The Impact of Brand Image in Courier Company on Loyalty: A Customer Satisfaction as Mediator

Yati Ashikin Abd Wahab [1]*, Hanita Hashim [2], Siti Hawa Mohd Yusoff[3], Noor Halini Baharim[4], Tuan Azmar Tuan Daud[5]

[1]*Faculty of Engineering and Life Sciences
y_ashikin@unisel.edu.my
[2]Faculty of Engineering and Life Sciences
hanita@unisel.edu.my
[3]Faculty of Engineering and Life Sciences
hawa.yusoff@unisel.edu.my
[4]Faculty of Engineering and Life Sciences
halini@unisel.edu.my
[5]Faculty of Engineering and Life Sciences
azmardaud@unisel.edu.my

Abstract: In today's competitive business world, a company's brand image and its products and services are incredibly crucial. As a result, the primary goal of this study is to look at the impact of brand image on customer satisfaction in the courier sector. In the context of courier service in Malaysia, it also investigates the links between customer satisfaction and brand image, loyalty intention and brand image, and loyalty intention and customer satisfaction. It is deductive research since the hypotheses were created based on existing literature and collected data to test the hypotheses. The convenience sampling approach was used to choose a sample of 949 respondents. Statistical and mathematical procedures including crosstabulation, correlation, and regression analysis were used for data analysis. Poslaju is the best option for personal courier services, while J&T Express is the best option for commercial courier services, according to the study. According to this study, brand image significantly impacts consumer satisfaction. In a courier firm, brand image has a substantial impact on customer loyalty intention, and customer happiness has a significant positive effect on customer loyalty intention. The vast majority of consumers are pleased with our courier services.

Keywords: Brand Image, Loyalty, Satisfaction, Courier Service

1. Introduction

Since the last decade, the global courier, express, and package (CEP) business has grown at a phenomenal rate, particularly in emerging countries. The CEP market has transformed as a result of modern technology adoption and e-commerce expansion, which has resulted from greater internet access and customer confidence in online shopping, especially during the Covid 19 pandemic. According to a recent retail survey, Malaysia has 22 million digital consumers, and online channels now account for four times more revenue than traditional channels (Ganesan, 2021). With pandemic-related limitations affecting customers all around the world, it is not a surprising that online shopping has grown in popularity among internet users, even for simple grocery orders (Gao et al., 2020).

In Malaysia, well-known courier service providers include J&T Express, GD Express Sdn Bhd, Pos laju, Skynet Worldwide Sdn Bhd and City-Link Express (M) Sdn Bhd. Consumer confidence in online transactions has surely influenced the rise of the courier service industry in Malaysia. As a result, the consumer's role has shifted over time, and business-to-consumer services now outnumber business-to-business services in terms of shipment volume.

Increased internet purchases are influenced by seasonal sales peaks and coronavirus epidemics (Gulc, 2021). When it comes to client happiness, courier service is the most desired method of parcel delivery, and its quality has an impact on user opinions of e-

commerce sites. As a result, good logistics has emerged as a critical component for gaining a competitive edge and succeeding with an online store (Amine & Gabriela, 2017).

Due to the rapid growth of e-commerce and rising client expectations, courier firms must constantly enhance the quality of their services (Ejdys & Gulc, 2020). However, studies on the quality of courier services are very limited. Therefore, the major goal of this research is to find out how satisfied Malaysian internet buyers are with the quality of logistical services they receive.

Customer loyalty and satisfaction are well-known business concerns, and they are used as a marketing indicator to evaluate a company's performance. (Choi, Chui & Young, 2019). Customers are more inclined to use a company's services if the brand identity is trustworthy and well-known. As a result, successful businesses try to build solid foundations and portray themselves in a consistent and unambiguous manner (Egant, 2014). Companies are struggling to maintain and improve loyalty, brand image and customer satisfaction.

A brand, according to Mehta & Tariq (2020), is a name, word, symbol, or other factor that differentiates one company's goods from another. Brand image is a vital asset for the organisation in terms of providing value for its shareholders and other stakeholders. Positive brand image enhances the goodwill and brand value of an organization. Furthermore, it represents the brand's character to customers, which may include both created and actual flaws and qualities. A promising brand image conveys the success of the product and gives results with increased sales and revenues. Therefore, the purpose of this research is to see how brand image is significant to the company's character. A positive image will give confidence and satisfaction to the customers as they feel that the brand is sincere and clear in its vision to create the best service.

2.   Methodology

2.1   Research Framework

In this research, the following conceptual research framework (Fig. 1) was adapted from Abbas et al., 2021 which demonstrates the relationship between customer satisfaction, brand image benefits, and loyalty intention. Thus, a conceptual framework was used to determine the direct impact of logistics service quality on customer service satisfaction.
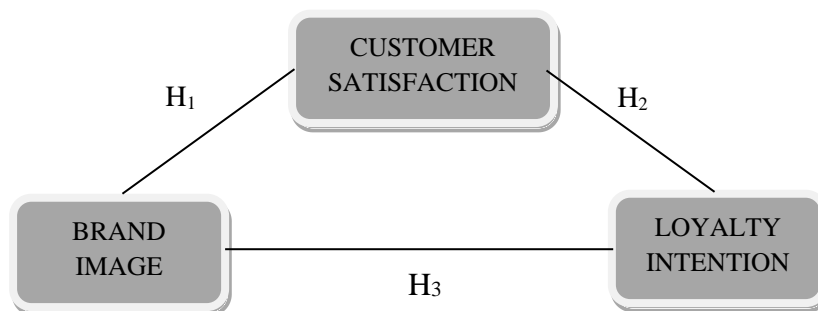

Fig. 1. Conceptual research framework with hypothesized relationships

2.2   Data collection

The measurement items of the constructs from previous studies were revised and modified to fit the research context. The five-point Likert scale were applied to measure the indicator.

The survey questionnaire consists of four sections. The first section is designed to obtain demographic information. The second section deal with brand image with seven items as adopted from Al-Haddad, 2019. The third section, regarding the customers' satisfaction, has seven items as followed from Mehta & Tariq (2020). The forth section, indicating the brand loyalty, consists of nine items which swas modified from Pandey et al., (2021).

The study data was collected from respondents who are consumers of a variety of courier service companies in Selangor.This research sample was conducted based on stratified sampling with various groups of customer from urban and rural area. Researchers can use quantitative methodologies to collect quantitative data, which can then be examined using descriptive and inferential statistics. A total of 949 questionnaires were retrieved out of a total of 1000 questionnaires collected.

2.3   Regression Analysis

A statistical technique of regression analysis was applied to the courier services data in order to complete this study. Sulastri et al.,(2019) used a linear model to investigate the quality of logistic processes and customer satisfaction. Choi (2018) utilised a linear model to investigate the relationship between logistic services and trust in a similar study. The higher the level of trust, the more favourable the seller's evaluation is and the more pleasant the experience's reviews are (Singh & Sirdeshmukh, 2000). Borucka, (2020) and Wang et al., (2018) used a logistic regression model to model and evaluate transportation services. The proposed logistic regression model was allowed for the analysis of quantitative factors that are frequently ignored from the evaluation of a company's activities and only employed for comparative purposes or in a broad investigation of its performance (De Caigny et al., 2018).

Regression analysis is a method that allows researchers to understand more about the associations in the data they are studying. According to Dunlop & Smith (2003), it has been utilised by a variety of academics, and as it provides a simple approach for creating a functional relationship among variables, this method has becomes as one of the most extensively used statistical tools. The statistical association between a response (e.g. customer satisfaction) and the explanatory factors (e.g. brand image) were determined using multiple linear regression in this study. The regression model requires assumptions to be made. It is of the form:

$$Y_i = \beta_0 + \beta_1 X_{i1} + \cdots + \beta_{p-1} X_{i,p-1} + \varepsilon_i$$

where $i = 1,2,3, \ldots, n$, Y_i is the response variable are the , $X_{i1}, \ldots X_{i,p-1}$ independent varaibles , $\beta_0, \beta_1, \ldots \beta_{p-1}$ are regression coefficients and ε_i is error terms.

The regression model implies that these errors are normally distributed, and have a mean of zero and variance of σ^2. The errors are also independent. It is crucial that the constant variance assumption holds, although this can be difficult to achieve in practise. The following hypotheses have been established to investigate the relationship between brand image, customer loyalty, and customer satisfaction regarding courier services companies:

H_1: There is a positive relationship between brand image and customer satisfaction.
H_2: There is a positive relationship between brand image and customer loyalty.
H_3: There is a positive relationship between customer satisfaction and loyalty.

3.   Analysis and Results

3.1   Descriptive and Crostabulation

Table 1 shows the descriptive and crosstabulation between the most commonly used courier services and the courier purpose. Meanwhile Fig. 2 shows the clustered bar chart of the respective crosstabulation. The courier purposes can be divided into personal, business and others while the courier services can be listed as Poslaju, Nationwide, DHL, City Link, J&T Express, GDex and others. The courier service for personal purposes has been dominated by Poslaju (40.9%), J&T Express (36.7%) and DHL (7.3%). Meanwhile, the courier service for the business purpose has been led by J&T Express (41.6%), followed by Poslaju (28.9%) and GDex (13.3%). Lastly, for the courier services used for other purposes, consumer has mostly been choosing Poslaju (55.6%), J&T Express (22.2%) and others (16.7%).

Males make up 48 percent of the respondents in this survey, while females make up 52 percent. The majority of respondents (38%) were adults aged 21-30 years old, followed by respondents aged 31-40 years old (25%), 11-20 years old (18%), 41-50 years old (14%), 51-60 years old (4%), and 61 years and over (1%). The majority of respondents were employed and self-employed (68%), students (19%), housewives (6%), unemployed (5%), and retired (2%). A significant number of respondens (26%) are at the Diploma level, as well as those at the STPM/STAM level (26%), SPM level (21%), Bachelor level (17%), Postgraduate level (3%), and other levels of education such as PT3 and UPSR (7%).

Table 1. Courier purpose according to the courier service companies

Courier Purpose	Courier Services						
	Poslaju	Nationwide	DHL	City Link	J&T Express	GDex	Others
Personal	310	11	55	38	278	52	14
	40.9%	1.5%	7.3%	5.0%	36.7%	6.9%	1.8%
Business	50	2	7	13	72	23	6
	28.9%	1.2%	4.0%	7.5%	41.6%	13.3%	3.5%
Others	10	0	1	0	4	0	3
	55.6%	0.0%	5.6%	0.0%	22.2%	0.0%	16.7%

The crosstabulation between courier services and the mean of attitude loyalty is shown in Table 2. Low, moderate, and high are the three levels of mean attitude loyalty, respectively. According to Konting (2000), a mean score evaluation of 1.00 to 2.33 is considered low, 2.34 to 3.66 is considered moderate, and 3.67 to 5.00 is considered high. Each percentage for the mean score attitude loyalty is displayed in Table 2 in order to determine which courier services have the most loyal consumers. Even though only 13 clients used the service, it can be shown that Nationwide has the most devoted customers with a 100% satisfaction rating. It is followed by DHL, which has a customer base of 47 and a rate

of 74.6 percent. The consumer discovered that the courier service firm is reliable in terms of delivery quality and on-time arrival. Munawar et al., (2021) discovered that delivery performance has a greater impact on influencing consumer trust and improving customer loyalty. To win the loyalty of their business customers, courier service companies must put up their best efforts in maximising their service capabilities to develop a long-term relationship with them (Huma et al., 2020).
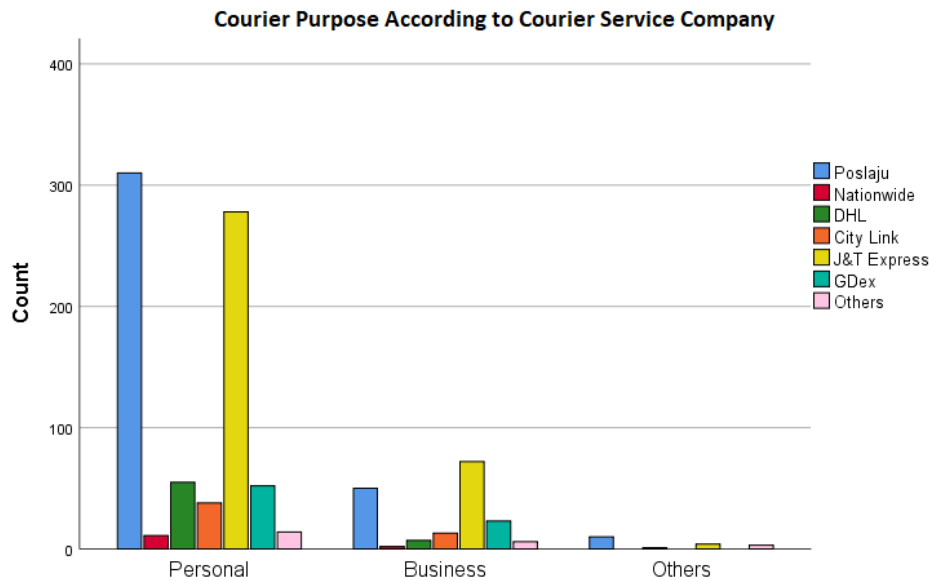

Fig. 2. The clustered bar chart of the courier purposes and which courier service used

Table 2. Attitude loyalty according to courier service companies

| Courier Services | Mean Attitude Loyalty | | | |
	Low	Moderate	High	Total
Poslaju	11	161	198	370
	3.0%	43.5%	53.5%	100.0%
Nationwide	0	0	13	13
	0.0%	0.0%	100.0%	100.0%
DHL	0	16	47	63
	0.0%	25.4%	74.6%	100.0%
City Link	0	17	34	51
	0.0%	33.3%	66.7%	100.0%
J&T Express	3	123	228	354
	0.8%	34.7%	64.4%	100.0%
GDex	1	25	49	75
	1.3%	33.3%	65.3%	100.0%
Others	1	6	16	23
	4.3%	26.1%	69.6%	100.0%

Table 3 depicts the crosstabulation between mean customers satisfaction and courier companies in Malaysia. Overall, the respondents have a high satisfaction level towards all courier service companies.

This displays show that more than 50% of respondents were having high level of satisfaction for all courier service company. The highest rate of satisfaction comes from J&T, followed by Poslaju company. This information can be easily used by the consumer to target the right courier service company for the appropriate courier purpose.

Meanwhile, for other courier service company that wanting to increase courier brand's visibility through better promotions aimed at the factors influencing sales in company's target segment. The result also provide deep insights on courier service company profile and relevant purchase behavior. Furthermore it enhanced understanding of company target market's requirements that will help company to design a better and more targeted branding and promotion strategy to achieve the end objective of higher number of consumer.

Table 3. The measure of mean customers satisfaction among courier service companies

Courier services		Mean Satisfaction		
		Low	Moderate	High
Poslaju	Frequency	7	148	215
	Percentage	1.90%	40.00%	58.10%
Nationwide	Frequency	0	0	13
	Percentage	0.00%	0.00%	100.00%
DHL	Frequency	1	19	43
	Percentage	1.60%	30.20%	68.30%
Citylink	Frequency	0	15	36
	Percentage	0.00%	29.40%	70.60%
J&T	Frequency	4	111	239
	Percentage	1.10%	31.40%	67.50%
Gdex	Frequency	1	30	44
	Percentage	1.30%	40.00%	58.70%
Others	Frequency	2	7	14
	Percentage	8.70%	30.40%	60.90%

3.2   Regression Analysis

Result H_1 in Table 4 indicates that the brand image positively influence customer satisfaction. Statistically, the *p*-value = 0.000 is less than 0.05 significant level make H_1 is supported. The result is consistent with the previous finding from Mulyono and Pasaribu, (2021) which stated that brand image has a positive direct effect on customer satisfaction.

Table 4. Regression results for brand image towards customer satisfaction

Model	Coefficient	Std. Error	t-statistic	p-value
Constant	0.351	0.0077	6.014	0.000
Brand Image	0.929	0.020	20.153	0.000

Dependent variable: Customer satisfaction

The impact of brand image on customer loyalty intention is investigated using regression analysis, with brand image as the independent variable and customer loyalty intention as the response variable. Table 5 shows the regression results for brand image towards loyalty intention. The p-value = 0.000 is less than 0.05, making H_2 is supported and it is consistent with findings from Bilgin, (2018). In addition, having coefficient of brand image is 0.869 suggesting every one unit increase in brand image will result in increase of customer loyalty by 0.869 unit. Thus, the result H_2 indicates that the brand image positively influences customer loyalty intention.

Table 5. Regression results for brand image towards loyalty intention

Model	Coefficient	Std. Error	t-statistic	p-value
Constant	0.581	0.073	7.904	0.000
Brand Image	0.869	0.019	46.083	0.000

Dependent variable: Loyalty Intention

Table 6 presents the customer satisfaction towards loyalty intention. It can be seen that the p-value = 0.000 is less than 0.05, making H_3 is supported and consistent with findings from Leonata, (2015). In addition, having coefficient of brand image is 0.786 suggesting every one unit increase in customer satisfaction will lead to increase in customer loyalty by 0.786 unit. Thus, the result H_3 indicates that the customer satisfaction positively influences customer loyalty intention in courier company.

Table 6. Regression results for customer satisfaction towards loyalty intention

Model	Coefficient	Std. Error	t-statistic	p-value
Constant	0.838	0.067	12.469	0.000
Customer Satisfaction	0.786	0.017	46.599	0.000

Dependent variable: Loyalty Intention

4. Conclusion

The purpose of this study is to investigate at how brand image and loyalty intention affect customer satisfaction in the logistic courier service industry in Malaysia. Poslaju was found to be the most popular courier service for personal needs in the study. J&T Express has taken the lead for business purposes. Even though the number of customers is small in comparison to other courier services, Nationwide has triumphed in terms of most loyal

customers. The respondents have a high degree of satisfaction with all courier service providers, according to the results of the measurement between customer satisfaction and courier companies.

Meanwhile, regression analysis revealed that brand image had a favourable and significant impact on consumer satisfaction. Similarly, the study of brand image and customer loyalty intentions reveals that brand image has a significant impact on consumer loyalty intentions in general. As a result, customer loyalty intentions are significantly influenced by brand image. Customer satisfaction has a strong beneficial impact on customer loyalty, according to a subsequent regression analysis.

As a result of this study, it is confirmed that a positive brand image contributes to increasing customer loyalty. Customer loyalty also has a significant role in building a solid brand image for courier companies. These results may have practical implications for organizations when making policies to improve the brand image of customer loyalty and customer satisfaction.

5.   Acknowledgements

6. References

Abbas, I., Zakari, A. (2021). Impact of Customer Satisfaction on Business Performance of SME's in Nigeria. *International Journal of Research in Business and Sosial Science: IJRBS*. Vol.10.2021, 5, pp.46-51. https://doi.org/ 10.20525/ijrbs.v10i5.1291.

Atalık, Ö., Bakır, M., & Akan, Ş. (2019). The Role of In-Flight Service Quality on Value for Money in Business Class: A Logit Model on the Airline Industry. *Administrative Sciences*, 9(1), 26. https://doi.org/10.3390/admsci9010026.

Al-Haddad, A. (2019). Social identification, brand image and customer satisfaction as determinants of brand love. In: Mateev M., Poutziouris P. (eds) Creative Business and Social Innovations for a Sustainable Future. *Advances in Science, Technology & Innovation (IEREK Interdisciplinary Series for Sustainable Development). Springer, Cham.* https://doi.org/10.1007/978-3-030-01662-3_28.

Amine, G., & Gabriela, T. (2017). The impact of logistic management in customer satisfaction. *Proceeding of the International Conference on Business Excellence*, *12*(1), 407-415. http://dx.doi.org/10.2478/picbe-2018-0036.

Bilgin, Y. (2018). The effect of social media marketing activities on brand awareness, brand image and brand loyalty. *Business and Management Studies An International Journal*, *6*(1), 128–148. https://doi.org/10.15295/bmij.v6i1.229.

Borucka, A. (2020). Logistic regression in modeling and assessment of transport services. *Open Engineering*, 10(1), 26–34. https://doi.org/10.1515/eng-2020-0029.

Choi, D., Chung, C.Y., & Young, J. (2019). Sustainable online shopping logistics for customer satisfaction and repeat purchasing behavior: Evidence from China. Sustainability, *11*(20), 5626. https://doi.org/10.3390/su11205626.

Choi, Y.; Mai, D. The sustainable role of the e-trust in the B2C e-commerce of Vietnam. *Sustainability* **2018***, 10,* 291.

De Caigny, A., Coussement, K., & De Bock, K. W. (2018). A new hybrid classification algorithm for customer churn prediction based on logistic regression and decision trees.

European Journal of Operational Research, 269(2), 760–772. https://doi.org/10.1016/j.ejor.2018.02.009.

Dunlop, P., & Smith, S. (2003). Estimating key characteristics of the concrete delivery and placement process using linear regression analysis. *Civil Engineering and Environmental Systems*, 20(4), 273–290.https://doi.org/10.1080/1028660031000091599.

Egant, J. (2014). *Marketing Communications.* United Kingdom: SAGE Publications.

Ejdys, J., & Gulc, A. (2020). Trust in courier services and its antecedents as a determinant of perceived service quality and future intention to use courier service. *Sustainability*, *12*(21), 9088. https://doi.org/10.3390/su12219088.

Ganesan, M., & Chandramohan, S. (2021). A study on customer satisfaction of house hold electronic products in Sivagangai District. *International Journal of Research and Analytical Review*, *6*(4), 141-144.

Gao, X., Shi, X., Guo, H., & Liu, Y. (2020). To buy or not buy food online: The impact of the COVID-19 epidemic on the adoption of e-commerce in China. *PLoS ONE, 15*(8): e0237900. doi: 10.1371/journal.pone.0237900.

Gulc, A. (2021). Multi-stakeholder perspective of courier service quality in B2C e-commerce. *PLoS ONE, 16*(5): e0251728. https://doi.org/10.1371/journal.pone.0251728.

Huma, S., Ahmed, W., Ikram, M., & Khawaja, M. I. (2020). The effect of logistics service quality on customer loyalty : Case of logistics service industry. *South Asian Journal of Business Studies, 9*(1), 43–61. https://doi.org/10.1108/SAJBS-10-2018-0114.

Konting, M. M. (2000). Kaedah penyelidikan pendidikan. Kuala Lumpur : Dewan Bahasa dan Pustaka.

Leonata, D. R. (2015). The relationship between customer satisfaction and customer loyalty in online environment. *iBuss Management, 3*(2)*, 173-185.

Mehta, A. M., & Tariq, M. (2020). How brand image and perceived service quality affect customer loyalty through customer satisfaction. *Academy of Marketing Studies Journal*, *24*(1), 1-10.

Mulyono, R. A., & Pasaribu, L. H. (2021). The impact of mobile service quality and brand image on customer loyalty. *Enrichment: Journal of Management, 12*(1), 1–7.

Munawar, F., Munawar, R., & Tarmidi, D. (2021). The Effect Of Service Delivery Performance And Value Congruity On Customer Trust And Its Impact On Loyalty In Logistic Service Provider. *Turkish Journal of Computer and Mathematics Education*, 12(8), 1077–1087.

Pandey, R., Ganatra, V., Sonawane, H., Fauzi, F. N. B. M., Kee, D. M. H., Yasir, N. H. B. M., Suhairi, N.F.F.B., & Zamri, N. A. A. B. M. (2021). The impact of global trend on courier service and consumer satisfaction: A Study of DHL. *International Journal of Tourism and Hospitality in Asia Pasific, 4*(1), 64-72.

Singh, J., & Sirdeshmukh, D. (2000). Agency and trust mechanisms in consumer satisfaction and loyalty judgments. *Journal of the Academy of Marketing Science*, 28(1), 150–167. https://doi.org/10.1177/0092070300281014.

Sulastri, Wahab, Z., & Fauziyah, S. (2019). The Effect of Logistics Process Quality And Logistics Outcome Quality in Logistic Letter and Package Services to Customer Satisfaction. *International Journal of Scientific and Research Publications (IJSRP)*, 9(8), 252–257. https://doi.org/10.29322/ijsrp.9.08.2019.p9239.

Wang, H. Y., Zhu, R., & Ma, P. (2018). Optimal Subsampling for Large Sample Logistic Regression. *Journal of the American Statistical Association*, 113(522), 829–844. https://doi.org/10.1080/01621459.2017.1292914.