

The Impact of Global Trend on Courier Service and Consumer Satisfaction: A Study of DHL

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ABSTRACT

The study seeks to analyze the impact on DHL courier service as well as its customer satisfaction of global trends. The research was conducted by collecting data from the company websites, personal experiences, different theories, and some statistical details. Surveys were also carried out to gather information about its courier service and customer satisfaction. The findings showed that the pattern of logistics has a major effect on organizational and customer satisfaction.

Keywords: Courier Service, Customer Satisfaction, DHL, Trends in Logistics

INTRODUCTION

Companies have currently been facing a lot of pressure from various stakeholders including customers, suppliers, and competitors to implement environmental management practices (Delmas & Toffel, 2008). However, DHL, a global market leader in the logistics industry, continues to run its business. It globally delivers superior service quality to meet the needs of its supply chain. The organization provides the services of air and ocean transportation, road and rail transport, contract logistics, and international post. DHL is a multinational network in more than 220 countries and territories, with 310,000 workers worldwide providing customers with outstanding service quality and local experience to fulfill their supply chain requirements (DHL, 2019). DHL acknowledges its social responsibilities by supporting climate stability, emergency mitigation, and education. Furthermore, the company is part of Deutsche Post DHL. DHL Malaysia operates according to the designated divisions, including DHL Express, DHL Global Forwarding, DHL Supply Chain, and Supply Chain, Corporate Information Solutions.

DHL Express is the first international air express company operating in Malaysia in 1973 and handles air express services and sub cargo requirements. DHL Global Forwarding was established in 1972 and provided Air Transport, Sea Transport, Domestic Transport, Customer Program Management, Cargo Management, Warehousing and Distribution, Project Continuity, and Customs Release services.

DHL Supply Chain has expanded into Malaysia with hundreds of skilled workers in the field of logistics. They offer integrated supply chains in the logistics sectors of fashion, retail & consumer, consumer electronics, high technology/aerospace, and service divisions. Its IT has also helped the delivery process smoother and to provide accurate information to the customers.

The supply chain business unit provides customers of manufacturing industries, including technology, retail, and fashion sectors, with warehousing and warehouse transportation facilities as well as value-added solutions around the supply chain.

To describe a framework of macro-environmental factors used in the environmental scanning component of strategic management, this study provides a PEST analysis of DHL. As for the political environment, DHL works in various countries as a multinational logistics company with different political structures, laws, and cultural values. A crucial factor in the credibility of the company and the basis for the enduring success of Deutsche Post DHL Group is to behave in an ethically and legally irreproachable manner in dealings with business partners, shareholders, and the public (Deutsche Post DHL Group, 2019a). Policies and laws to ensure the business activities of DHL run smoothly can be established by secure political conditions. It creates healthy competition among firms, protects customers, and controls business practices from fraud.

Subsequently, it is the economic environment. The country's economy is in a recession with the current state of the planet being struck by the Coronavirus (COVID-19) outbreak. As consumers buy products online, the use of DHL services remains widely used by locals. This has generated a strong growth opportunity for the domestic and foreign parcel market they intend to leverage by extending the parcel network (Deutsche Post DHL Group, 2019). The import and export sectors have, however, deteriorated sharply. This is to prevent COVID-19 from spreading in the country by reducing the use of imported products. DHL staff have been working around the clock since the start of this global pandemic, adjusting and adapting the operations of the global network to comply with emerging technologies, regulatory requirements, and continuous shifts in capability and demand (DHL Express, 2020a). The DHL business continues to run despite the formidable obstacles.

Addedly, the social environment greatly influences what users need and want. To understand and meet their demands, the role of Research & Development (R&D) is crucial. "In such dynamic marketing environment, DHL should keep making surprise to its customer and even to its competitor. DHL should invest more in R&D, and consummate service in order to defend its leading position" (Liu & Wen, 2012). The company needs to respond to the changing socio-cultural patterns so as not to lose market share and service demand, especially amidst the pandemic. Customer satisfaction and internal strong cooperation play an important role in building the company's brand and image. Therefore, the company must ensure that the customers are satisfied.

Lastly, it is a technological environment. DHL has been using new technology for the past couple of years to ensure that the services run smoothly and perfectly. It saves time, decreases business costs, and improves business productivity in numerous ways. It is highly beneficial in tracking the parcels quickly and effectively. The Hi-tech services appear to attract more potential customers, as transport-related carbon dioxide emissions would be minimized by DHL GOGREEN; it is an outstanding green

environmental protection program (Liu & Wen, 2012). Nevertheless, the use of new technology requires higher maintenance and implementation costs. The company also needs to retain existing investors so that the funds invested will reduce the burden on the company's financial difficulties.

This research paper aims to examine the effect on the courier service of global and logistics developments and find the solutions. As the e-commerce industry rapidly expands, global innovations have positively influenced the logistics company. However, some variables need to be acknowledged to make the DHL company's operation more satisfactory for both the company and customers. With the company's growth and customer loyalty, there is a need to remain updated. The business should pay attention to these developments to win the competition with other businesses. This is to examine the patterns and provide them with viable solutions to cope with the patterns. The solutions will assist the organization in different ways. If the ideas are incorporated, there will be positive outcomes essentially validating the concept. The idea is basically to increase the company's efficiency and effectiveness, and customer satisfaction, smoothen the courier service, win the competition, and increase the company's responsiveness.

This research also examines DHL customer satisfaction. Customer satisfaction is a psychological concept arising from an individual's comparison of perceived product performance with expectations for this performance (Barsky, 1992; Hill, 1986). Customer satisfaction is likely to be determined by how well the product or services able to fulfill the innate desires of consumers (Oliver, 1980), and as the satisfaction increases, the purchasing decision increases (Anderson & Sin, 2020)

RESEARCH METHOD

This section describes the research methodology comprising the study design, samples, instruments, and data analysis. According to Ayob (1985), research methodology is a method used to collect and analyze data to produce strong supporting evidence. The methodology is to a clearer understanding and comprehensive description of the research process.

This study is an observational study of customer satisfaction in using DHL services. It was conducted based on references on satisfaction levels, sampling, measurement, and data analysis. To deepen concepts of attitudes, expectations, background information, and all primary or secondary sources, questionnaires, and comparison methods were conducted to collect data.

For the data processing, we used descriptive statistical methods to analyze the data by a Likert scale manually calculated by taking into account frequency and percentage. The data were then presented in tables, pie charts, and bar graphs. Subsequently, the data description analysis was included in each diagram

The primary data were collected by questionnaires made with Google form. The respondents 100 DHL customers randomly selected. The secondary data were information collected from DHL company. The tertiary data were obtained through references on the internet. Moreover, to complete the study, we read various sources including books, articles, and the internet for relevant information.

RESULTS AND DISCUSSION

Table 1. Summary of Respondent's Demographics (N=100)

RESPONSES		Frequency	Percent (%)
GENDER	Female	58	58.0
	Male	42	42.0
AGE	Below 21	21	21.0
	21-30	41	41.0
	31-40	17	17.0
	41-50	15	15.0
	51-60	3	3.0
	61 and above	3	3.0
LEVEL OF EDUCATION	Degree	52	52.0
	Diploma/STPM/Foundation	21	21.0
	Master	11	11.0
	PhD	6	6.0
	School graduated	10	10.0
JOB / OCCUPATION	Civil Servants	12	12.0
	Private Sectors	17	17.0
	Self-Employed	12	12.0
	Students	55	55.0
	Unemployed	4	4.0
INCOME PER MONTH (in RM)	Less than 1000	5	5.0
	1001-3000	12	12.0
	3001-5000	14	14.0
	5001-7000	12	12.0
	7001-9000	3	3.0
	No income	54	54.0

Table 1 represents the demographics of 100 respondents. It shows the majority of DHL respondents were women (58%). Most of them were students (55%) who take a Degree (52%). Most of them (54%) have no income. By the age group, those 21 to 30 years old dominated with 41% while the lowest was 51 to 60 and above (3%).

Table 2. Descriptive Statistics (N = 100)

	Minimum	Maximum	Mean	Std. Deviation
Period of Goods to Arrive	1	5	3.48	.926
Packaging	2	5	3.97	.745
Goods Condition	2	5	3.71	.891
Customer Service	1	5	3.41	.975
Postage Price	1	5	3.36	.835
Overall	1	5	3.41	.780

Table 2 presents the descriptive statistics (mean, standard deviation, minimum, and maximum) of the variables. It shows that packaging and goods condition has the highest

mean of 3.97 and 3.71 respectively. The lowest mean is postage price of 3.36. The customer service and overall value have the same mean of 3.41. It implies that most of the respondents were neutral and satisfied with DHL's courier services. Also, The standard variations of the variables are less than 1. The variable with the highest standard variation is customer service (0.975) and the variable with the lowest standard deviation is packaging (0.745).

Table 3. Regression Analysis

Coefficients ^a				
Model	B	Std. Error	Beta	Sig.
1				
Packaging	.188	.085	.180	.029
Goods Condition	.169	.075	.194	.026
Customer Service	.147	.063	.184	.021
Postage Price	-.133	.061	-.142	.031
Period of Goods to Arrive	.333	.068	.395	.000

Table 3 illustrates the results of multiple linear regressions of packaging, goods condition, customer service, postage price, and Period of Goods to Arrive with their β value of .180; .194; .184; -.142; and .395 consecutively and their respective significance is .029; .026; .021; .031; and .000 $< \alpha = .05$. This leads to the conclusion that packaging, goods condition, customer service, postage price, and Period of Goods to Arrive have significant effects on DHL service performance.

Table 4. Annova

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	36.991	5	7.398	29.978	.000 ^b
Residual	23.199	94	.247		
Total	60.190	99			

Table 4 signifies that the F statistics is significant ($f = 29.978$, $p < 0.05$). This shows that the model is statistically significant.

Table 5. Respondent's Opinion on DHL Services

RESPONSES	Frequency	Percent (%)
Period of Goods to Arrive		
Too slow	4	4.0
Slow	6	6.0
Neutral	40	40.0
Fast	38	38.0

	Highly fast	12	12.0
Packaging	Unsatisfied	2	2.0
	Neutral	23	23.0
	Satisfied	51	51.0
	Highly Satisfied	24	24.0
Goods Condition	Unsatisfied	11	11.0
	Neutral	25	25.0
	Satisfied	46	46.0
	Highly Satisfied	18	18.0
Customer Service (Undelivered Parcel, Failed to Arrive on Time, Tracking Problem)	Highly Unsatisfied	2	2.0
	Unsatisfied	15	15.0
	Neutral	37	37.0
	Satisfied	32	32.0
Postage Price	Highly Satisfied	14	14.0
	Too Cheap	2	2.0
	Cheap	10	10.0
	Average	45	45.0
	Expensive	36	36.0
Overall	Too expensive	7	7.0
	Highly unsatisfied	2	2.0
	Unsatisfied	9	9.0
	Neutral	38	38.0
	Satisfied	48	48.0
	Highly satisfied	3	3.0

Table 5 summarizes the respondent's opinions on DHL Services. The respondents were given several questions divided into six sections with one question for each section. The sections are period of goods to arrive, packaging, good condition, customer services, postage price, and overall. The final section is the main point of our project as it illustrates the outcome of consumer satisfaction with DHL services.

There were 40% of the respondents neutral for the Period of Goods to Arrive. Customers always want everything on demand. They consider possible distribution choices with acceptable speed, reliability, and comfort. However, as a global company, disease, and pandemic crisis are crucial aspects of DHL's continuing crisis preparation. Consequently, its business activities are continuously adapted to mitigate future risks. Besides, in compliance with current policies and the National Institute for Public Health and the Environment (RIVM), DHL Express is taking a few steps to protect its couriers, customers, and partners, one of which is that parcels are no longer shipped to neighbors in such a way that the consignee is not required to pick up at another address (DHL Express, 2020b).

A total of 51% of respondents were satisfied with the DHL company's packaging services. A research paper published by the University of Central Lancashire proposed that customer satisfaction is one of the main drivers of loyalty. The satisfaction is influenced by perceived value, perceived efficiency, and customer expectations. It is also a well-established reality that packaging is one of the main components that help generate product value (Gothmann, 2015). This is completely linked to the fact that DHL

offers a range of high-quality packaging items ideal for shipping products of all shapes and sizes. They are flyer packs, cardboard paper envelopes, boxes, and tubes. Since DHL provides them with a range of high-quality branded packaging items most of the respondents are happy with the packaging services.

Additionally, 46% of respondents are satisfied with the condition of the goods they got. This indicates that respondents have a good experience of using DHL services. One of the main things that will drive the success of DHL is the package received without damage. The existing and new customers will use DHL service as they are satisfied with the condition of the package.

Customer service is the fourth component we analyzed. The survey shows that most of the respondents (37%) were satisfied, and 32% of the respondents were neutral. This implies that some of the needs of respondents are fulfilled and some were almost fulfilled. Fatima Sullivan, Vice President of Customer Service for DHL Express sub-Saharan Africa, strongly supports this idea, stated: "With a multitude of options available to customers in every industry when it comes to products and services, companies need to realize that customer service is the most important point of contact between businesses and customers" (Staff Writer, 2017).

Table 5 also shows that 45% of the respondents agreed that the postage price is moderate, neither so cheap nor so expensive. The average respondent used DHL service due to its affordable price. According to Chung, Gesing, Chaturvedi, & Bodenbenner (2018), logistics providers can actively drive or participate in these platforms, ensuring their services remain price competitive and highly flexible. However, there is a large number of respondents who said that DHL postage prices are expensive. This could be because they are students and have no income. Nonetheless, DHL offers special prices to its loyal customers (Ofllac, Dobrucali, Yavas, & Escobar, 2015).

Overall, the respondents were satisfied with DHL services. Although some aspects make them discontent, they still use the DHL service. The five aspects have shown that DHL company has successfully managed to provide the best for its customers. Therefore, it will increase the level of customer satisfaction and loyalty.

One of the problems DHL may face is a customer service issue. According to Galea (2020), DHL eCommerce, which is a division of Deutsche Post DHL Group, has expanded its involvement in the region after the integration of DHL's e-commerce logistics services on Shopee in Thailand. However, in most online shopping applications such as Shopee and Lazada, DHL is rarely available in courier selection options and some even have no options for it. It is possible that many users are still unaware of the existence of DHL services or not many of them use its services. Somewhat, it will affect the position of DHL among courier services.

Nonetheless, the results of our research showed incredible progress as the company could satisfyingly satisfy consumer needs. Customer loyalty is this company's primary key to establishing long-term customer relationships. Generally, business producers need to understand the demand of their customers and place them first (Nwokah, 2009) to maintain long-term relationships with customers.

CONCLUSIONS

By the data provided and analysis above, this study concludes that logistics is one of the most important and integral parts of any organisation's strategy and functions. If the logistics process is properly carried out, it can not only reduce production costs but also increase efficiency and customer satisfaction. This research, however, contributes to businesses planning to improve market competitiveness both internally and externally, especially in the 3PL industry. This research provides in-depth insights into effective factors and advice for the company to deal with the challenges it may face. Overall logistics management is extremely important for today's highly competitive and cut-throat corporate world.

Further research is needed to establish a company with a perfect organizational culture hence achieving its objectives smoothly. Consumer dissatisfaction will indirectly affect the company and its employees. Their motivation will decrease, company production and employee performance will decline simultaneously. We recommend that DHL enhance corporate governance in the company to avoid miscommunication and misunderstandings in various segments. In short, the company will have a perfect organizational culture among employees while meeting consumer's needs.

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