

Service Quality Influence on Customer Satisfaction in Courier Services: A Comparative Study

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ABSTRACT: Due to the pandemic, people have altered their buying behavior from traditional shopping to online shopping, hence the demand for courier services has become prevalent nowadays. The purpose of this study is to examine the four service quality dimensions of courier services and customer satisfaction and to compare the services of Grab and Lalamove in terms of the level of customer satisfaction. The study made use of a sequential sampling method. The data were collected online and using a 5-point Likert scale to measure the variables. The online survey was distributed to the 370 millennials living in Quezon City, Philippines who have experience in using Grab and Lalamove to test the four hypotheses which are tangibility, reliability, assurance, and responsiveness do not influence customer satisfaction in courier services and there is no difference between the customers' satisfaction of the couriers. Findings show that the four dimension influences the customers' satisfaction with different percentage provided. Also, customers are more satisfied with Grab services than that of Lalamove. And since this study was done during the pandemic, the common problem encountered by customers is the long time for the parcel to be delivered due to some community restriction observed by the government.

KEYWORDS: *Grab, Lalamove, Courier Service, Service Quality, Satisfaction*

I. Introduction

In this pandemic, the call for online delivery service is on-demand. While more and more people stay at home, they shifted from traditional shopping into online shopping, hence, the demand for couriers has increased. According to statistics, the demand for courier services can be linked to the closure of restaurants, food and dining were no longer feasible due to community restriction (Sanchez, 2020).

In the Philippines, GrabMart and LazMart became the top delivery servicing app that is being used by Filipinos during the lockdown. According to the head of GrabPH, rice and instant noodles have been their top-selling products. Grab offers a queue-free system through its online deliveries to prevent customers from going out of their houses to buy necessities and to comply with the community quarantine protocols (Fenol, 2020).

Grab Express offers a solution to businesses and households who have problems in terms of delivering parcels to different areas. It is currently available only in Metro Manila and Cebu. It has two kinds of delivery options, first is the bike, which is available in all markets, on the other hand, the car is only available in the select markets. Grab Express claims that they made the deliveries easy, the transaction is hassle-free, and it covers the widest delivery fleet, and provides high standards of safety (Grab-SG, 2020).

Lalamove was established to make same-day delivery possible to every consumer. It has many different driver-partners to operate different kinds of delivery vehicles for different types of demand in the market. Aside from that, it also has features like bookings, real-time tracking, and e-wallet payment of the order (Lalamove, 2020).

There are several service types of organizations that make use of the SERVQUAL model, and these five dimensions are applied to promote positive results (Muljono and Setyawati, 2019). However, there are many differences in each type of service, hence, SERVQUAL is not applicable all the time. In courier services, sustaining the overall service quality can help them gain competitive advantages. Therefore, courier service quality is a crucial factor that can influence customer satisfaction and it also affects the profitability of the company.

Reliability is known as the delivery of promised service accurately to the customers, it is important in service quality because most of the clients would prefer to transact with a company that holds their promises to customers. Responsiveness often deals with how the employees help their customers and address their complaints or problems promptly. The company can constantly monitor the performance of the employee in terms of how they fulfill the demand of the customers to improve this dimension. Next is the Assurance dimension, which is associated with the employee's expertise and their skills to encourage trust and confidence in their customers. The Tangibility dimension includes the appearance of physical facilities, equipment, and communication medium. These are relevant because they can help improve the overall image of the company. The empathy dimension refers to how the employee cares and pays attention to the customers. It includes personalized or series of services to better satisfy customers' different needs and wants as well as their preferences (Ramya, Kowsalya, and Dharanipriya, 2019).

In general, this study wanted to determine which SERVQUAL dimension in courier services will affect its customer satisfaction. This will help courier services improve their service quality to gain its competitive advantages and for the customer to understand which dimension has an impact on their satisfaction towards the courier services. Also, this will provide a comparison of the service quality between two courier service providers, Grab and Lalamove, and which among these two has a higher customer satisfaction level.

1.1 Objectives

The current study would like to achieve the objectives: (a.) identify the influence of each service quality dimension on the satisfaction of customers in courier services; (b.) determine the level of customer satisfaction of Grab and Lalamove courier services and to identify which consumers are more satisfied with, and (c.) analyze the problems encountered by customers in using the different courier services.

This study will help courier service providers to better understand the key importance of a customer’s decision on choosing services, to improve and develop their services and capabilities in the right place. Furthermore, with a deeper understanding of customer satisfaction, providers can analyze incidents, offer solutions to different kinds of customers’ problems, and recognize the strengths and weaknesses of each area.

1.2 Theoretical Foundation

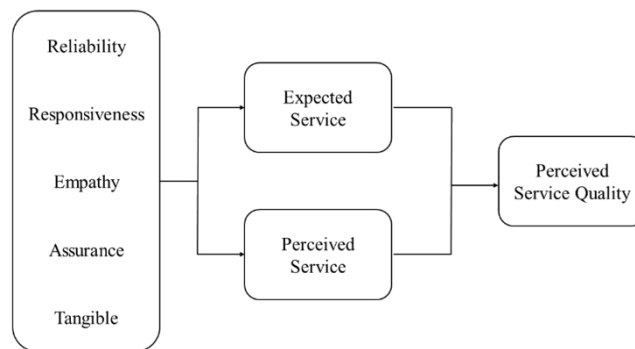


Figure 1. (Parasuraman et al.) SERVQUAL Model

To construct the SERVQUAL measurement scale, Parasuraman et al. (1988) created questions for rating a service on specific characteristics reflecting the ten key components. Customers need to measure services based on expectations and performance. After analyzing and classifying the data, the variables were grouped into a second sample with the questions tested. As a result, the 22-question (item) scale measures the five dimensions of reliability, responsiveness, empathy, assurance, and tangibles. A total of 44 questions were used to rate expectations and performance (22 questions). The areas of reliability, tangibles, and responsiveness remain different. The remaining seven sections are divided into two parts: assurance and empathy. These five dimensions represent the five interconnected concepts and interrelated aspects of good service. The five different dimensions represent the quality of service in a distinct but interrelated way. The model determined the common aspects that can be found in different types of services and it can be easily implied in some industries. Thus, the dimensions mentioned above have been treated as the main criticism of the SERVQUAL model (Polyakova and Mirza, 2015).

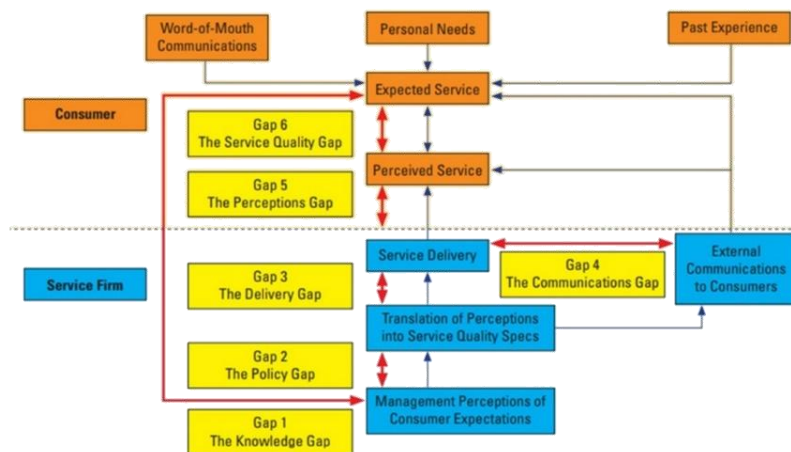


Figure 2. Gap model of service quality

The gap model elaborates on the gaps between the expectations of customers and the delivery content of a service. The gap model includes six gaps namely the knowledge gap, policy gap, delivery gap, communication gap, perceptions gap, and service quality gaps. Knowledge gap, perceptions gap and, service quality gap represent external gaps of the organization, this includes external factors such as customers. The policy gap, delivery gap, and communication gap represent internal gaps of the organization, this includes internal factors within the organization such as functions and departments in the organization (Wirtz and Lovelock, 2017).

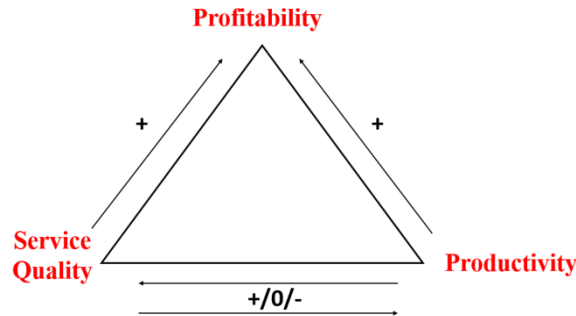


Figure 3. The Service Quality–Productivity–Profit Triangle

If the three contents are equal, the higher rate of repeated purchase of the consumer leads to the higher level of satisfaction of the customer, while lowering the cost results in higher productivity and higher income (See Figure 3). Although profitability, service quality, and productivity are distinct but also interrelated in ways of functioning. When the courier delivery service shifts from basic vehicles like bikes into a car, then the package that the car may carry is bigger, it would lead to higher productivity and higher customer satisfaction (Wirtz and Lovelock, 2017).

1.3 Conceptual Framework

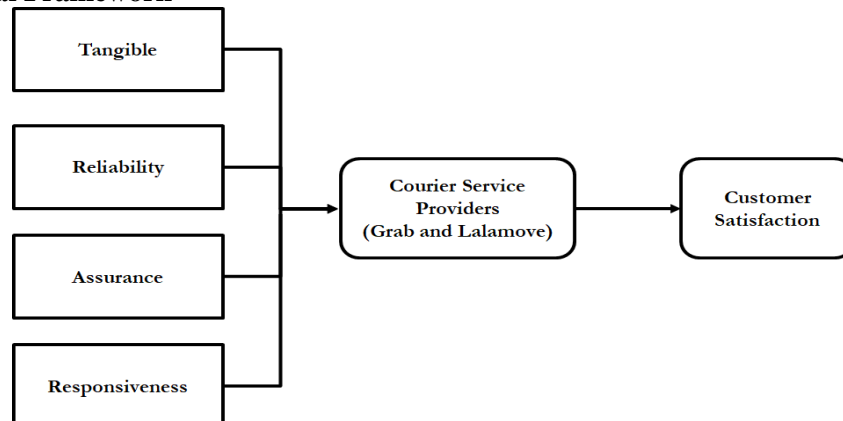


Figure 4: Conceptual Framework of the Study

Based on the figure above, the researcher aimed to determine the influence of four dimensions of service quality which are (tangible, assurance, reliability, and responsiveness) on customer satisfaction in courier services particularly Grab and Lalamove. Satisfaction can be measured through the service quality dimensions, the higher rate of the service quality dimensions, the higher the level of satisfaction that could be attained by the service provider. The study is also to conduct a comparative analysis on the level of satisfaction between Grab and Lalamove courier services.

The four SERVQUAL dimensions are:

A. **Tangible** - it is measured from the delivery staff of the courier, if they are professional, dressed properly, whether the service express is damaged, and can view your delivery progress online in real-time. It would give the customer the overall impression of the equipment that the staff of the courier used, and also the appearance of the staff that the customers were dealing with.

B. **Reliability** - It is measured from the ability to transport goods from one place to another meticulously. This can be measured from the condition of the ordered products up to the waiting time for the delivery. Wherein ordered packages must not be damaged and must be well packaged. As well as, the delivery is prompt, and the waiting time for the delivery is short.

C. **Responsiveness** - It is measured through the willingness of the courier to run an extra mile to deliver the goods and the ability of the courier service to quickly respond to customer queries. This can be measured

from the promptness of the service of the staff and the ability of the staff to answer all customer queries correctly and honestly.

D. Assurance - it is measured from the staff's professional knowledge and how politely they answer the customers' questions. This is measured through the politeness of the staff, the comfortability of the customers to have transactions with the service provider, and the knowledge of staff about their services.

1.4 Assumptions

In conducting this study the following are assumed: (a.) the respondents will base their responses on their past experiences in using the Grab and Lalamove service, (b.) The respondents will answer the survey questions truthfully, and (c.) all data gathered from surveys will be precise and correct.

1.5 Hypothesis

The hypotheses that are incorporated and to be tested in this paper are as follows:

H1: Tangibility does not significantly influence customer satisfaction in courier services.

H2: Reliability does not significantly influence customer satisfaction in courier services.

H3: Responsiveness does not significantly influence customer satisfaction in courier services.

H4: Assurance does not significantly influence customer satisfaction in courier services.

H5: There is no significant difference between the customer satisfaction of Grab and Lalamove

II. Related Literature

2.1 Service Quality

Service quality plays an essential part in e-commerce platforms and logistics industries (Hong, Zheng, Wu, and Pu, 2019). Furthermore, the result of the study stated that convenience, communication, reliability, and responsiveness had a significant impact on customer satisfaction, whereas integrity does not. Also, the e-commerce logistic services need to improve their service quality for further improvement of the company.

Service quality has been talked broadly about within the writings, and it is commonly caught as a work of customers' desires of the benefit to be given compared with their recognition of the genuine benefit encountered. In pith, benefit quality is the customer's by and large response to the benefit of the relative organization. Ponders within the field of behavioral purposeful had connected benefit quality to fulfillment. In government administration markets, client fulfillment is seen as a key driver of execution, making its assessment and administration pivotal. Fulfillment can, subsequently, be portrayed as a key build for all perspectives of connections between two parties and put at the core of an exchange-based relationship. Numerous authors agree that fulfillment stems from enthusiastic involvement (Ekaabi, Khalid, and Davidson, 2020).

Service quality should at least reflect in four aspects which are excellence, which is mostly externally defined, with the service of the company, time, to achieve a goal, and many more to take into consideration. Value coordinates with different aspects, the most important one in value is the advantages that the customer will get in a product or a company. Conformance to specifications, it specializes in the work of the employees of a company. Lastly, meeting and/or exceeding expectations, many companies concentrated on meeting and extending the expectations of their customer. They are using the Gap model of SERVQUAL to measure the differences between the two (Bhargava, 2019).

2.2 Service Quality Model/Dimensions

Gronroos (1993) had developed a service quality model that uses the traditional concept of customer satisfaction and dissatisfaction in interpreting perceived and expected service quality. He identified technical quality and functional quality as the dimensions of the model. Technical quality was an evaluation of the customer to the 'what' kind of outcome was provided by the company. While functional quality is defined as 'how' high the satisfaction of the customers after receiving the product or service. The model introduced was conceptual, but it does not provide a measurement tool to support their position.

Parasuraman et al. (1988) had also developed a gap model of service quality in which they used the five SERVQUAL dimensions as a measurement tool in measuring the gaps between the perceived service and expected service.

The five SERVQUAL dimensions measure the gap between customer perception and expectations of the real service provided. The SERVQUAL model can help you determine customer expectations, perceptions, and areas that need improvement (Qualtrics, 2020).

Parasuraman developed a gap analysis model measuring the degree of impact of service quality based on the coordinates seen in consumer-company relationships. This model provides five measurements of service quality, specifically, tangible, reliability, responsiveness, assurance, and empathy. For example, if customers see that the implementation of quality dimensions can fulfill their needs and desires, this may lead to positive client behavior (Ismail and Yunan, 2016).

For service providers, the SERVQUAL model is a good tool for measuring the quality of their service. However, the levels of importance of the dimensions are not equal to each other. One weighs more than the other. The study has surveyed the level of importance of dimensions to customers using a pie chart. Where it results in the rank in decreasing order (reliability - 32%, responsiveness - 22%, assurance - 19%, empathy - 16%, tangible - 11%). Reliability got the highest rank because the customer takes more value to the services of a business than the equipment that was used. They want the company to value their customer and keep commitments. Responsiveness got the next rank because customers believe that a good service provider shall respond quickly to customer queries. Having a good customer care department shall make a customer more satisfied with their service because a bad customer service department will make a customer feel restless and will likely not repurchase their services in the future. Next is assurance because there is a need for the employees to know the workforce that they are taking. A study shows that providing professional ideas is very important to the customer for them to truly know your product as well as your company, with these conditions, it would be helpful for the company to gain a high customer loyalty ranking. Empathy ranked fourth among the five dimensions of service quality. Interaction is very important between customer and service providers therefore service providers shall empathize with their customers so that customers will not feel that the service providers are only after the profit that will be gained after the sale. Service providers shall be trained on how to interact with their customers to better understand their needs. The last in the ranking is tangible, even though it is last in the rank, but the appearance of the customers, the position of the product and equipment are also important, it would be an extra point column in the reliability or responsiveness (Almomani, 2018).

2.3 Customer Satisfaction

Customer satisfaction evaluates the degree of satisfaction of customers with the company's products, services, and functionality. Information on customer satisfaction can be obtained through surveys and ratings, which can help companies decide on how to improve or modify their products and services. The main job of the organization is to satisfy customers. It applies to companies, businesses, retailers and wholesalers, government agencies, charities, charities, and every subgroup within the organization (What is Customer Satisfaction? 2020).

Customer satisfaction gives marketers and businessmen a metric that they can use to manage and improve their businesses. It is a way to determine the continuity of the business or the continuation of a product's life by measuring the loyalty of the customers. If the customers are satisfied with the performances, the continuity of businesses will not be a problem for most organizations. Nowadays, customer satisfaction has many aspects and it's not just linked to the quality and the costs of the product but also with the relationship of the service quality of logistics (Ghoumrassi and Tigu, 2017).

Customer satisfaction refers to their evaluation of products or services based on the expected quality and perceived quality of the products or services, when customers are satisfied with the offerings, they tend to bring more profits to the organization either by doing repeat purchases or recommend them to others (Hong, Zheng, Wu and Pu, 2019).

Satisfaction is most often viewed as the overall evaluation of performance that an organization could provide whether it's a product or service. Product and service conditions are important components for an organization to fully meet customer requirements, and these performances might lead to consumer loyalty. Additionally, Murfield, Boone, Rutner, and Thomas (2017) found that consumer satisfaction is positively related to consumer loyalty in an omnichannel environment.

Simanjuntak et al. (2020) had conducted a study in determining the effect of customer perceived value, corporate image, and service quality on a car loan customer satisfaction. The study found out that customer perceived value, corporate image, and service quality have a significant impact on customer satisfaction. Besides, the conversion of barriers also has a significant impact on customer retention because it was recognized that if the customer moves to another credit company, this shall take more time, effort, and costs. However, customer satisfaction has no direct impact on customer retention. In such cases, the products and services offered by the company do not guarantee that they would stay in the same company.

Customer satisfaction is a core component of the business approach that defines the efficiency of the service. It has been given a few concepts that can be in various circumstances and are constantly identified with both products and services. It was defined as a product or service assessment by the customer as to whether that product or service meeting the needs and expectations of the customer. Customer satisfaction is distinct from five forms of satisfaction, which are enjoyment, relaxation, novelty, and surprise. The satisfaction or dissatisfaction of various customers in countless service environments would affect each other. Despite the good relationships between customers would contribute to the service experience of the company, however, the service quality of the company should also be increased because of the information that customers gathered from each other. Customer satisfaction has also been a prominent benefactor for enhancing a service provider,

such as long-term gratitude, customer efficiency, customer maintenance, for example. Also, multiple researchers claim that customer satisfaction has a significant influence on customer buyback perceptions. Happy customers spread positive informal exchange and it attracts new customers and helps long-term business. Measuring customer satisfaction can determine how a company operates or provides goods or services; thus, customer satisfaction is the degree of achievement for all organizations, including the public sectors (Ok, Suy, Chhay, and Choun, 2018).

According to Scheck (2016), there are seven effective strategies to increase customer satisfaction. Every business should know its customers, knowing their basic information like names, address, and age is not enough to better understand its customers, instead, the company should know their interest and desires to better improve its products and services and at the same time, this can help the company to make better decisions about what it will be offering in the future. To ensure customer loyalty, the company shall offer personalized services, with these personalized services the company will get to know its customers better, this can be both beneficial to the customers and business. Customers could know more about the product if the company provides product training and customer service to customers. Assisting the customers even after purchase can extend the lifetime of the product, hence, the customers will think that the company is providing good services and they will likely purchase again in the future. By having a social media platform, the company can reach out to a wider segment of customers. Since most internet users use social media, having a social media page can help the company interact with its customers more easily. By the different reviews, comments, and suggestions of the customers in social media, the company can improve its products without spending money on surveys and interviews about their products. Since people are mostly using the internet, providing free Wi-Fi connections to your customers when they are visiting the shop or office can make the customers stay longer on the premises and shop more. Surprising your customers with discounts, freebies, and additional benefits can build a stronger relationship with your customers, this can help the company to increase customer satisfaction intensely. After the transaction, asking for customer feedback is very important. The insights that will be provided by customers can help the business identify the problems or concerns that customers experienced regarding the services or products provided and how to solve these problems.

2.4 Service Quality and Customer Satisfaction

Improving service quality should stay tuned for courier service providers and they should be proactive with customers' satisfaction by offering better services (Otsetova, 2017). The competition in the logistic sector keeps growing, the ability of companies to know their customers and ensure their satisfaction with the services received is becoming more significant. In modern times, customer satisfaction becomes a key factor for business succession. Analyzing the level of customer satisfaction enables the management of logistic companies to identify the factors that influence customer satisfaction. These data may help to discover potential opportunities and provide competitive advantages for logistics companies. Customer satisfaction has many positive outcomes: increased sales, repeat purchases, better corporate image, reduction of complaints and risks, lower costs, so on and so forth.

The customer satisfaction survey comes in two ways. One is from competitors and the other one is from individuals. These can help to understand and improve your product quality and services. In the competitor survey, the organization conducted a survey annually through outside research organizations to know the difference between their competitors in an objective way as a basis to extract problems and tasks tackled, and also for further development. While in the customer feedback survey, customers are told to rate their satisfaction, as well as their opinions and requests (Dai-ichi Life Group, 2019).

Patel (2020), if a company wants to make revenue grow, they should keep caring about customers' satisfaction, and most of the growing companies are more likely to prioritize revenues than the customer itself. Customers now are sensitive to every service or product that is provided for them, so it is very important to let the company survey every need and wants of their customers.

The study of the five dimensions of the SERVQUAL model has an impact on the port logistic service quality, and the three dimensions including assurance, tangible, and empathy are considered as the most crucial factors in logistics service quality. Although the other two dimensions, reliability, and responsiveness, are also considered important. Also, there is a positive correlation between customer satisfaction and the overall service quality of the port. It is indicated that in the assurance dimension the employee should be knowledgeable in managing the concern of the customers. Next, the tangible aspects should have the use of technology and physical facilities investment to enhance the overall service quality and this will lead to an increase in customer satisfaction. In empathy, the port employee can empathize with their customers (Le, Nguyen, and Truong, 2019). As mentioned by Al-Tit (2015), the five dimensions of service quality affect customer satisfaction as well as also has an impact on customer retention. Aside from that, customer satisfaction also influences customer retention. The study shows that service quality increases customer satisfaction together with customer retention.

Based on the study, empathy has the highest impact on customer satisfaction. On the other hand, the tangible dimension does not create a significant impact on customer satisfaction. While the other three dimensions, responsiveness, reliability, and assurance are considered to have an impact on customer satisfaction. Most of the respondents focused more on the intangible aspects of service quality rather than the tangible aspects. It is stated that service quality plays an important role in customer satisfaction because it helps the organization earn customer loyalty (Minh, Ha, and Matsui, 2015).

The study of Valaei, Rezaei, and Shahijan (2016) conducted a study that examined the impact of perceived service quality on overall service quality. They used to survey a total of about 561 respondents Their result indicates that promptness, safety, and convenience are very significant to the perceived service quality in the courier industry while accuracy and tangibility do not positively significant to the perceived service quality of the industry. Furthermore, ethnicity moderates overall service quality, while perceived service quality positively influences overall service quality. However, age and gender do not influence the overall service quality.

ForNgaliman, Eka, Suharto (2019) tangibles do not have a direct effect on customer satisfaction, while responsiveness and reliability have a direct effect on customer satisfaction. The influence of service quality dimensions on customer satisfaction and loyalty in a service delivery industry in Indonesia shows that the service quality dimensions of tangibility, reliability, assurance, responsiveness, and empathy significantly influence customer satisfaction (Quddus and Hudrasyah, 2014).

III. Methodology

A quantitative-descriptive research design was used by the researcher. Descriptive research was broadly used and it focuses on the phenomena of interest, answering the question 'how', 'what', 'when', and where rather than 'why'. In the study, the researcher makes use of a survey questionnaire to know and determine the information concerning the influence of the four dimensions on the satisfaction level of the millennials living in Quezon City, Philippines. The respondents are 370 millennials living in Quezon City barangay Socorro, E. Rodriguez, and San Roque who have experience in using Grab and Lalamove applications to ship their packages. Sequential sampling was used in this study, that is, the respondents who have experience in using Grab and Lalamove in February 2021 were used. Also, only millennial respondents which have an age range of 25-39 answer the survey. Hence, the respondents' characteristics.

The online survey was formulated to identify the effect of different service quality dimensions on the satisfaction of the millennials in Quezon City, Philippines on courier services. The online survey questionnaire was divided into six parts, the first part is general questions regarding how often and the purpose of using the app. The second and third part includes the responses to the four service quality dimensions: Tangibility, Reliability, Assurance, and Responsiveness of the two courier companies, Grab and Lalamove. The fourth part includes customer satisfaction in using the courier service. The fifth and sixth part is the problems that the respondents encountered when using Grab and Lalamove. The survey made use of a 5-point Likert scale (Very Satisfied, Satisfied, Neutral, Dissatisfied, Very Dissatisfied) for the respondents to easily answer and for the researcher to have a quantitative approach for data interpretation. Cronbach's alpha was utilized to ensure the internal consistency of the questionnaire. For determining Grab service quality, each dimension has 4 items and has an overall Cronbach's alpha of 0.94. This was followed by determining the Lalamove service quality, also having an overall Cronbach's alpha of 0.94. Items on evaluating the customer satisfaction towards courier services having an overall Cronbach's alpha of 0.95. It consisted of 7 items regarding the problems encountered when using Grab and Lalamove services and both having an overall Cronbach's alpha of 0.97.

Table 1: Verbal Description of Mean Score Range

<i>Rate</i>	<i>Service Quality Dimension</i>	<i>Customer Satisfaction & Problems Encountered</i>	<i>Mean Range</i>
5	Very Satisfied (VS)	[SA] Strongly Agree	4.21-5.00
4	Satisfied (S)	[A] Agree	3.41-4.20
3	Neutral (N)	[N] Neutral	2.61-3.40
2	Dissatisfied (D)	[D] Disagree	1.81-2.60
1	Very Dissatisfied (VD)	[SD] Strongly Disagree	1.00-1.80

Legend: [**SD**] Strongly Disagree (1.00-1.80); [**D**] Disagree (1.81-2.60); [**N**] Neutral (2.61-3.40); [**A**] Agree (3.41-4.20); [**SA**] Strongly Agree (4.21-5.00)

The online surveys were created by the researcher and were randomly distributed to the people living in Quezon City, Philippines, through an online platform or Google Forms. The respondents were given enough time to answer the survey and the answered forms were collected by the researcher to analyze and interpret their answers. All of the data collected were treated with confidentiality and will not be used for other purposes. During the data gathering process, the researcher treated the data of the respondents with the utmost confidentiality. The researcher has asked for respondents' permission before conducting the survey. The researcher only used the data gathered from the surveys and did not falsify the data. The researcher also

guaranteed that there were no damages done to the whole data gathering process. A consent form through Google Forms was sent together with the whole survey to the respondents which gave them the option whether to answer the survey or not and to ensure that the respondents have understood where their responses were utilized. An overview of the study and procedure was also attached in the survey to give the respondents prior knowledge about the research that was being conducted. No token was given to the respondents or any form of incentives, the respondents have their free will to answer the survey questionnaire. The respondents were also not given time limitations to answer the survey questionnaire.

IV. Results and Discussion

Customers’ Usage of Courier Service Application

Majority of the respondents uses courier services application once to twice a month (f=184 or 49.7%). Followed by those respondents who use the application once to twice a week (f=107 or 28.9%); then, those who use the application daily (f=38 or 10.3%). While 41 or 11.1% of the respondents answered others, which include 25 or 6.8% of the respondents who rarely used the app, 13 or 3.5% of the respondents used the app when they need it, 1 respondent used the app 3-4 times a week, 1 respondent used the app more than twice a week, and 1 respondent used the app 10 times a month.

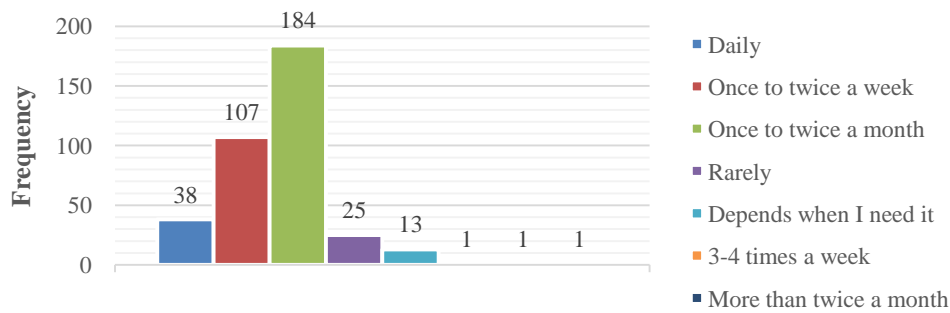


Figure 5. The Frequency of Usage of Customers on Courier Service Apps.

Type of Service Using Online Courier Servicing Application

The majority of the respondents uses the online courier servicing application to avail the package shopping services of the courier (236 or 64%), followed by using the application to avail the purchase services (132 or 35.8% availed Purchase service (pabili), and lastly those availing both services (1 or .02%).

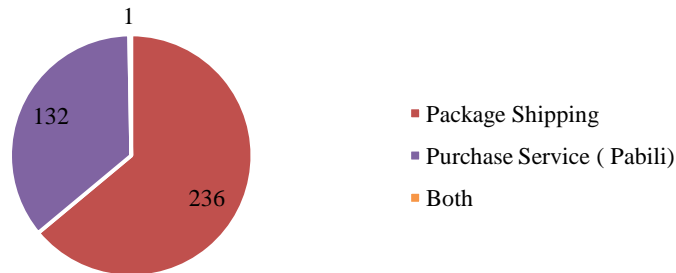


Figure 6: Service the Customers Avail When Using Online Courier Servicing Apps. The Courier Service Often Used By the Customers

The majority of the respondents use Grab services (248 or 67%), then, the services of Lalamove (122 or 33%).

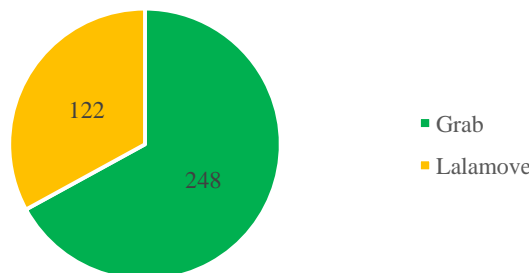


Figure 7: Customers’ Courier Service Often Used

Grab Service Quality

The quality of the Grab services that are highlighted by the customers was: the good condition vehicle used by the delivery man, the prompt and reliable delivery of services, polite and courteous delivery man, and the prompt service provided by the delivery man. Overall, the resulting composite mean for Grab service quality is 4.276 indicating that respondents are "Very Satisfied" with the services offered by Grab.

Table 2: Grab Service Quality Dimension

Indicator	Mean	SD	Rank	VD
Tangibility :				
The delivery men are properly dressed.	4.357	3.886	2	VS
The vehicles used by the delivery man are in good condition.	4.400	3.921	1	VS
Grab has modern-looking equipment.	4.073	3.629	4	S
The application has a good user interface (user friendly).	4.241	3.777	3	VS
Reliability :				
The orders are not damaged when delivered.	4.338	3.869	2	VS
The delivery is prompt and reliable.	4.389	3.921	1	VS
The delivery's waiting time is short.	4.073	3.629	4	S
The delivery man provides their service within the promised time.	4.241	3.777	3	VS
Assurance :				
The delivery man is polite and courteous.	4.405	3.935	1	VS
I feel safe when making transactions with the delivery man.	4.276	3.810	2	VS
The delivery man is knowledgeable in answering all my concerns.	4.249	3.790	4	VS
The delivery man is trustworthy.	4.268	3.804	3	VS
Responsiveness :				
The delivery man answered my question well enough.	4.211	3.751	4	VS
The delivery man can be easily contacted.	4.276	3.810	3	VS
The delivery man gives prompt service.	4.343	3.872	1	VS
The delivery man has shown willingness to help me.	4.284	3.819	2	VS
Composite Mean	4.276			VS

Legend: [VD] Very Dissatisfied (1.00-1.80); [D] Dissatisfied (1.81-2.60); [N] Neutral (2.61-3.40); [S] Satisfied (3.41-4.20); [VS] Very Satisfied (4.21-5.00)

Lalamove Service Quality

The quality of the Lalamove services that are highlighted by the customers was: the good condition vehicle used by the delivery man, the delivered orders are not damaged, polite and courteous delivery man, and the prompt service provided and the willingness to help by the delivery man. Overall, the resulting composite mean for Lalamove service quality is 4.154 indicating that respondents are "Satisfied" with the services offered by Lalamove.

Table 3: Lalamove Service Quality Dimension

Indicator	Mean	SD	Rank	VD
Tangibility :				
The delivery men are properly dressed.	4.189	3.739	2	S
The vehicles used by the delivery man are in good condition.	4.219	3.761	1	VS
Lalamove has modern-looking equipment.	4.130	3.678	3	S
The application has a good user interface (user friendly).	4.111	3.662	4	S
Reliability :				
The orders are not damaged when delivered.	4.235	3.778	1	VS
The delivery is prompt and reliable.	4.184	3.726	2	S
The delivery's waiting time is short.	3.978	3.546	4	S
The delivery man provides their service within the promised time.	4.081	3.635	3	S
Assurance :				
The delivery man is polite and courteous.	4.227	3.773	1	VS
I feel safe when making transactions with the delivery man.	4.127	3.678	4	S
The delivery man is knowledgeable in answering all my concerns.	4.157	3.700	3	S
The delivery man is trustworthy.	4.189	3.738	2	S
Responsiveness :				
The delivery man answered my question well enough.	4.157	3.700	3	S
The delivery man can be easily contacted.	4.151	3.694	4	S
The delivery man gives prompt service.	4.162	3.697	1.5	S
The delivery man has shown willingness to help the customer.	4.162	3.713	1.5	S
Composite Mean	4.154			S

Legend: [VD] Very Dissatisfied (1.00-1.80); [D] Dissatisfied (1.81-2.60); [N] Neutral (2.61-3.40); [S] Satisfied (3.41-4.20); [VS] Very Satisfied (4.21-5.00)

Satisfaction on Courier Services

The satisfaction on courier services that are highlighted by the customers was: a user's friendly application of the courier service, the state of the orders being delivered, the delivery man's politeness and courteousness, and the willingness of the customer services to provide help to the needs of the customers. Overall, the resulting composite mean in terms of the satisfaction of courier service customers is 4.450 indicating that respondents are "very satisfied" with the services offered.

Table 4: Customer Satisfaction on Courier Services

<i>Indicators</i>	\bar{x}	SD	Rank	VD
Tangibility :				
The presentability of the delivery men affects my satisfaction in using the courier services.	4.300	3.839	2	VS
The goodness of the condition of vehicles used by the delivery man affects my satisfaction in using the courier services.	4.208	3.764	4	S
Courier services that have modern-looking equipment affect my satisfaction in using courier services.	4.227	3.782	3	VS
The user interface (user friendly) of the applications affects my satisfaction in using courier services.	4.449	3.980	1	VS
Reliability :				
The condition of the orders upon delivery affects my satisfaction in using courier services.	4.557	4.082	1	VS
The promptness and reliability of the delivery affect my satisfaction in using courier services.	4.530	4.055	2	VS
The short waiting time for the delivery affects my satisfaction in using courier services.	4.430	3.972	4	VS
The ability of the delivery man to provide their service within the promised time affects my satisfaction in using courier services.	4.481	4.008	3	VS
Assurance :				
The politeness and courteousness of the delivery man affect my satisfaction in using courier services.	4.565	4.081	1	VS
The safety when making transactions with the delivery man affects my satisfaction in using courier services.	4.557	4.080	2	VS
The knowledge of the delivery man in answering all my concerns affects my satisfaction in using courier services.	4.432	3.965	4	VS
The trustworthiness of the delivery man affects my satisfaction in using courier services.	4.522	4.044	3	VS
Responsiveness :				
The customer service representatives' response to my queries affects my satisfaction in using courier services.	4.503	4.027	2	VS
The ease of contacting customer service representatives affects my satisfaction in using courier services.	4.492	4.024	4	VS
The promptness of service of the customer service representative affects my satisfaction in using courier services.	4.497	4.018	3	VS
The willingness of the customer service representative to help me affects my satisfaction in using courier services.	4.505	4.031	1	VS
Composite Mean				4.450
				VS

Legend: [VD] Very Dissatisfied (1.00-1.80); [D] Dissatisfied (1.81-2.60); [N] Neutral (2.61-3.40); [S] Satisfied (3.41-4.20); [VS] Very Satisfied (4.21-5.00)

Grab Services Customers' Problem Encountered

The most common problem encountered by customers in using the services of Grab is that it took a long time for the delivery to be completed. While the less concern is that, that the parcel is lost. The resulting composite mean for problems encountered when using Grab services is 2.374 indicating that respondents were at the "Disagree" level with the problems encountered when using Grab services.

Table 5: Problems encountered when using Grab Services

<i>Indicators</i>	\bar{x}	SD	Rank	VD
The equipment (delivery trucks, motorcycles, cars) used by Grab are old and in bad condition.	2.381	2.186	3.5	D
The Grab application is not user friendly	2.338	2.107	5	D
The order was delivered by Grab to the wrong address.	2.465	2.268	2	D
It took a long time to complete the delivery.	2.554	2.326	1	D
The delivery driver is impolite.	2.308	2.133	6	D
The parcel is lost.	2.189	2.049	7	D
The customer service representative is not responsive to my concern.	2.381	2.198	3.5	D
Composite Mean				2.374
				D

Legend: [SD] Strongly Disagree (1.00-1.80); [D] Disagree (1.81-2.60); [N] Neutral (2.61-3.40); [A] Agree (3.41-4.20); [SA] Strongly Agree (4.21-5.00)

Lalamove Services Customers' Problem Encountered

The most common problem encountered by customers in using the services of Lalamove is that it took a long time for the delivery to be completed. While the less concern is that, that the parcel is lost. The resulting composite mean for problems encountered when using Lalamove services is 2.380 indicating that respondents were at the "Disagree" level with the problems encountered when using Grab services.

Table 6: Problems encountered when using Lalamove Services

Indicators	\bar{x}	SD	Rank	VD
The equipment (delivery trucks, motorcycles, cars) used by Lalamove are old and in bad condition.	2.359	2.170	4	D
The Lalamove application is not user friendly	2.478	2.219	2	D
The order was delivered by Lalamove to the wrong address.	2.338	2.128	6	D
It took a long time to complete the delivery.	2.486	2.267	1	D
The delivery driver is impolite.	2.346	2.140	5	D
The parcel is lost.	2.235	2.044	7	D
The customer service representative is not responsive to my concern.	2.416	2.204	3	D
Composite Mean				2.380
				D

Legend: [SD] Strongly Disagree (1.00-1.80); [D] Disagree (1.81-2.60); [N] Neutral (2.61-3.40); [A] Agree (3.41-4.20); [SA] Strongly Agree (4.21-5.00)

H1: Tangibility does not significantly influence customer satisfaction in courier services.

Equation (1): $Customer\ Satisfaction = 2.2459 + 0.4839 \times Tangibility$

The tangibility dimension of the courier services influences customer satisfaction as described in equation 1. The aforementioned dimension explains the satisfaction of the customer by 17.96% ($R^2=0.1796$). The decision is to reject the H1; hence, the tangible dimension of courier services has a significant influence on customer satisfaction. This means that if the courier services have been able to provide a good tangible aspect and able to make the customer be satisfied by their services, consequently it makes the customer feel satisfied and would like to continue using the same courier service.

The result of the regression analysis is the same as the study of Le, Nguyen, & Truong (2019) which emphasize that tangible dimensions are considered as the most crucial factors in courier services along with assurance and empathy. Similarly, for Quddus & Hudrasayah (2014), it shows that tangibility has significantly influenced customer satisfaction. However, it has conflicted with Valaei, Rezaei, & Shahijan's (2016) claims that tangible dimensions do not create a significant influence on customer satisfaction and of Ngaliman, Eka, & Suharto (2019), that tangibility does not have a direct effect on customer satisfaction.

H2: Reliability does not significantly influence customer satisfaction in courier services.

Equation (2): $Customer\ Satisfaction = 2.9236 + 0.3775 \times Reliability$

The reliability dimension of the courier services influences customer satisfaction as described in equation 2. Equation 2 explains the satisfaction of the customer by 12.24% ($R^2=0.1224$). The decision is to reject the H2; hence, the reliability dimension of courier services has a significant influence on customer satisfaction. This means that if the courier services have been able to provide reliable services and able to make the customer be satisfied by their services, consequently it makes the customer feel satisfied and would like to continue using the same courier service.

The result of the regression analysis is the same as the study of Le, Nguyen, & Truong (2019) which emphasizes that the reliability dimension has a significant influence on courier services. Also, Ngaliman, Eka, & Suharto (2019) asserted that reliability has a direct effect on customer satisfaction. And of Quddus & Hudrasayah (2014), that reliability has significantly influenced customer satisfaction.

H3: Assurance does not significantly influence customer satisfaction in courier services.

Equation (3): $Customer\ Satisfaction = 2.4628 + 0.4868 \times Assurance$

The dimension of assurance of the courier services influences customer satisfaction as described in equation 3. The satisfaction of the customer by 25.02% ($R^2=0.2502$) is explained by the variation of the assurance dimension as determined by equation 3. H3 is then rejected; hence, the assurance dimension of courier services has a significant influence on the customers' satisfaction. This means that if the courier services have been able to provide assurance and able to make the customer be satisfied by their services, consequently it makes the customer feel satisfied and would like to continue using the same courier services.

The finding is parallel to the findings which emphasize that assurance dimensions are considered as the most crucial factors in courier services along with tangible and empathy (Le, Nguyen, & Truong (2019). Also, assurance significantly influences customer satisfaction (Quddus & Hudrasayah (2014).

H4: Responsiveness does not significantly influence customer satisfaction in courier services.

Equation (4): $Customer\ Satisfaction = 2.2908 + 0.5244 \times Responsiveness$

The responsiveness dimension of the courier services influences customer satisfaction as described in equation 4. The 24.43% ($R^2=0.2543$) predicting power or influence of equation 4 as determined by responsiveness aspect of customers' satisfaction. Rejecting H4 then is evident; hence, the responsiveness dimension of courier services has a significant influence on customers' satisfaction. This means that if the

courier services have been able to provide good responses to the customer, consequently it makes the customer feel satisfied and would like to continue using the same courier services.

This current finding agrees with the finding that emphasizes that the responsiveness dimension is considered as an important factor in courier services along with reliability (Le, Nguyen, & Truong (2019). Also, responsiveness has a direct effect on customer satisfaction (Ngaliman, Eka, & Suharto (2019) and has significantly influenced customer satisfaction Quddus & Hudrasyah (2014).

H5: There is no significant difference between the customer satisfaction of Grab and Lalamove

Looking into the mean satisfaction felt by the customers (See Table 7), it comes off that there is a significant difference in the level of satisfaction as experienced by the customers [$t(738) = 3.4616$; $p = 0.0006$]. Hence, H5 is rejected. This only implies that the customers are more satisfied with Grab services compared to that of Lalamove.

Table 7: Difference in the Customer Satisfaction on Courier Services

Groups	Mean	SD	Mean Difference	df	t-value	p-value	Description
Grab	4.296	0.519	0.144	738	3.4616	0.0006	Sig.
Lalamove	4.152	0.608					

V. Conclusion

The research paper revolved around the four service quality dimensions (tangible, reliability, assurance, and responsiveness) of Grab and Lalamove and how it influences customer satisfaction. During this pandemic, many consumers shifted from traditional shopping to online shopping, therefore, courier services like Grab and Lalamove are in demand.

With the data gathered it is safe to conclude that the four dimensions of service quality influence the customers' satisfaction in courier services. Among the four responsiveness dimension has the biggest influence followed by dimensions of assurance, tangibility, and reliability. This affirms the findings of Quddus & Hudrasyah (2014); Le, Nguyen, & Truong; Ngaliman, Eka, & Suharto (2019) that the four dimensions are important factors of courier service that affects directly and influence customers' satisfaction.

Customers of courier services were *very satisfied* with their services during a pandemic. This only shows that the courier services meet the expectations of the customers. Looking into the tow courier services, customers of Grab services are more satisfied than of that of Lalamove services.

Both Grab and Lalamove as per the experience of the customers find that it took the courier service providers a long time to deliver the parcel. This situation and the problem is inevitable, this is due to some reasons like there are times that some specific area, streets/ block are under targeted lockdown during this pandemic and with the strict quarantine procedure of the government some areas where the courier services are about to delivery are delayed for some time.

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