represent *accuracy of time and address* of shipment. It refers to the efficiency of service provided by courier providers in terms of duration of delivery, pick- up with accurate addresses.

Responsiveness

Responsiveness represent the *customer service* of courier providers. It refers to the availability of courier customer service to help consumers in an attentive manner, with precision, competent and speed of response.

METHOD OF DATA ANALYSIS

Scope of survey

CSS 2019 focused on six (6) criteria¹⁰ with 22 attributes on courier services. Inputs, suggestion and comments from relevant internal and external stakeholders were taken into account during the process of identifying the scope and development of questionnaires. Table 1 below depicted list of criteria and attributes in the survey.

Table 1: List of criteria and attributes

No	Criteria ¹¹	Attributes
1	Tangible	1. The efficiency of courier provider facilities and transportation tools
		2. Staff dress code and attitude of personnel
		3. The convenience of outlets and environment
		4. Company's item packaging professional and standard
2	Convenience	1. Coverage delivery areas meet consumers' needs
		2. Availability of branches meet consumers' needs
		3. The ease of booking by Internet and telephone*
		4. The ease of tracking and tracing items by Internet and telephone
		5. The convenience of pick-up schedule provided by courier providers*
		6. The convenience of delivery schedule provided by courier providers
3	Economic efficiency	1. The price set by courier providers is reasonable with the weight of item/parcel
		2. The price delivery options provided by courier providers is reasonable with the delivery period
		3. The benefit/loyalty/promotion provided by courier providers for regular consumers
4	Safety	1. Clear compensation policy
		2. Condition of items/parcel delivered by courier providers
5	Accuracy	1. On-time pick-up by courier providers as per consumer's request*
		2. On-time delivery by courier providers as per consumer's request
		3. Accurate delivery by courier providers to address of shipment

¹⁰ Selection of criteria based on literature from:

- Parasuraman et al. (1988): SERVQUAL: A multiple-item scale for measuring consumer perceptions of service
- Park et al. (2009): Evaluating competitiveness of air cargo express services
- Valaei et al. (2016): CouQual: assessing overall service quality in courier service industry and the moderating impact of age, gender and ethnicity
- Meng, Q., & Zhou, Q. (2016). Assessment of Express Delivery Service Based on SERVQUAL Model. Assessment

¹¹ Reliability analysis for each criteria varies from 0.6 to 0.9. Reliability analysis refers to the fact that a scale should consistently reflect the construct it is measuring. Coefficient Alpha or Cronbach's Alpha was used to measure the concept of consistency reliability.

6	Responsiveness	1. The promptness of customer service to consumers' complaint and resolution
		2. The promptness of customer service to consumers' inquiries and requests
		3. The knowledge and competency of customer service
		4. The consideration/understanding of customer service on consumer's advice and opinions

**Excluded from individual consumers*

The criteria was evaluated according to consumers' perceptions on their expectation and performance of courier providers, by using 5-Likert scale. Consumers' expectation was measured based on their level of importance towards courier services, while courier providers' performance are based on their level of satisfaction. Table 2 below illustrated the measurement.

Table 2: 5-point Likert scale

Rating scale	Expectation	Performance
5	Extremely important	Extremely satisfied
4	Somewhat important	Somewhat satisfied
3	Neutral	Neutral
2	Somewhat not important	Somewhat dissatisfied
1	Extremely not important	Extremely dissatisfied

Additionally, the survey also consists of 9 demographic profiles of individual consumers and 5 profile of business consumers. Table 4 illustrated details on the demographic profile covered in the survey

Table 3: Demographic profile

Individual consumers	Business consumers
1. Age	1. Types of company
2. Nationality	2. Foreign/local
3. Gender	3. Category of SME/Non-SME
4. State	4. Type of sectors
5. Occupation	5. Frequency of usage
6. Ethnicity	
7. Income	
8. Urban Rural Distribution	
9. Frequency of usage	

Framework of CSS 2019

In line with the objective of CSS 2019 (courier), framework of the CSS Courier 2019 was developed based on three analysis as shown in Figure 3, below.

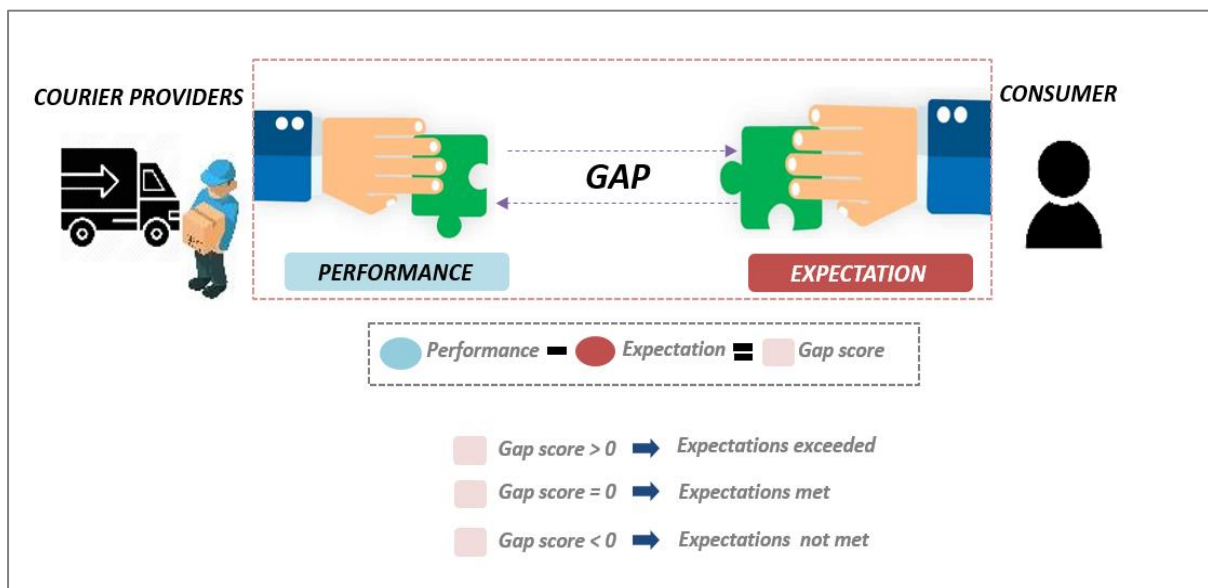
Figure 3: Survey objectives and the correspondence analysis



a. Service Quality Gap Analysis

Service quality gap analysis was conducted to explore whether the performance of the courier providers meets consumers' expectations. Adapted from Parasuraman et al. (1985)¹², service quality gap analysis conducted by assessing the mean difference of the performance and expectation score. Figure 6 illustrated the computation of the SQG analysis.

Figure 4: CSS Courier 2019 Service Quality Gap (SQG) model



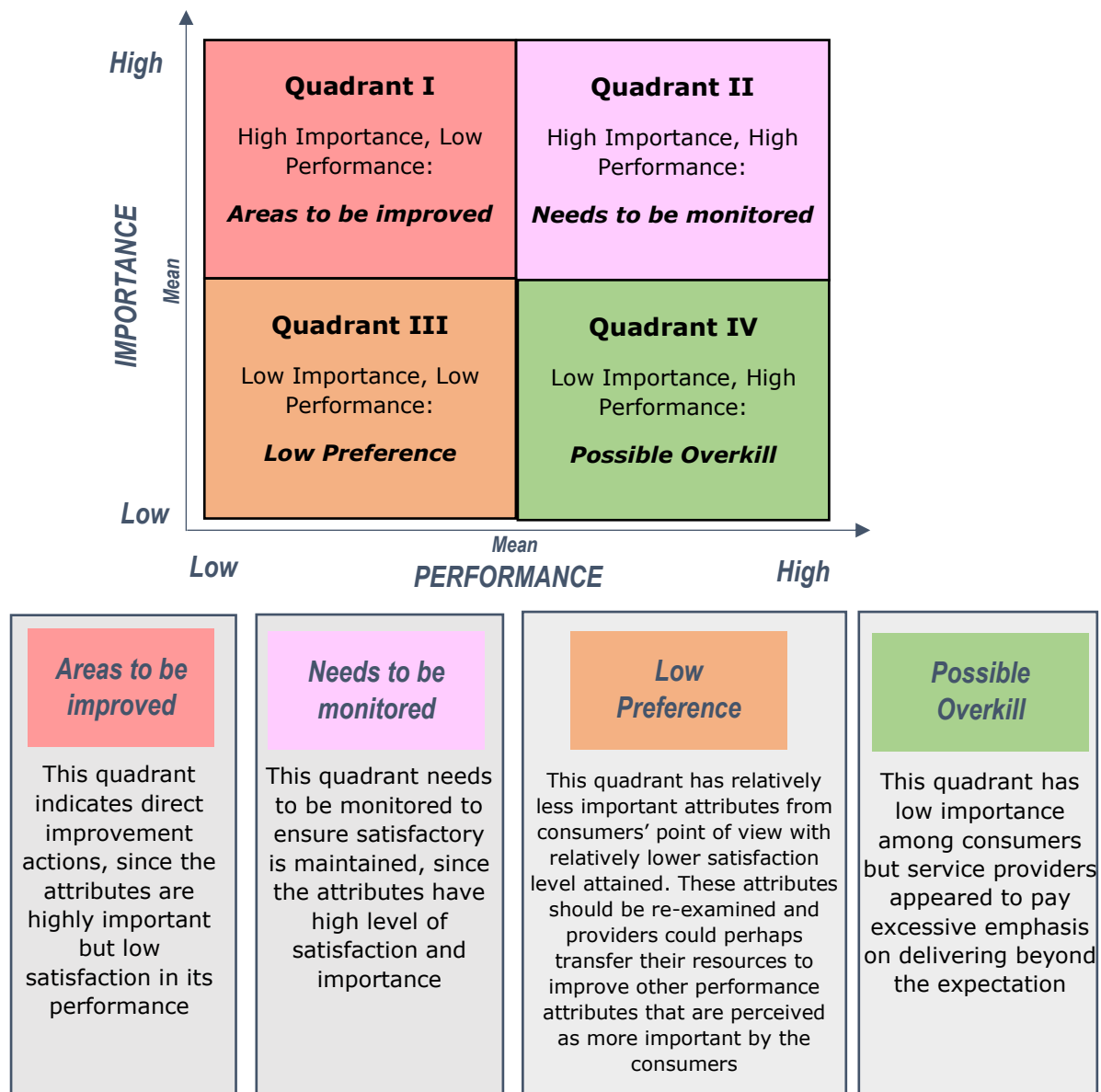
¹² Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985), "A conceptual model of service quality and its implication", Journal of Marketing, Vol. 49, Fall, pp. 41-50.

b. Importance-Performance Matrix

Further, the Importance-Performance Matrix Analysis was carried out to identify the high-performing attributes as the strength of the service providers as well as the low performing attributes that required intervention for improvement.

Developed by Martilla and James (1977), Importance-performance analysis (IPA) identifies the relative importance (expectation) of the attributes associated with a service or product while at the same time indicating the degree of performance (satisfaction). The results are plotted graphically on a two-dimensional grid, in which the performance of the attribute is displayed on the horizontal axis while the importance level is displayed on the vertical axis. Figure 5 illustrated details of IPA.

Figure 5: Importance-Performance Matrix



c. Consumer Satisfaction Index

Over decades, consumer satisfaction has been offered several definitions. Several literature mentioned that consumer satisfaction can be defined as judgment, impression, response, or evaluation based on the product or services received by them.

For instance, Anderson et al. (1994)¹³ suggested consumer satisfaction could be defined in two different ways depending on the consumer experiences, which are specific experiences and cumulative experiences. During specific experience, consumer satisfaction is defined as the post-choice evaluative judgement of a specific purchase occasion. Meanwhile, for cumulative experience, consumer satisfaction is determined as a result of a consumers' evaluation of his or her total purchase and consumption experience over time.

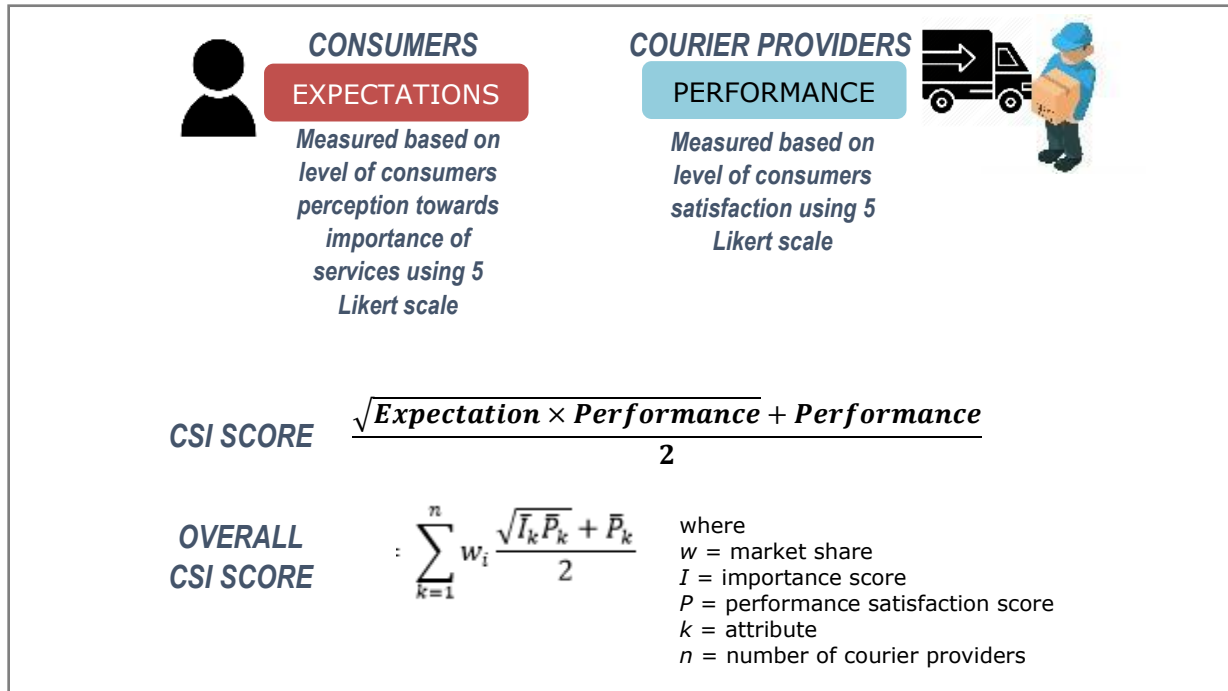
However, focusing on satisfaction solely is not sufficient, as understanding the requirements or expectations from consumers need to be considered as well. In today's highly competitive market, where all companies have equal opportunities to provide services, it is essential for companies to measure themselves on their ability to meet beyond customers' expectations. According to Gitomer, J. (1998)¹⁴, he stated that satisfaction is the consumer's assessment of a product or service in terms of the extent to which that product or service has met his/her needs or expectations.

Therefore, CSS Courier 2019 evaluated Consumer Satisfaction Index (CSI) based on the consumers experience on the performance of courier providers and their expectation towards courier providers. Further, market share of each courier provider will be imposed as a final weightage to the individual service provider's CSI score to compute the overall CSI score, as shown in Figure 6.

¹³ Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden. *Journal of marketing*, 58(3), 53-66.

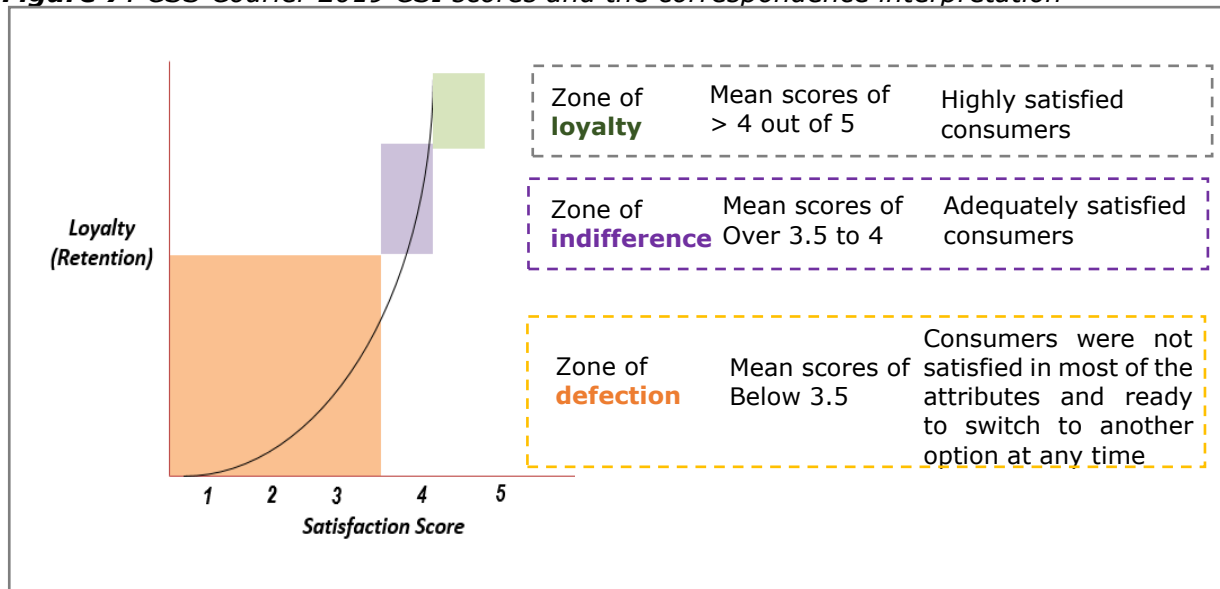
¹⁴ Gitomer, J. (1998). *Customer satisfaction is worthless, customer loyalty is priceless: How to make customers love you, keep them coming back, and tell everyone they know*. Austin, TX: Bard Press

Figure 6: Consumer Satisfaction Index (CSI) model for CSS 2019¹⁵



Accordingly, the interpretation of the CSI score is based on relationship between loyalty and satisfaction as described in the Profit Chain from Heskett et al. (1997). Figure below illustrated the interpretation of the CSI scores.

Figure 7: CSS Courier 2019 CSI scores and the correspondence interpretation¹⁶



¹⁵ Source of CSI Model from MCMC Consumer Satisfaction Survey (2011 – 2017)

¹⁶ Interpretation of the CSI score based on the relationship between loyalty and satisfaction as described in the Profit Chain from Heskett, J., W. E. Sasser Jr., and L. Schlesinger. *The Service Profit Chain: How Leading Companies Link Profit and Growth to Loyalty, Satisfaction, and Value*. New York: Free Press, 1997

SECTION 4: MAIN FINDINGS

This section consists of five key findings as follows:

1. Demographic profile of individual consumers and business consumers
2. Overall CSI score for individual and business consumers
3. Overall Service Quality Gap Analysis for individual and business consumers
4. Overall Importance-Performance Analysis for individual and business consumers
5. Comparison of CSI score by courier providers for individual and business consumers

DEMOGRAPHIC PROFILE OF INDIVIDUAL CONSUMERS & BUSINESS CONSUMERS

Individual consumers

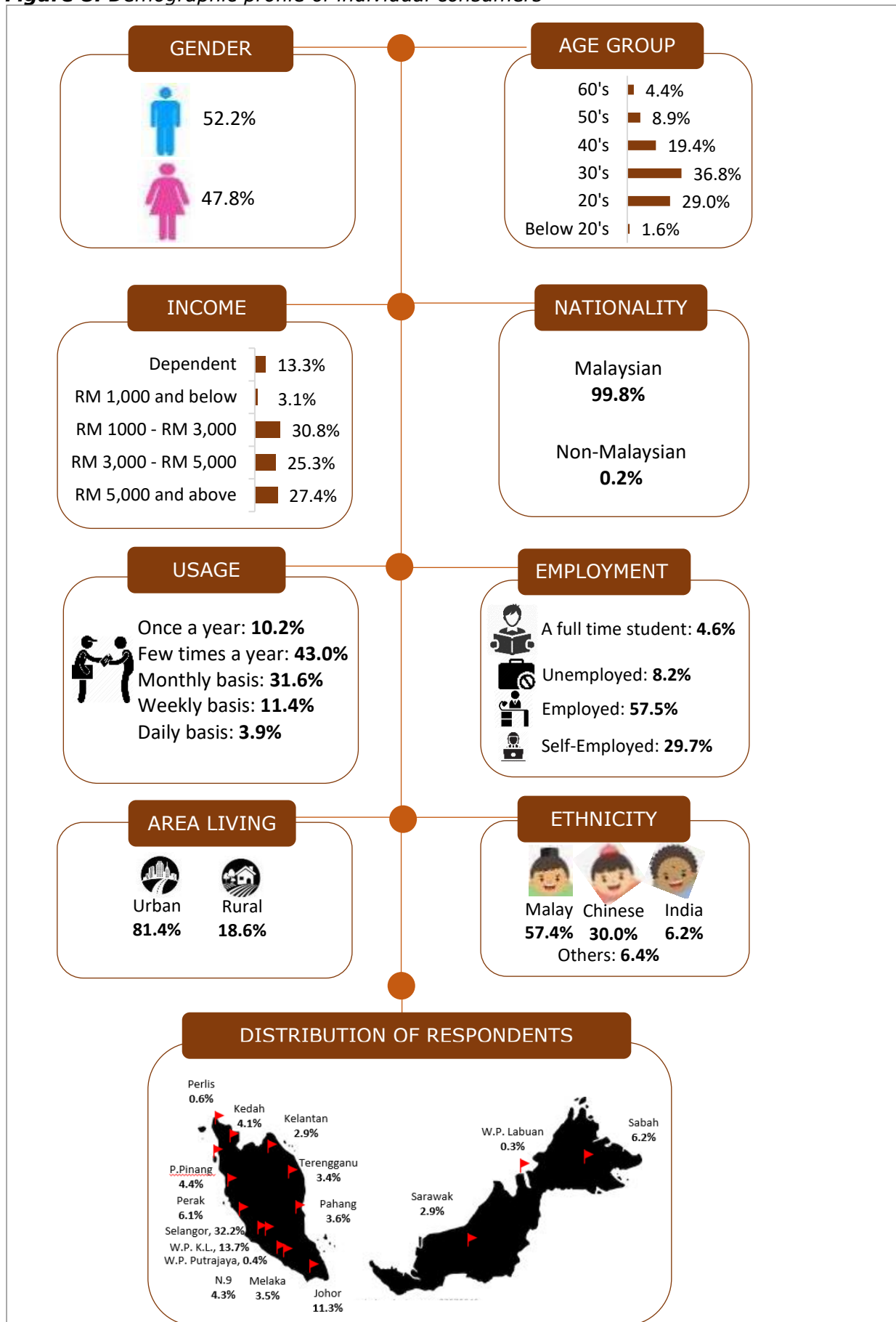
CSS 2019 results reflect the demographic profile of young adults, where 65.8% of individual consumers in the age of 20s and 30s used courier services. Meanwhile, gender gap among consumers is not significant. Overall, males made up 52.2% while females account for 47.8%. However, some notable differences exist in terms of the average income bracket, where high percentage was observed with courier consumers with higher income bracket, where more than half of individual consumers earned RM 3,000 and above (52.7%).

Besides, the survey found that there is significant disparity of courier consumers between those who are living in urban and rural areas. Results showed that majority individual consumers were found living in urban area (81.4%) compared to rural area (18.6%). Generally, rural region possess several key challenges¹⁷ in terms of service delivery such as lower density population, larger distances that have to be travelled by consumers and providers, and more costly compared to urban area.

In terms of frequency, it was observed that majority of individual consumers used courier services few times a year (43.0%). Meanwhile, 31.6% used in monthly basis and 11.4% in weekly basis. Only 3.9% used courier services in daily basis.

¹⁷ <http://www.oecd.org/cfe/regional-policy/service-delivery-in-rural-areas.htm>

Figure 8: Demographic profile of individual consumers



Business consumers

For business consumers, majority of them are local companies (90.7%) (Figure 9). In terms of type of business¹⁸, more than a half of the respondents claimed their business are private limited company (60.6%), followed by individual proprietorship (17.1%) and partnership (10.1%).

The survey also further explored the percentage of small and medium enterprise (SME) among business consumers. Results showed that SMEs among business consumers comprises of 80.6%. Of this, wholesale and retail trade topped the list in using courier services (26.9%), followed by business and private services (25.1%), and manufacturing (20.3%). Meanwhile, utilities sector showed lowest percentage in using courier services (0.7%).

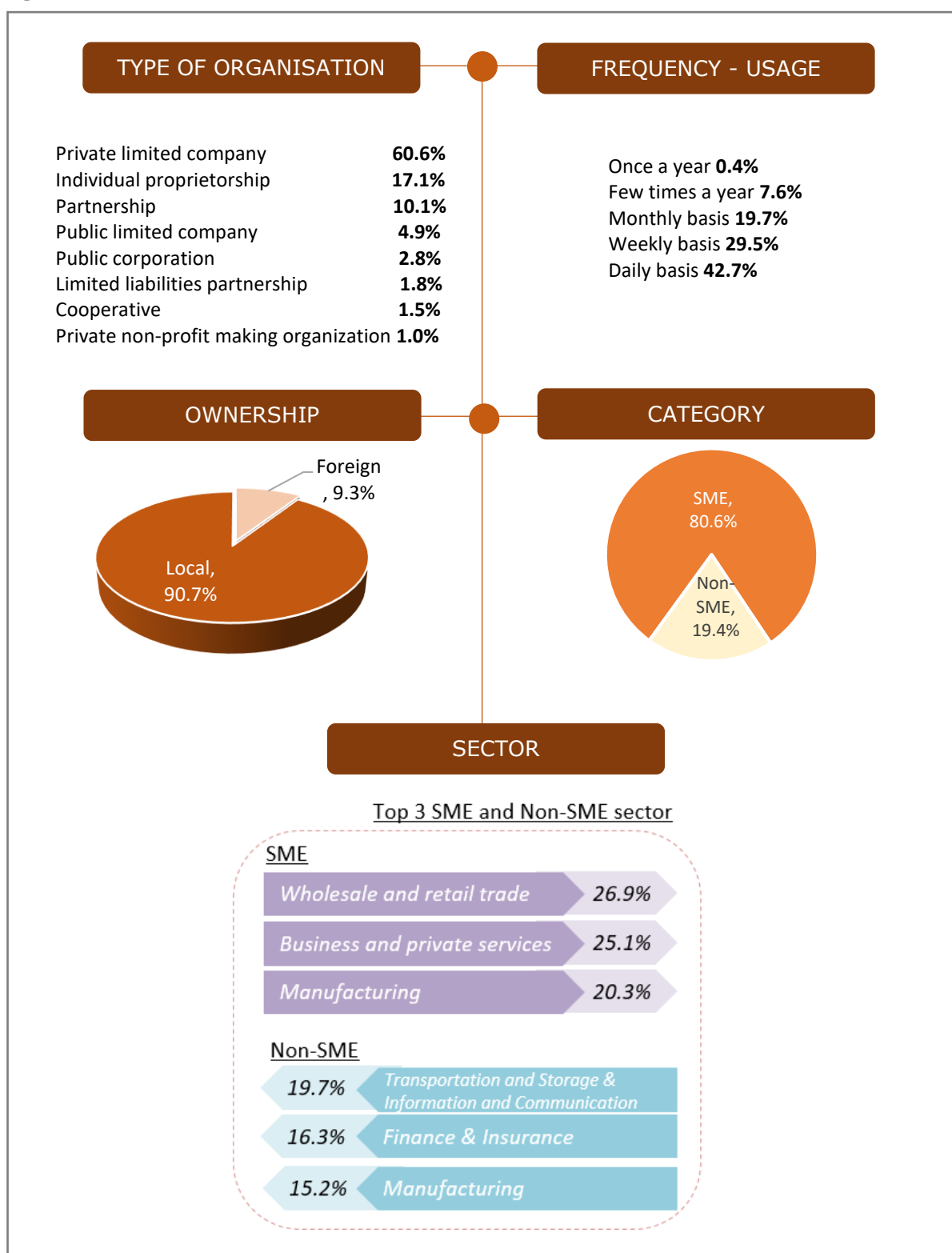
In Malaysia, 98.5%¹⁹ of business establishment are SMEs. This establishment plays a substantial role in growing demand of courier services. For instance, various marketplaces such as Lazada, Shopee, etc, allow business to sell their items and products. As a result, courier services have been a medium for these SMEs to arrange the products shipping to their potential customers. In addition, several SMEs in other industries (i.e manufacturing, health, business and private services) also used courier services for shipping their supplies/products such as laboratory supplies, office supplies, and etc. Figure 9 illustrated details on profile of business consumers.

As compared to individual consumers, it was observed that majority of business consumers used courier services on daily basis (42.7%). Meanwhile, 29.5% used on weekly basis and 19.7% on weekly basis. Only 0.4% used courier services in once a year.

¹⁸ Source of type of business/organization from Department of Statistics Malaysia (DOSM).

¹⁹ <http://www.smeinfo.com.my/profile-of-smes>

Figure 9: Profile of business consumers



OVERALL SERVICE QUALITY GAP ANALYSIS FOR INDIVIDUAL AND BUSINESS CONSUMERS

Individual Consumers

Service Quality Gap Analysis (SQG) was conducted to monitor consumers' expectations and satisfaction. Addressing these identified shortfalls is the foundation for planning strategies to ensure customer experiences that are consistent with their expectations and thus increasing the probability of satisfaction.

Results²⁰ showed the gap scored below 0 for all attributes. This indicates expectation vs satisfaction not met. Among all attributes, "Promptness of customer service to consumers' complaint and resolution to the complaint" showed the highest gap (0.77). This is followed by "Clear compensation policy (Gap: 0.74)" and "Promptness of customer service to consumers' inquiries and requests (0.60)".

Traditionally, consumers need to use phone calls or emails to channel their complaints, enquiries or opinions. However, as Internet became more reliable, consumers are leveraging through social media and live chat to lodge their complaints. This found to be profoundly efficient, however, it create impetuosity, where people expect fast or immediate response from the providers.

This reflects that speed in handling complaints/inquiries is crucial in customer service. Hence, courier providers need to choose the right tools to cater all complaints/inquiries and categorizing different levels of priority to improve customer service. Figure 10 and Figure 11 depicted top 5 of highest and lowest gap score for individual consumers.

²⁰ Based on paired sample T test, there is a statistically gap exist between mean of expectation and mean of satisfaction for individual consumers ($p < .05$, CL: 95%)



Figure 10: Top 5 highest gap score for individual consumers

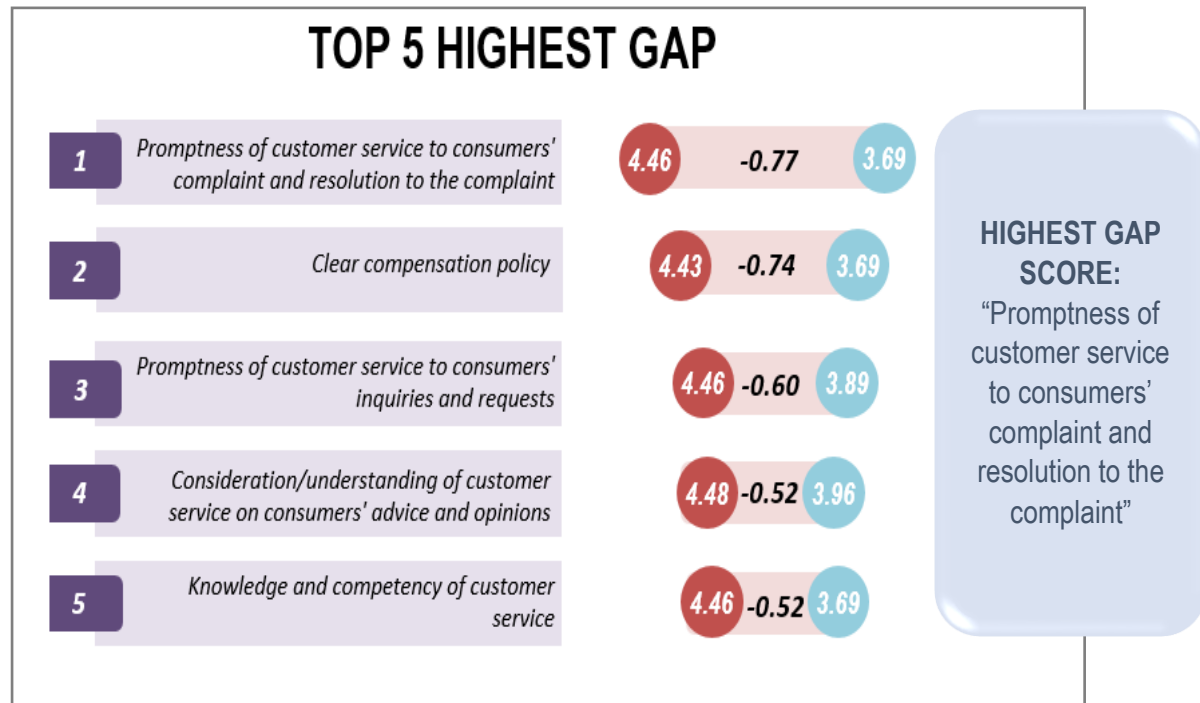
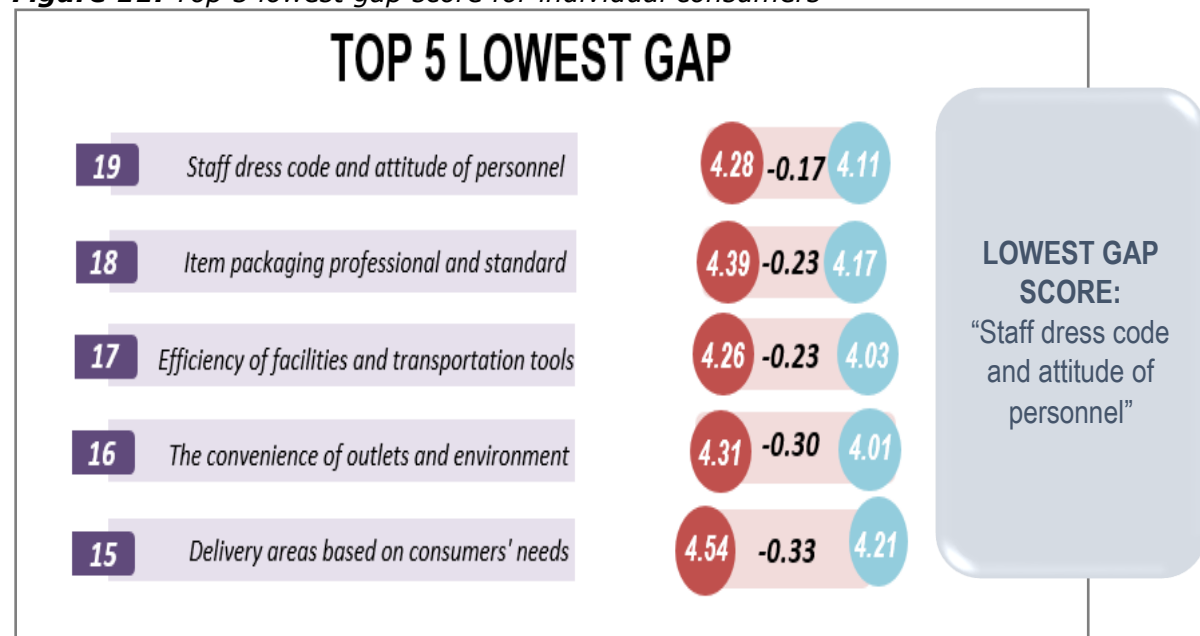


Figure 11: Top 5 lowest gap score for individual consumers



Business Consumers

Similar with individual consumers results²¹, result showed gap scored for business consumers scored below 0 for all attributes. This indicates expectation vs satisfaction not met, notably on customer service attributes and clear compensation policy.

As compared to individual consumers, the gap score for business consumers slightly higher. There are 6 attributes showed a gap score of more than 1.0. The attributes are "promptness of customer service to consumers' complaint and resolution to the complaint (1.24)", "clear compensation policy (1.16)", promptness of customer service to consumers' inquiries and requests (1.14)", consideration/understanding of customer service on consumers' advice and opinions (1.03)", knowledge and competency of customer service (1.03)" and "condition of items/products delivered (1.01)".

This implies that communication and engagement are essential in satisfying the customers. Courier providers should be able to accommodate queries, complaints and needs of consumers. Whether they encounter delays of items/products, a mistyped address or any other matters, courier providers needs to become transparency as possible by providing a clear communication and resolution.

In terms of products safety, it is crucial that intensive training should be provided to relevant person-in-charge i.e handlers, drivers to ensure that parcels are delivered safely and on time. Figure 12 and Figure 13 depicted top 5 of highest and lowest gap score for individual consumers.

²¹ Based on paired sample T test, there is a statistically gap exist between mean of expectation and mean of satisfaction for individual consumers ($p < .05$, CL: 95%)



Figure 12: Top 5 highest gap score for business consumers

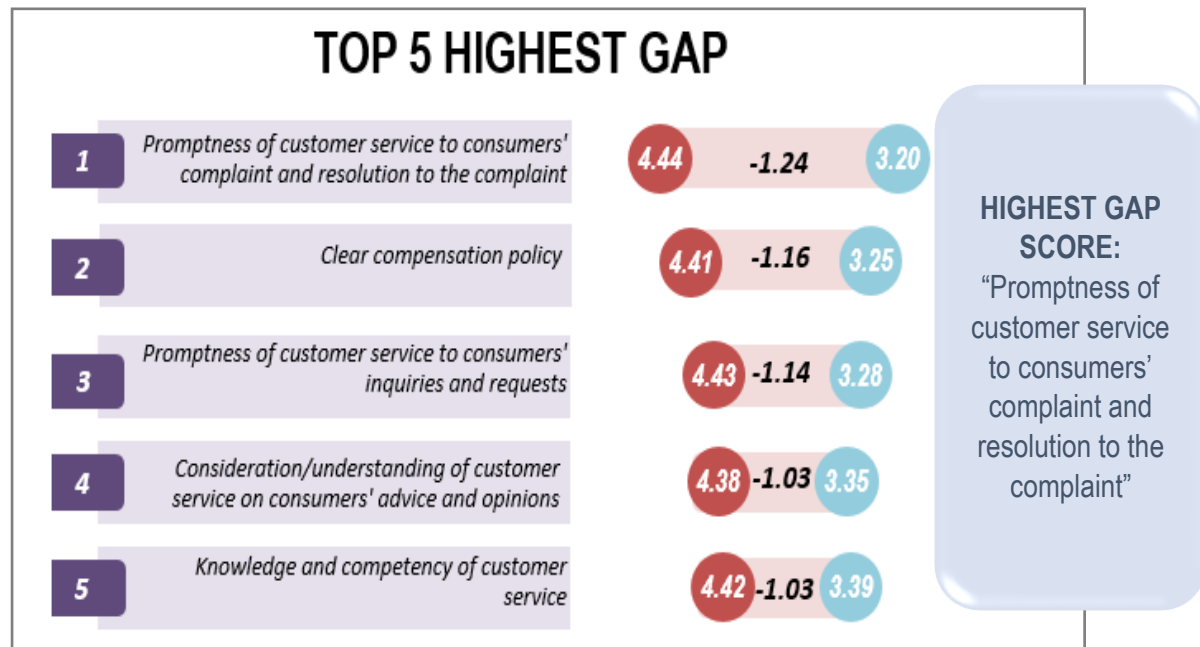
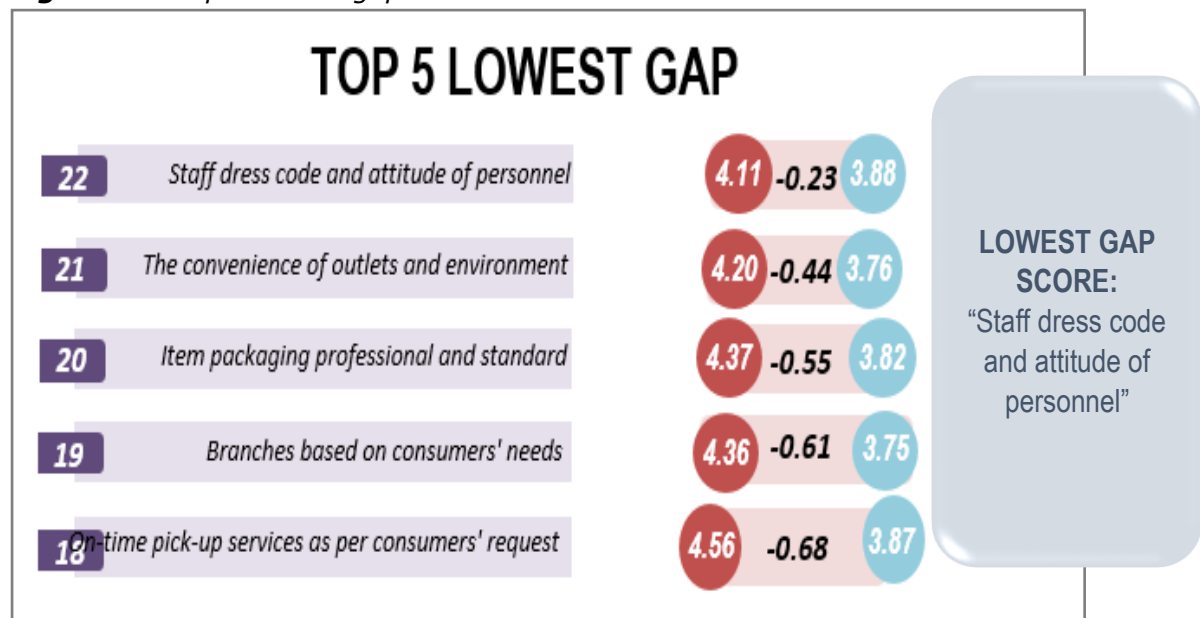


Figure 13: Top 5 lowest gap score for business consumers



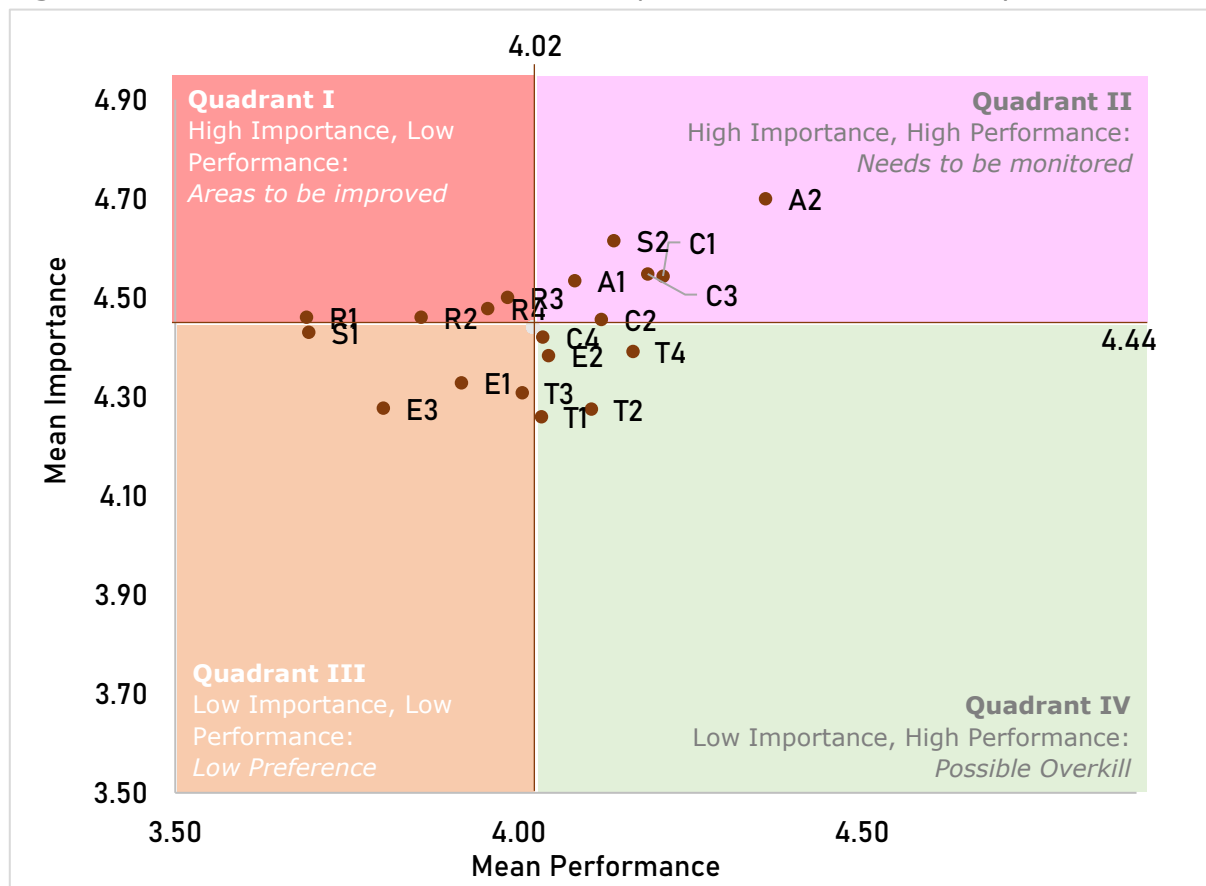
OVERALL IMPORTANCE-PERFORMANCE ANALYSIS FOR INDIVIDUAL AND BUSINESS CONSUMERS

Individual Consumers

Next, Importance-Performance Analysis (IPA) was conducted in identifying those attributes that are most in need of improvement as well as ensuring the efficient allocation for services provided by courier provider.

Figure 14 highlights the relative positions of attributes in matrix format, with the importance values on the vertical axis and performance values on the horizontal axis.

Figure 14: Individual Consumers – Overall Importance Performance Analysis



T1: The efficiency of facilities and transportation tools; T2: Staff dress code and attitude of personnel; T3: The convenience of outlets and environment; T4: Item packaging professional and standard; C1: Delivery areas based on consumers' needs; C2: Branches based on consumers' needs; C3: The ease of tracking and tracing items by Internet and telephone; C4: The convenience of delivery schedule; E1: The price set is reasonable with the weight of item/parcel; E2: The price delivery options is reasonable with the delivery period; E3: The benefit/loyalty/promotion provided for regular customers'; S1: Clear compensation policy; S2: Good condition of items/parcel delivered; A1: On-time delivery services as per consumers' request; A2: Accurate delivery to address of shipment; R1: Promptness of customer service to consumers' complaint and resolution to the complaint; R2: Promptness of customer service to consumers' inquiries and requests; R3: Knowledge and competency of customer service; R4: Consideration/understanding of customer service on consumers' advice and opinions

The matrix are classified into 4 quadrants as shown in Figure 7 (Quadrant I: Areas to be improved, Quadrant II: Needs to be monitored, Quadrant III: Low preference, and Quadrant IV: Possible Overkill).

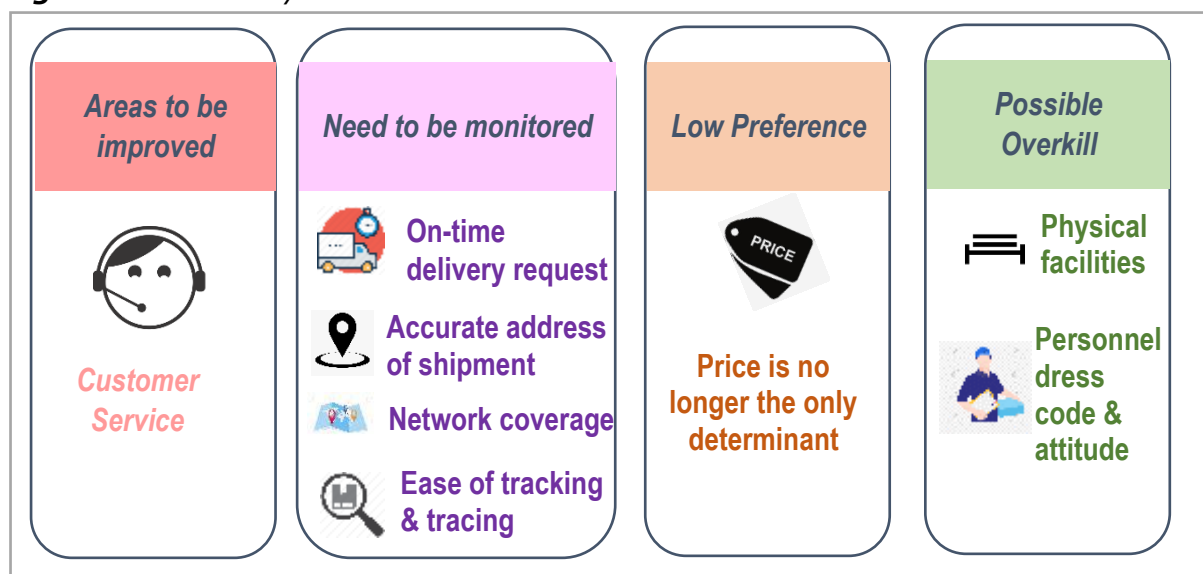
Results showed that the mean importance and the mean performance are 4.44 and 4.02, respectively. This reflect individual consumers have high expectation towards courier providers and several attributes showed high performance.

Based on the four quadrants, four attributes were identified for areas of improvement. The attributes are primarily on customers services. It was also determined that two attributes of Economic efficiency which are “The price delivery options is reasonable with the delivery period” and “The benefit/loyalty/promotion provided for regular customers” in Quadrant III (Low Preference).

This reflects price is no longer the only determinant of the courier services. Speed and quality of knowledge responsiveness among staff to customers is the next source of competitive advantage in courier industry.

Among others, several attributes also needs to be monitored to ensure sustainability quality of work (Quadrant II) such as on-time delivery request, accurate address of shipment, network coverage, and the ease of tracking & tracing. Figure 15 illustrated main highlight for each quadrant.

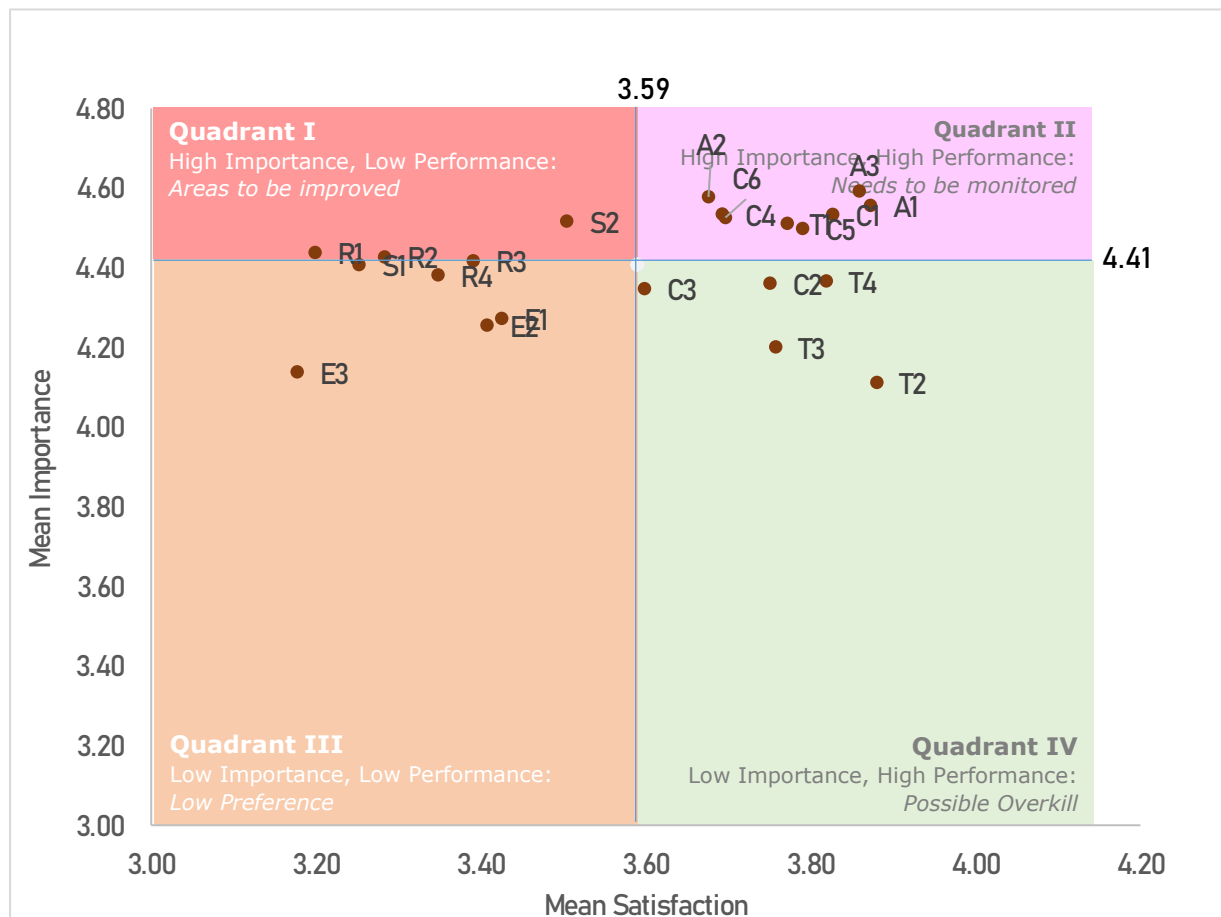
Figure 15: Summary of IPA for individual consumers



Business Consumers

Further, IPA was also conducted for business consumers. Based on Figure 8, the mean importance and the mean satisfaction for business consumers slightly lower as compared to individual with score of 4.41 and 3.59 respectively (Figure 16).

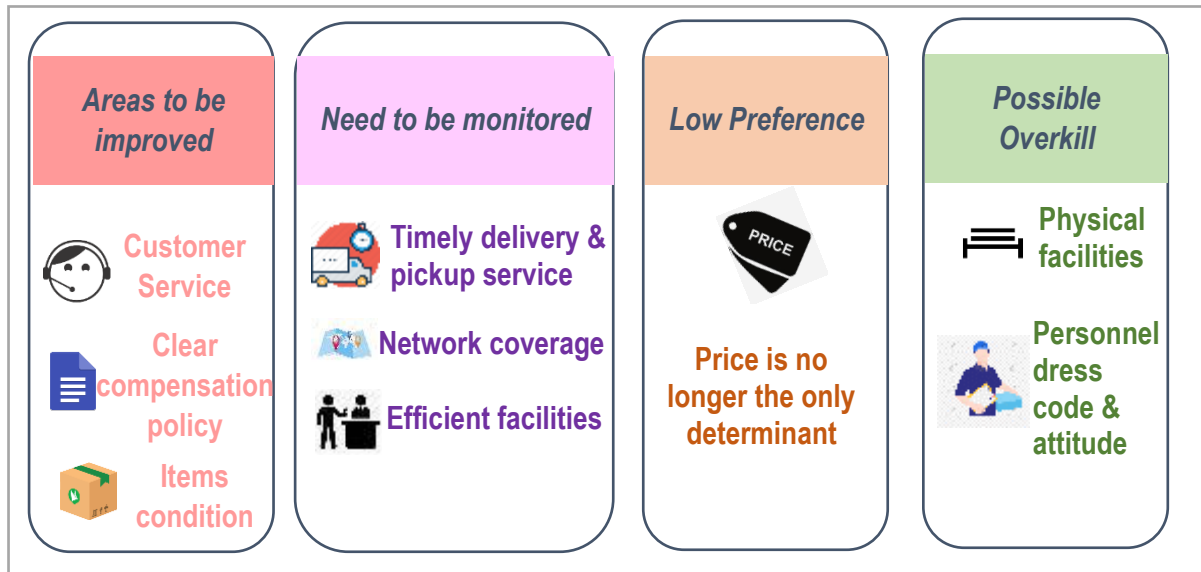
Figure 16: Business Consumers – Overall Importance Performance Analysis



T1: The efficiency of facilities and transportation tools; T2: Staff dress code and attitude of personnel; T3: The convenience of outlets and environment; T4: Item packaging professional and standard; C1: Delivery areas based on consumers' needs; C2: Branches based on consumers' needs; C3: The ease of booking by Internet and telephone; C4: The ease of tracking and tracing items by Internet and telephone; C5: The convenience of pick-up schedule; C6: The convenience of delivery schedule; E1: The price set is reasonable with the weight of item/parcel; E2: The price delivery options is reasonable with the delivery period; E3: The benefit/loyalty/promotion provided for regular customers'; S1: Clear compensation policy; S2: Good condition of items/parcel delivered; A1: On-time pick-up services as per consumers' request; A2: On-time delivery services as per consumers' request; A3: Accurate delivery to address of shipment; R1: Promptness of customer service to consumers' complaint and resolution to the complaint; R2: Promptness of customer service to consumers' inquiries and requests; R3: Knowledge and competency of customer service; R4: Consideration/understanding of customer service on consumers' advice and opinions

Results highlighted that customer service, clear compensation policy and condition of items need further improvement. Among others, Timely delivery and pick up services, network coverage, efficient facilities needs to be monitored to ensure the good quality of work by courier providers. Figure 17 illustrated main highlight for each quadrant.

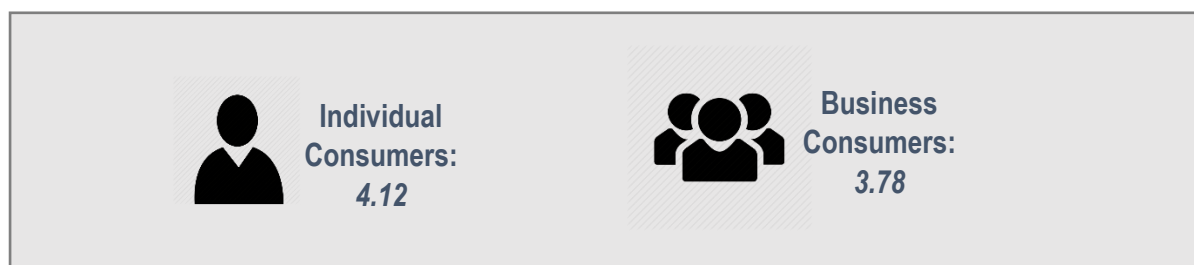
Figure 17: Summary of IPA for business consumers



CSI SCORE FOR INDIVIDUAL AND BUSINESS CONSUMERS

Overall CSI Score

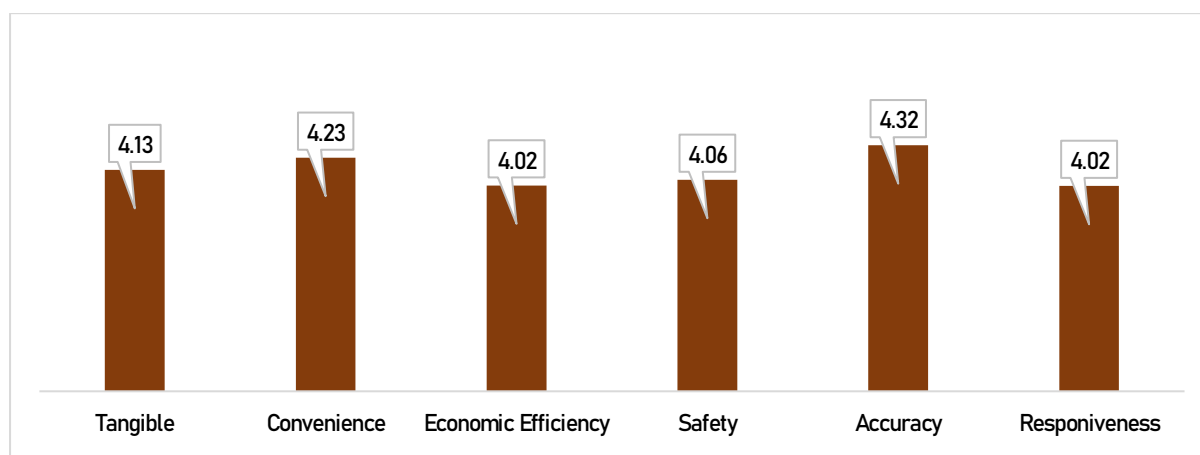
Figure 18: Overall CSI score for individual and business consumers



Result showed that overall CSI score for individual consumers and business consumers were 4.12 and 3.78, respectively. This reflects that individual consumers showed higher satisfaction level compared to business consumers.

Individual Consumers

Figure 19: CSI Score by criteria for individual consumers



Generally, consumers were mostly satisfied with all criteria, with CSI score ranging from scale of 4.02 to 4.32. As illustrated in Figure 19, Accuracy criteria topped the list with score of 4.32, followed by convenience (4.23) and tangible (4.13). Meanwhile, the CSI score for economic efficiency and responsiveness are on par (4.02).

The survey further examined the CSI score among attributes. Based on Table 4, results showed that one of Accuracy's attribute, "Accurate delivery to address of shipment" scored the highest with CSI score of 4.44. This reflects that courier providers managed to maintain their coverage to deliver the parcels effective and efficiently.

Accordingly, two of Convenience's attribute ranked in second and third place, which are "Delivery areas based on consumers' needs" (4.29) and "The ease of tracking and tracing items by Internet and telephone" (4.28). With the emergence of Internet connectivity and communications, there has been a virtual revolution on how services are being delivered. Nowadays, most courier providers provided e-tracking system in their website in order to facilitate their consumers to track the location of their parcels in real time. Besides, having a variety of coverage delivery, resulting additional flexibility to the consumers, which leads to consumers' satisfaction.

Albeit the seamless of tracking functions and variety coverage of delivery areas, consumers are still concerned on customer service of courier providers. It was observed that one of responsiveness's attributes scored the lowest, which is "promptness of customer service to consumers' complaint and resolution to the complaint (3.87)". In parallel with the growing number of items delivered, it is undeniable that it will create more challenges for courier providers.

Hence, in these challenging and intense scenario, courier providers need to strategizes their operation plan, diversifying services to provide customers with reliable, secure and efficient services to secure long term growth in the courier industry.

Table 4: Individual Consumers – Overall CSI Score by Attributes

Attributes Criteria	No	Tangible	By attributes	Overall
Tangibles	T1	The efficiency of facilities and transportation tools	4.09	4.13
	T2	Staff dress code and attitude of personnel	4.15	
	T3	The convenience of outlets and environment	4.08	
	T4	Item packaging professional and standard	4.22	
Convenience	C1	Delivery areas based on consumers' needs	4.29	4.23
	C2	Branches based on consumers' needs	4.20	
	C3	The ease of tracking and tracing items by Internet and telephone	4.28	
	C4	The convenience of delivery schedule	4.13	
Economic Efficiency	E1	The price set is reasonable with the weight of item/parcel	4.02	4.02
	E2	The price delivery options is reasonable with the delivery period	4.13	

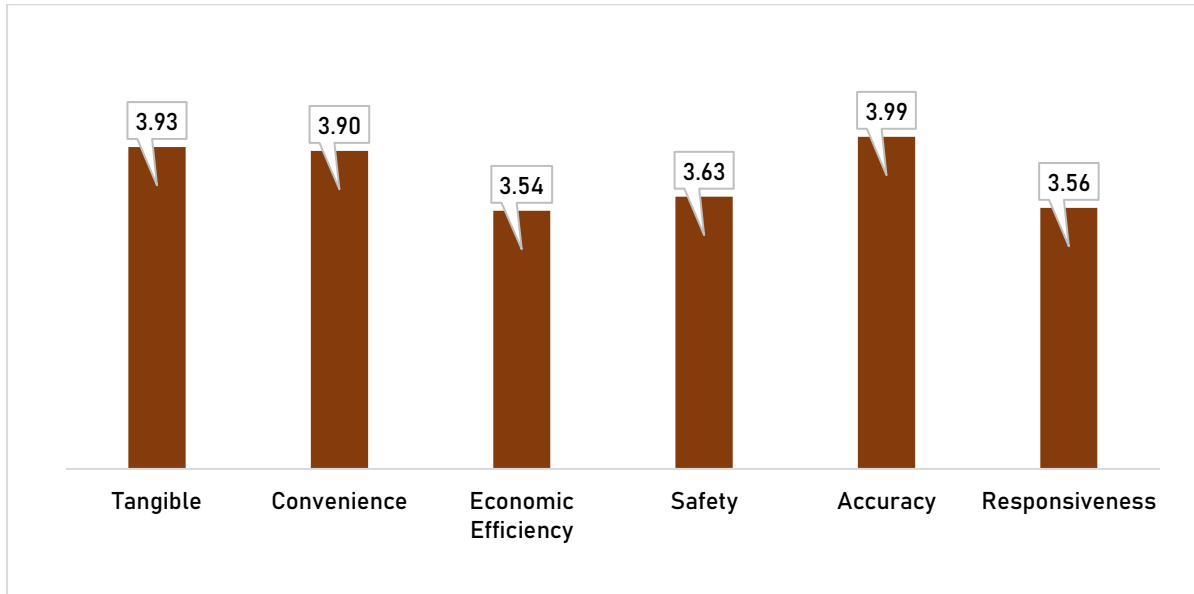
Attributes Criteria	No	Tangible	By attributes	Overall
	E3	The benefit/loyalty/promotion provided for regular customers'	3.92	
Safety	S1	Clear compensation policy	4.19	4.06
	S1	Good condition of items/parcel delivered	4.25	
Accuracy	A1	On-time delivery services as per consumers' request	4.19	4.32
	A2	Accurate delivery to address of shipment	4.44	
Responsiveness	R1	Promptness of customer service to consumers' complaint and resolution to the complaint	3.87	4.02
	R2	Promptness of customer service to consumers' inquiries and requests	4.00	
	R3	Knowledge and competency of customer service	4.11	
	R4	Consideration/understanding of customer service on consumers' advice and opinions	4.08	

The results reflects three main strength and challenges of courier providers in serving individual consumers as follows:

STRENGTH	CHALLENGES
Despite various format of address arises, courier providers managed to maintain their coverage to deliver efficiently	Speed and knowledge among courier customer service plays a substantial role in enhancing satisfaction
Courier providers provide robust tracking system where recipients can track their parcels in real-time	Providing a competitive and affordable rates based on value of goods, delivery distance as well as parcels weight
Delivery areas provided by courier providers satisfy consumers' needs	Rewarding regular consumers to ensure consumers are being appreciated for the money that they spend on the services

Business Consumers

Figure 20: Business consumers - Overall CSI Score by criteria



As compared to individual consumers, business consumers were adequately satisfied on all criteria, with CSI score ranging from 3.54 to 3.99. Similar to individual consumers, accuracy criteria topped the list with a score of 3.99, followed by tangible (3.93) and convenience (3.90). Meanwhile, responsiveness and economic efficiency remained the bottom with a score of 3.56 and 3.54, respectively.

In terms of CSI score among attributes (Table 5), there were only 3 attributes scored 4 and above, which are "on-time pick-up by as per consumer's request (4.04)", "accurate delivery to address of shipment (4.03)" and "delivery areas based on consumers' needs (4.00)".

It was also observed that CSI score for two attributes falls in the zone of defection which are "promptness of customer service to consumers' complaint and resolution to the complaint (3.48)" and "the benefit/loyalty/promotion provided for regular customers' (3.40)". These showed that consumers were not satisfied and they were ready to switch to another option at any time.

Hence, aside from focusing on offering speed and secure delivery, customer service and acknowledging loyalty of consumers also plays a substantial role in maintaining consumers and enhancing business reputation. By delivering tremendous customer service, it creates a snowball effect where business consumers tends to use services based on good reviews by others. In addition, rewarding regular consumers showed that consumers are being

appreciated for the money that they spend on the services. Failing to acknowledge on loyal consumers could cause companies to lose their most loyal consumers.

Table 5: Business Consumers – Overall CSI Score by Attributes

Attributes Criteria	Tangible	By attributes	Overall
Tangibles	The efficiency of facilities and transportation tools	3.95	3.93
	Staff dress code and attitude of personnel	3.94	
	The convenience of outlets and environment	3.87	
	Item packaging professional and standard	3.95	
Convenience	Delivery areas based on consumers' needs	4.00	3.90
	Branches based on consumers' needs	3.90	
	The ease of booking by Internet and telephone	3.78	
	The ease of tracking and tracing items by Internet and telephone	3.89	
	The convenience of pick-up schedule	3.96	
	The convenience of delivery schedule	3.89	
Economic Efficiency	The price set is reasonable with the weight of item/parcel	3.62	3.54
	The price delivery options is reasonable with the delivery period	3.61	
	The benefit/loyalty/promotion provided for regular customers'	3.40	
Safety	Clear compensation policy	3.52	3.63
	Good condition of items/parcel delivered	3.74	
Accuracy	On-time pick-up by as per consumer's request	4.04	3.99
	On-time delivery services as per consumers' request	3.89	
	Accurate delivery to address of shipment	4.03	
Responsiveness	Promptness of customer service to consumers' complaint and resolution to the complaint	3.48	3.56
	Promptness of customer service to consumers' inquiries and requests	3.55	
	Knowledge and competency of customer service	3.63	
	Consideration/understanding of customer service on consumers' advice and opinions	3.59	

On top of this, three main strength and challenges of courier providers in serving business consumers were determined as follows:

STRENGTH	CHALLENGES
Courier providers deliver items efficiently and accurately. They also provided timely pickup services.	Failing to acknowledge on the loyal consumers could cause companies to lose their most loyal consumers.
Extensive delivery coverage which suits with consumers' needs	Any complaints were to brought forward and mismanaged, would lead to customer dissatisfaction and further prompt a switch to the other competitors in the industry
Facilities and transportation tools provided are well-equipped	Providing clear insurance coverage plays a vital role for business consumers in protecting their company from liability

SECTION 5: CONCLUSIONS

Generally, CSS 2019 results reflect individual consumers were highly satisfied with courier providers (CSI score: 4.12) as compared to business consumers (CSI score: 3.78). In terms of criteria, accuracy criteria topped the list for both consumers (Individual: 4.32, Business: 3.99).

Among others, CSS 2019 highlighted that accurate delivery, coverage delivery and ease of tracking and tracing items are drivers for courier providers. For individual consumers, courier providers managed to maintain coverage to deliver efficiently, despite rising of several of format addresses. Based on the CSI score, individual consumers were satisfied with the robust tracking system, where recipient can tracks their parcel in real time. In addition, delivery areas provided by courier providers also suits with consumers' needs.

For business consumers, courier providers deliver items efficiently and accurately. According to the CSI score, business consumers satisfied with time pick-up services where courier providers managed to provide on-time pick up services. Among others, facilities and transportation tools provided also were well-equipped.

Furthermore, results emphasized that price is no longer the only determinant that courier providers should be focus. Instead, speed and quality of knowledge responsiveness among courier providers' staff to customers is the next source of competitive advantage in courier industry. This was due to high gap observed on customer service between consumers' expectations and courier providers' performance. Hence, customer service are among priority to be improved for both individual and business consumers.

Accordingly, courier providers should put continuous effort in improving their services to bridge the performance gap between consumers' anticipation and perceived experience. As a conclusion, CSS courier 2019 is not just a tool in measuring consumers' expectation and their perceptions on courier provider performance, it also provide highlights on optimization of resources to appropriate areas to secure new growth opportunities.

SECTION 6: TABLES & GRAPHS

Caution is required in the use of the estimates tabulated below.

While MCMC takes every care to minimise non-sampling errors, which cannot be quantified, the estimates presented are also subject to sampling error, which is a measure of the chance variation that occurs because a sample, and not the entire population is canvassed. The sampling error of an estimate is usually expressed as a percentage of that estimate to give the relative sampling error (RSE) of that estimate.

In general, estimates that are small are subject to high RSEs. As a guide, only estimates with RSEs of 25% or less are considered reliable for general use. Estimates with RSEs greater than 25% but less than or equal to 50% are denoted with an asterisk in these tables and should be used with caution; while estimates with RSEs greater than 50% are denoted by two asterisks and are considered too unreliable for general use. However, these estimates may be aggregated with others until an RSE of less than 25% is obtained.

Confidence intervals for very small estimates should be based on the binomial distribution rather than the normal approximation to the binomial. As an alternative, the method of Korn and Graubard, 1998 may also be used. Percentages may not add up to 100 because of rounding.

INDIVIDUAL CONSUMERS

DEMOGRAPHICS

Table 1: Age group distribution

Age group	Percent	RSE
15 - 19	1.6	15.3
20 - 24	10.8	5.5
25 - 29	18.2	4.1
30 - 34	20.5	3.8
35 - 39	16.3	4.4
40 - 44	11.8	5.3
45 - 49	7.6	6.7
50 - 54	6.1	7.5
55 - 59	2.7	11.5
60 - 64	2.5	12.2
65 and above	1.9	13.7

Table 2: Employment

Age group	Percent	RSE
Self employed	29.7	3.0
Employed	57.5	1.7
Unemployed	8.2	6.4
A full time student	4.6	8.8

Table 3: Gender

Gender	Percent	RSE
Male	52.2	1.8
Female	47.8	2.0

Table 4: Nationality

Nationality	Percent	RSE
Malaysian	99.8	0.1
Non-Malaysian	0.2	40.8*

Table 5: Ethnicity

Nationality	Percent	RSE
Malay	57.4	1.7
Bumiputera Sabah/Sarawak	6.2	7.5
Orang asli	0.1	70.7**
Chinese	30.0	3.0
Indian	6.2	7.5
Others	0.1	57.7**

Table 6: State

State	Percent	RSE
Johor	11.3	5.4
Kedah	4.1	9.3
Kelantan	2.9	11.2
Melaka	3.5	10.1
Negeri Sembilan	4.3	9.1
Pahang	3.6	9.9
Perak	6.1	7.5
Perlis	0.6	24.9
Pulau Pinang	4.4	9.0
Selangor	32.2	2.8
Terengganu	3.4	10.3
Sabah	6.2	7.5
Sarawak	2.9	11.2
W.P. Kuala Lumpur	13.7	4.8
W.P. Putrajaya	0.4	31.6*
W.P. Labuan	0.3	35.3*

Table 7: Areas of living

Areas of living	Percent	RSE
Rural	18.6	4.0
Urban	81.4	0.9

Table 8: Average income category

Average income category	Percent	RSE
RM 5,000 and above	27.4	3.2
RM 3,000 - RM 5,000	25.3	3.4
RM 1000 - RM 3,000	30.8	2.9
RM 1,000 and below	3.1	11.0
Dependent	13.3	5.0

Table 9: Frequency of using courier services

Frequency of using courier	Percent	RSE
Daily basis	3.9	9.7
Weekly basis	11.4	5.4
Monthly basis	31.6	2.9
Few times a year	43.0	2.2
Once a year	10.2	5.8

SERVICE QUALITY GAP ANALYSIS

	EXPECTATION	GAP	SATISFACTION
Promptness of customer service to consumers' complaint and resolution to the complaint	4.46	0.77	3.69
Clear compensation policy	4.43	0.74	3.69
Promptness of customer service to consumers' inquiries and requests	4.46	0.60	3.86
Consideration/understanding of customer service on consumers' advice and opinions	4.48	0.52	3.96
Knowledge and competency of customer service	4.50	0.52	3.98
Good condition of items/parcel delivered	4.62	0.48	4.14
The benefit/loyalty/promotion provided for regular customers'	4.28	0.47	3.80
On-time delivery services as per consumers' request	4.53	0.45	4.08
The price set is reasonable with the weight of item/parcel	4.33	0.41	3.92
The convenience of delivery schedule	4.42	0.39	4.04
The ease of tracking and tracing items by Internet and telephone	4.55	0.36	4.19
Accurate delivery to address of shipment	4.70	0.34	4.36
The price delivery options is reasonable with the delivery period	4.38	0.34	4.04
Branches based on consumers' needs	4.46	0.34	4.12
Delivery areas based on consumers' needs	4.54	0.33	4.21
The convenience of outlets and environment	4.31	0.30	4.01
The efficiency of facilities and transportation tools	4.26	0.23	4.03
Item packaging professional and standard	4.39	0.23	4.17
Staff dress code and attitude of personnel	4.28	0.17	4.11

BUSINESS CONSUMERS

DEMOGRAPHICS

Table 10: Type of organisations

Type of organisations	Percent	RSE
Co-operative	1.5	21.7
Individual proprietorship	17.1	6.0
Limited liabilities partnership	1.8	19.8
Partnership	10.1	8.1
Private limited company	60.6	2.2
Private non-profit making organisation	1.0	26.6
Public corporation	2.8	16.0
Public limited company	4.9	11.9

Table 11: Ownership

Ownership	Percent	RSE
Foreign	9.3	8.5
Local	90.7	0.9

Table 12: Category of organisations

Category	Percent	RSE
SME	80.6	0.04
Non-SME	19.4	0.15

Table 13: SME Industry

Category	Percent	RSE
Accommodation and Food Beverages	0.8	1.0
Agriculture, Fishing and Forestry	1.5	0.7
Business and Private Service	25.1	0.2
Construction	5.5	0.4
Finance & Insurance	2.9	0.5
Government Services	2.6	0.6
Manufacturing	20.3	0.2
Mining and Quarrying	0.7	1.1
Real Estate & Ownership of Dwellings	1.8	0.7
Utilities	0.7	1.1
Wholesale and Retail Trade	26.9	0.2
Transportation and Storage & Information and Communication	11.2	0.3

Table 13: Non-SME Industry

Category	Percent	RSE
Accommodation and Food Beverages	2.7	2.3
Agriculture, Fishing and Forestry	2.7	2.3
Business and Private Service	13.6	1.0
Construction	2.3	2.5
Finance & Insurance	16.3	0.9

Government Services	9.8	1.1
Manufacturing	15.2	0.9
Mining and Quarrying	1.5	3.1
Real Estate & Ownership of Dwellings	2.3	2.5
Utilities	0.8	4.3
Wholesale and Retail Trade	13.3	1.0
Transportation and Storage & Information and Communication	19.7	0.8

SERVICE QUALITY GAP ANALYSIS

	EXPECTATION	GAP	SATISFACTION
Promptness of customer service to consumers' complaint and resolution to the complaint	4.44	1.24	3.20
Clear compensation policy	4.41	1.16	3.25
Promptness of customer service to consumers' inquiries and requests	4.43	1.14	3.28
Consideration/understanding of customer service on consumers' advice and opinions	4.38	1.03	3.35
Knowledge and competency of customer service	4.42	1.03	3.39
Good condition of items/parcel delivered	4.52	1.01	3.50
The benefit/loyalty/promotion provided for regular customers'	4.14	0.96	3.18
On-time delivery services as per consumers' request	4.58	0.90	3.68
The price delivery options is reasonable with the delivery period	4.26	0.85	3.41
The price set is reasonable with the weight of item/parcel	4.27	0.85	3.43
The convenience of delivery schedule	4.53	0.84	3.69
The convenience of delivery schedule	4.53	0.83	3.70
The ease of tracking and tracing items by Internet and telephone	4.35	0.75	3.60
The efficiency of facilities and transportation tools	4.51	0.74	3.77
Accurate delivery to address of shipment	4.59	0.73	3.86
The convenience of pick-up schedule	4.50	0.71	3.79
Delivery areas based on consumers' needs	4.53	0.71	3.83
On-time pick-up services as per consumers' request	4.56	0.68	3.87
Branches based on consumers' needs	4.36	0.61	3.75
Item packaging professional and standard	4.37	0.55	3.82
The convenience of outlets and environment	4.20	0.44	3.76
Staff dress code and attitude of personnel	4.11	0.23	3.88

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