COMPARATIVE STUDY ON THE CUSTOMER SATISFACTION TOWARDS THE SERVICES OF E HAILING IN MALAYSIA AND THAILAND

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Abstract

The study identifies on factors effecting the customer satisfaction towards services of e-hailing or ride hailing in Malaysia and Thailand. This research explores on price, assurance, reliability and tangibility in the acceptance of customer satisfaction will be the dependent variables. The survey was conducted through questionnaires among 400 respondents and at the end 388 answers were collected, justified and finalised. The study uses a probability sampling design to generalize the findings from the whole population. The design of the research design uses the non-probability which is convenience sampling. Descriptive analysis is used to test consumers' attitudes, requirements and satisfaction. This study uses the correlation analysis to identify the relationship between independent and dependent variables. Linear regression analysis used to identify the factors influencing on customer satisfactions. The findings of this research revealed that the price, assurance,reliability and tangibility are able to assist the e-hailing and improve on their services towards customer satisfaction in future.

Keywords: E-Hailing, Customer satisfaction, Price, Assurance, Reliability and Tangibility.

Background

People travels around the town are using several types of mode in transport. One of the main transportation that used by most of residents is taxi services. However, there were problems on the traditional taxi services reported such as delays, condition of the vehicles, refuses to attend passengers' requests, quality of services and unreasonable fares. One of the problems in taxi service is not using the e-hailing services which caused the residents taking a distance and longer period of time in getting on-board for the movements. Recently, a new alternative taxi service socalled e-Hailing come up

with the new ways to improve to all those unsatisfied services by the taxi. Even though the E Hailing service is still new in Malaysia and Thailand but the feedbacks from customers were positive. This is because their overall service is better and satisfied than the traditional taxies. However, E Hailing still have limitations on their services as they are mobile application based; therefore, customers need to have a smartphone or other gadgets to get into their services. Individual mobility is essential which therefore the demand for transport especially in private cars and e- hailing has increased at present for their short distance movements. It has been introduced in 2014 in Malaysia and Thailand which competing with taxi and other passengers' car services. In the past years, taxies were monopolized for the services of private cars as public transport for the short distance movements. Traditionally taxi services have established stations, scheduling, fixed fare pricing and journey coordinators.The taxi company also has invited to participate in e-hailing services rather than traditional system as practiced. At this juncture the government should encourage with the present taxies service and operators to improve on the quality of their services especially the condition of the vehicles, safety,cleanliness and related on IT usages. Several objections by the taxi operators in Malaysia and Thailand but public are still have their preferences in choosing the services for the movements. This is was due to present on hand technology which preferred fast movement and cheaper costs. Direct competition for taxis will offer better option and alternatives for customers in choosing and plan in their movements. In May 2014, e-hailing was launched in, Thailand, Indonesia, Singapore and the Philippines.

Since was established in Malaysia, e-hailing under one company so called grabs services and available in major cities such as Kuala lumpur, Ipoh , Johor Bahru, Penang, Alor Star, Kuching , Kota Kinabalu and others. While in Thailand has established at all cities areas such as Bangkok, Hadyai, Chiangmai, Phuket and others. Uber is the main rival for Grabs which can be found in more than 70 countries in world. Uber was changed the entity and bought over by the Grab which considered the biggest e-hailing services at present. Grab or e-hailing improves on the present movement and help the economic to grow and highly dependent on knowledge in mobile technology. On the other hand, through the knowledge in IT that we have at present, passengers and grabs drivers had intensified and effortlessly switch with mobile ridesharing applications. This also will invite more competition among the service providers. The new emergence of mobile transportation application based has improved on demand in services in grabs services and invites more competition with the present taxi operators and other public transportation. Customers are not only looking on a better quality, but also on costs and time savings with efficient in transport services. On the other hand several e-hailing companies were also being set up to deliver their services to public and competition among them was also occurred.

At present times, companies are exposed with numerous macro environment disturbances which include globalization, competition, rapid changes, customers' preferences, competition and globalization. These were due to rapid changes in customer preferences especially with better knowledge in technology which changing them for the better and innovate in their services. Therefore, through these challenging times, service providers should be pursuing and establish as many customers towards satisfaction. In meeting these purposes, the service providers are essential to comprehend with customers' obligation, improve on the current feature and swift with innovative or exclusive ways of delivery for their services.

Objectives of the Study

The factors that effect on the customers' satisfaction in the services ofe-hailing are pricing, assurance, reliability and intangibility. The service quality refers on customer satisfaction especially on the services offered by the providers of e-hailing at present. The research was established in the major cities in Malaysia and Thailand, for the purpose to analyse the price, assurance, reliability and tangibility that affect the customers' satisfaction in e-hailing services. The research questions of the study are as follows;

(1) What are the relationship between price of e-hailing services and customer satisfaction?

(2) What are the relationship between quality assurance of e-hailing services and customer satisfaction?

(3) What are the relationship between reliability of e-hailing services and customer satisfaction?

(4) What are the relationship between tangibility ofe-hailing services and customer satisfaction?

Problem Statement

E hailing or ride sharing activities which are related on the effective movement of people at present would encourage for the better in economic development of certain countries. This is considered new and evolving parts of interest and few studies have been documented by previous researchers. E-hailing is new area to be explored with the latest technology in the modern world. Customer satisfaction has relationships in the study with different directions, measurement in the aspect of business. Other researchers have discussed on the models concerning to customer satisfaction and service quality. In order to improve of competition and globalization, e-hailing operators should provide for the good quality and services as an essential key for justifiable in

competitive advantage. Service quality is an essential strategy to be implemented in order to secure and achieve on high levels of customers' satisfaction. E-hailing operators had encountered the same regulatory problems in many cities all over especially in the documentation and administrative processes. This related to the safety, misconducts, behaviours, sexual harassment, assaults, overcharging prices and accidents(Nathan, 2019). The e-hailing operators had several media as reported which relating thefts, while the sexual assault of female grabs drivers(Nathan, 2019). Despites problems, Grab car services continue grow in demand and made customers' preferences.

Literature Review

The population in Malaysia recorded in 2019 is approximately 34 Million (Department of Statistic Malaysia 2019) and Thailand is 69 million (Worldometers, 2019).E- Hailing is classified as a necessary mode of transport and frequently used by public through the system with better application and had been developed by several countries (TNC, 2014). Customer satisfaction is one of the factors and invites further success in term of profits and maintain the growth in economy (Silalahi, 2017). It refers to the customers' attitude, emotion and reactions with result of different perception and outcome (Albinsson, 2004). Cheong and Kash (2014) revealed on the Grab Taxi which currently the most prominent third-party taxi application in the region. Researchers have evaluated on the factors that influencing the customer satisfaction and being used by the operators as a method of measurement to determine the level of satisfactions. Customers who are satisfied form the successful business which normally leads to repeat purchase, brand loyalty and positive words (Andreassen, 1994). Therefore customers' satisfaction is measure based on several profit, value of money, efficiency and efforts given by the E- Hailing operators and customers. The measurements of customers' satisfaction are different between expectations and desires towards cognitive standards as well as perceived performance (Khalifa, 2002). Jalil, Prapinit, Melan and Mustaffa (2019) revealed on an adaptation in business involving technology and the efficiency of supply chain and need to be established by the service providers when dealing with customers.

Customer satisfaction is a level of service quality as provided by the operators and service quality acts as determining factors in this segment (Wilson A., 2008). Price as refereed to Button and Hensher (2001) stated on the indicators in transportation business has affected on the affordability of services and fares charged to the customers. Price was given up or sacrificed to obtain a product or service in the particular movements. Therefore price is playing an important mechanism in services. It also includes value of money verses the services rendered. On the other hand the services are able to be compared with the price and the e- hailing operators able to meet the customers due to lower charges as structured in the schedules.

Assurance as reflect to Zeithaml (1990) in Abdulaziz (2014)where assurance is the information, good manners and capability employees have to convey belief and praise from customers in their field. Assurance as mentioned including convenience for the customers in general which includes the condition of the vehicles, on-time deliveries and reliability. Comfort as perceived in the services is related to customer expectation and satisfaction. Prapinit, Sabar, Melan (2019) revealed on demand for logistics management studies to ensure the E- Hailing drivers are required to manage and committed in their personal obligation towards customers.

Reliability means the capability to perform the service with stability, promptness and dependability. Reliability in transportation services begin with the arrival times at destination such as distance of the journey, infrastructures, communications and routes scheduled. These were important to consider for the e- hailing service quality dimensions (Mcknight, 1986). Reliability is also an ability to perform the promised service dependably and accurately. Reliability also relates to a quality of being able to be trusted or believed because of working or behaving well performed the duties as e-hailing services. The most of the customers are accepted the services and using grabs as their mode of transport. Omotayo and Melan (2017) revealed to the factors the influencing the information technology in logistics companies. It also referred on the importance on information technology in the industry which effects the best coordination and movements in transport industry or services.

Tangibility refers to someone's appearance, physical facilities like setting, decorations, display, equipment, personal and communication materials. It was being capable of being touched; discernible material or substantial. On the other hand E Hailing services equipped with new vehicles, communication, gadgets and payment systems and billings. Conditions of the e-hailing services are good looking at the internal and external as well as organized and cleaned. The conditions of vehicle less than five years are the preferences for the future passengers. This is to ensure the customers are comfortable in term of tangibility of the product and satisfied by customers. Melan, Zahid, and Sabar(2019) referred on the effectiveness machineries in transport industry which involved on the overall assets such as vehicle and equipment. On the other hand a new vehicle is able to be deployed more distance, extra hours without hassle and interferences. Other research referring to frequency of services, reliability, responsiveness and convenience are considered important in dealing with customers' satisfaction (Akanmu, Hassan, & Bahaudin, 2020; Cavana, 2007).

METHODOLOGY

Hypotheses developed from the conceptual framework are:

H1: Price of e-hailing services has a positive effect on customers' satisfactions

H2: Assurance of e-hailing services has a positive effect on customers' satisfactions

H3: Reliability of e- hailing services has a positive effect on customers' satisfactions

H4: Tangibility of e- hailing services has a positive effect on customers' satisfactions

Research framework

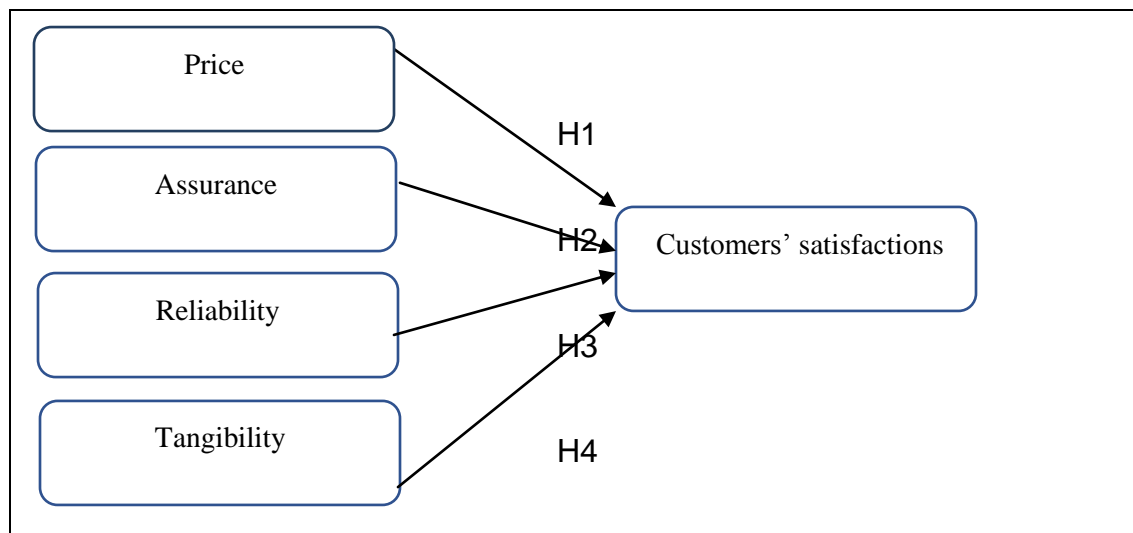Independent variables   Dependent variables

Figure 1

Research Framework

Research design

The researchers chose to use quantitative method to establish the results and distribute the questionnaire to the respondents. The descriptive methods to assess and generalized the results of sample to the population. The key factor of use descriptive research is able to provide accuracy and valid variables which relevant to the research question. Quantitative data collection and analysis used in this study. The purpose of the study is to investigate the relationship of E-hailing services between factors which is

related to price, assurance, reliability and tangibility. The study uses the questionnaires which are targeted to respective respondents to gather the information and the related requirements as established. The study also formalised with two types of data used which is primary and secondary.

Sampling and data collection

The sample size chosen for the research is 400 respondents based on Krejcie and Morgan's. In this study, non-probability convenient sampling method is applied. Primary data is collected through survey instrument method which is full structured questionnaire (Dörnyei, 2007). A set of structured online questionnaire were distributed to the target groups. The survey uses a convenience sampling (also known as Haphazard or Accidental Samplings) is a type of nonprobability or non-random sampling where members of the target groups that meet certain practical criteria, such accessibility, geographical proximity, availability at a given time or the willingness to participate are included for the purpose of the study (Oppong, 2013). It is also denoted to the investigating subjects of the population that are effortlessly available to the scholar. The main purpose of convenience sampling is to collect information from target groups who are easily available and easy to participate. The main assumption associated with convenience sampling is that the members of the target respondents are similar.

Measurement scale

A set of structured online questionnaire with a Likert five-point scale was used where attachment a teach with descriptive labels. This scale is used to specify the degree of agreement for each criterion, with 1(strongly disagree) in minimum and 5(strongly agree) as maximum. The construction of questionnaire was adopted from previous journals that have been done by previous researchers which determined on the association between dependent variable and independent variables of the study.

FINDING AND DISCUSSIONS

Demographic Analysis

Out of 400 distributed questionnaires only 388 were collected and accepted as for the final analyses. There were no missing data in the overall collected questionnaires. The questionnaires included in (7) seven types of demographic questions which were gender, age, race, education and current employment level. Table, refers to the demographic as computed in the system.

Table 1; Demographic analysis (*n=388*)

Variable	Category	Frequency	Percentage, %
Gender	Male	173	44.60
	Female	215	55.40
Age	Under 18	4	1.00
	18 – 24	341	87.90
	25 – 34	35	9.00
	35 – 44	1	0.30
	45 – 54	7	1.80
Race	Malay	332	85.60
	Indian	19	4.90
	Chinese	26	6.70
	Others	11	2.80
Education	School	58	14.90
	Foundation	46	11.90
	Diploma	63	16.20
	Bachelor's Degree	200	51.50
	Master's Degree	21	5.40
Employment	Employed, working full time	61	15.70
	Employed, working part time	16	4.10
	Not employed, looking for job	29	7.50
	Not employed, not looking for job	7	1.80
	Student	275	70.90

Correlation Analysis

Pearson's correlation analysis was adopted to express on the relationship between the independent variables (price, assurance, reliability and tangibility) and the dependent variable (customers' satisfactions). According to our research framework, it shows that price, assurance, reliability and tangibility (IV)were influencing on the customer satisfaction (DV) towards e-hailing services in Malaysia and Thailand. Base on this study, it shows that reliability of e-hailing services has the highest correlations with customer satisfaction. Price (fares) of e-hailing exerted the strongest influence towards customer satisfaction (r=0.718, p=0.000).The price of e-hailing is the strongest predictor towards customer satisfaction followed by price of e-hailing (r=0.502, p=0.000), then assurance of e-hailing (r=0.463, p=0.000). Lastly, the moderate predictor have been identified is tangibility of e-hailing (r=0.408, p=0.000). According to Cohen (1988), the

relationship of subjective norms towards reliability 0.718 and price 0.502 were categorized as "strong", while assurance with 0.463 and tangibility 0.408 was considered as "moderate". Table 2 refers to the Pearson's Correlations result in this study.

Table 2
Pearson's Correlations result

Correlations						
		DV	Price (IV 1)	Assurance (IV 2)	Reliability (IV 3)	Tangibility (IV 4)
Customer Satisfaction (DV)	Pearson Correlation	1	0.502**	0.463**	0.718**	0.408**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	388	388	388	388	388
**Correlation is significant at the 0.01 level (2-tailed)						

Regression Analysis

The computed of standardized coefficients in Beta table shows that result of the price coefficient is 0.205. It means that a unit increase in price will affect the customers' satisfactions towards e-hailing, the price will increase 0.205units,atp<0.05 (sig= 0.000). This significant result suggests that the price is significant to the customers' satisfactions towards e-hailing services. The assurance coefficient assurance is 0.129. It means that a unit increase in assurance will affect customers satisfactions towards e-hailing services will increase 0.129 units, atp<0.05 (sig =0.011). This significant result suggests that the assurance is significant to the customers' satisfactions towards e-hailing services. The result also shows that the reliability of coefficient is 0.570.It means that a unit increase reliability will affect customers satisfaction towards e-hailing services, reliability will increase 0.570 units, atp <0.05 (sig =0.000).This significant result suggests that the reliability is significant to the customers' satisfactions towards e-hailing services. Finally the result also indicates that the tangibility coefficient is 0.040. It means that a unit increase in tangibility will affect the customers' satisfactions towards e-hailing services, the tangibility will increase 0.040 units, atp>0.005(sig = 0.412). This significant result suggests that the tangibility is not significant to the customers' satisfactions towards e- hailing services. Table 3shows the coefficients for each predictor variables of the study.

Table 3
Coefficients for each predictor variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.443	0.157		2.819	0.005
	Price	0.157	0.029	0.205	5.422	0.000
	Assurance	0.119	0.047	0.129	2.551	0.011
	Reliability	0.559	0.037	0.570	15.125	0.000
	Tangibility	0.040	0.048	0.040	0.822	0.412
a. Dependent Variable : Customer Satisfaction						

Model summary for each predictor shows the R^2 and Adjusted R^2 value of the regression model in using the variables from factor analysis. The R^2 is 0.588 and significant at p =0.000. This means that the independent variables 58% of the variation in the dependent variable. It is explained that 58% of customers' satisfaction towards e-hailing services has been significantly clarified by the independent variables in the model. R^2 value is an indicator of how well the model fits the data. Nevertheless, R^2 tends to slightly over-estimate the achievement of the model when it is practically used in the real world and application, thus the adjusted R^2 is calculated, which taking into account on the number of variables in the model and the number of observations (respondents). The Adjusted R^2 is valued at 0.584 henceforth it can says that 58%t of independent variables explains on the customer satisfaction towards e-hailing operators as dependent variable. Meaning that the only the remaining of42% of the customer satisfaction towards e-hailing operators is clarified in other factors. Based on the result in Table 4, the model can now explain as follows;

$$Y = \beta 0 + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \beta 4 X4$$

Customer Satisfaction = 0.443 + 0.157 price + 0.119 assurance + 0.559 reliability + 0.040 tangibility

Table 4; Model summary for each predictor using enter process

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.767	0.588	0584	0.38626
a. Predictors: (Constant), Price, Assurance, Reliability, Tangibility				

CONCLUSION

The study has determined on the factors that effecting to the customers' satisfactions towards e-hailing services in Malaysia and Thailand. This research is based on data that has been collected from residents at major town in Malaysia and Thailand. The study found that there are Four (4) factors that affect the dependent variables with a strong positive correlation. Using Pearson's Correlation, all four factors are significant and accepted in this research. However, in multiple regressions analysis diagnosed only pricing and reliability corresponded with the strongest predictor that effect on the customers' satisfactions concerning on the e-hailing services in both countries. The research able to extended in future by looking in depth on the quality driven among the e hailing drivers and towards safety precaution at both countries.

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