

# VALIDATING THE MEASURING INSTRUMENT FOR THE SERVICE QUALITY, PRICE AND COMFORT ON CUSTOMER SATISFACTION TOWARDS RIDE HAILING SERVICE IN MALAYSIA

<sup>1</sup>Munirah Mahshar, <sup>2</sup>Nik Alif Amri Nik Hashim, <sup>3</sup>Raja Rosnah Raja Daud, <sup>4</sup>Mohammad Ismail, <sup>5</sup>Wan Farha Wan Zulkiffli, <sup>6</sup>Nadzirah Mohd Said, <sup>7</sup>Lu Man Hong & <sup>8</sup>Eni Noreni Mohamad Zain

<sup>1,3,4,5,6,7,8</sup>Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan

<sup>2</sup>Faculty of Hospitality, Tourism and Wellness, Universiti Malaysia Kelantan

email: munirah@umk.edu.my

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**ABSTRACT:** Recently transportation become immense growth due to smartphone identify as the tool that cannot be separate with individuals around the world. Therefore, individuals become convenience since they capable to connect ride hailing services through their mobile device application. Several functions from ride hailing application provide ease not only limited for passengers and it includes drivers. For passenger, this application allows discerning the reachable location by cars and taxis while drivers capable to detect ready-to-travel passengers and suitable payment method. This study is to validate the measurement instrument for the service quality, price and comfort on customer satisfaction towards ride hailing services in Malaysia. A quantitative approach was applied, and 150 responses who are among the younger generation has been contacted in Klang Valley area. Overall, the finding show that the instruments are relevant and suitable for the actual data collection process.

**KEYWORDS:** Comfort, Customer Satisfaction, Price, Ride Hailing Services, Service Quality

## I. INTRODUCTION

Recently transportation become immense growth due to smartphone identify as the tool that cannot be separate with individuals around the world. Therefore, individuals become convenience since they capable to connect ride hailing services through their mobile device application. Several functions from ride hailing application provide ease not only limited for passengers and it includes drivers. For passenger, this application allows discerning the reachable location by cars and taxis while drivers capable to detect ready-to-travel passengers and suitable payment method. In Malaysia, there are several ride hailing brands and the most popular named Grab as Wong (2017) appended Grab Car launched in 2014 and the company capable to gain 10 million subscribers in short period. This is phenomenon justify that ride hailing services in Malaysia has significant potential growth.

Although ride-hailing services Malaysia seek portable to individuals, but the issues that happen have made this industry expands. Several issues rise from by the article post by The ASEAN Post Team in 2019 includes drivers always cancel booking from passengers and scheduled price surging due to drivers not available. Based on overall issues above, several Malaysian still not satisfy towards ride hailing services in Malaysia for instance Ruangkanjanases and Techapoolphol (2018) suggested that service quality, pricing, and an innovation sense are three vital determinants for acceptance towards ride hailing applications among passengers in Thailand but Balachandran and Hamzah (2017) suggested that comfort is the main point for customer satisfy towards ride hailing services. For that reason, this study used three variables namely service quality, price and comfort for further investigation. Identifying the factors that affect customer satisfaction towards ride hailing service in Malaysia is vital to overcome the issues to expand the ride hailing industry. In addition, this study aims to analyze the validity and reliability of the planned measurement scale and the ways in which it can affect customer satisfaction with ride-hailing services in Malaysia by leading a pilot study to ensure that no problems occur which make the research project unsuccessful in future.

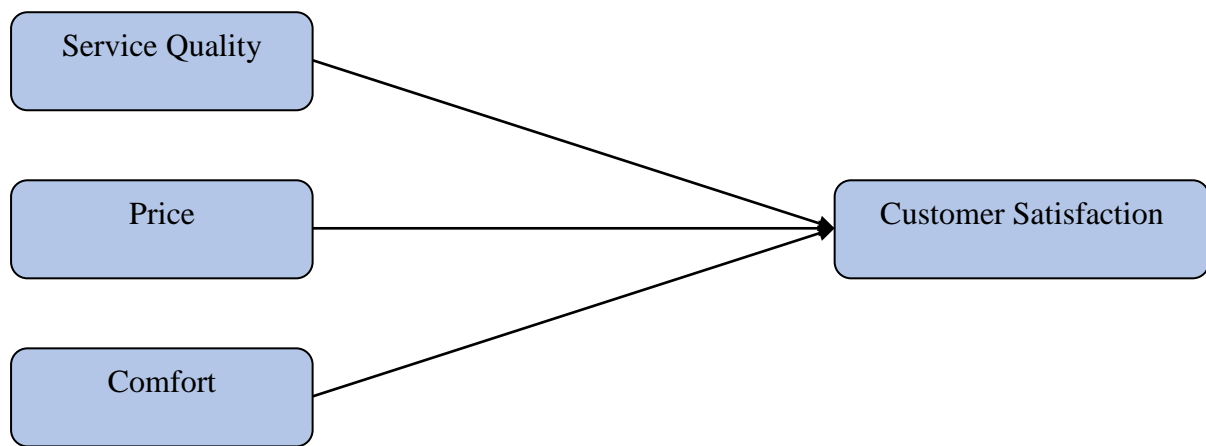
## II. METHODOLOGY

This study adapted a quantitative approach since numeric measurement includes. A total of 150 repondent aged between 15 to 39 years old who have used ride hailing services before was selected around the Klang Valley

area. According to Sachs (2016), the young generation who born between year 1980 to 2004 are mainly active to use ride hailing services in Malaysia. The construct of the pilot study consists of three parts as shows in figure 1 below. Part A of questionnaire is related with demographic profile. In Part B, the questions relate the perception for customer satisfaction towards ride hailing services in Malaysia while Part C was the feedback of respondents about service quality, price, and comfort. A 5-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree) was adapted in this questionnaire.

The Statistical Programmers for Social Science (SPSS) and SmartPLS 3.0 was used to analyse the data. Data analysis method that researchers carry out in this study was descriptive analysis, measurement model analysis, and path coefficient as show in table 1. Descriptive analysis functioned as summarization for data collection from questionnaire was analysis by SPSS software. Therefore, researchers performed descriptive analysis to examine demographic profile from 150 target respondents and summarize into table form by using frequency and percentage as suggested by Hair, Hult, Ringle and Sarstedt (2016). The Smart PLS 3.0 software was used to achieve the result of measurement model analysis and path coefficient. The main aim of measurement model analysis is to identify the validity and reliability of indicators while path coefficient is to degree of relationship and significant between indicators. This data analysis method is aimed to identify the effect between in formativeness service quality, price, and comfort towards customer satisfaction towards ride hailing service in Malaysia.

**CONCEPTUAL FRAMEWORK**



**Figure 1: A conceptual framework of the study**

**III. RESULTS**

**Demographic Profile**

Descriptive analysis functioned as summarization for data collection from questionnaire was analysis by SPSS software. Therefore, researchers performed descriptive analysis to examine demographic profile from 150 target respondents and summarize into table form by using frequency and percentage as suggested by Hair, Hult, Ringle and Sarstedt (2016). Table 1 indicate that 67.2% of the respondents are female while 32.8% are male while 56.8% of them are Malay. The researchers used the sample size which is individuals aged 15 to 39 and the higher percentage are range of 20-24 years old (49.2%) with the education level bachelor’s degree consists of 43.2%.

**Table 1: Demographic Profile**

Demographic	Percentage
<b>Gender</b>	
Male	32.8
Female	67.2

<b>Race</b>	
Malay	56.8
Chinese	29.6
Indian	13.6
<b>Education</b>	
	16.8
SPM	4.8
STPM	29.6
Diploma/Advance Diploma	1.2
Foundation	43.2
Bachelor Degree	2.4
Master Degree	2.0
PhD	
<b>Occupation</b>	
Students	42.8
Government Officer	8.8
Private Sector	32.8
Self-Employed	14.4
Unemployed	1.2

**Measurement Model Analysis**

All items and constructs in this study were reliable and valid according to the measurement model analysis result. Based on Hair et. al., (2016) appended loading values need to be more than 0.708 but the loading value between 0.4 to 0.7 still acceptable if the constructs fulfil the criteria for CR and AVE value. While the average variance extracted (AVE) value must be more than 0.5 as well as the composite reliability (CR) value must be more than 0.8 as suggested by Hair et. al., (2016). Furthermore, the factor loadings for each item in the variables consist of loading value of more than 0.708 as mentioned by Hair et al. (2016).

**Table 3: Measurement Model Analysis**

Constructs	AVE	CR
Service Quality	0.879	0.592
Price	0.916	0.686
Comfort	0.932	0.732
Customer Satisfaction	0.947	0.783

**IV. CONCLUSION**

This study aimed to examine the reliability and validity of the measuring instruments through quantitative approach to identify the effect of service quality, price, and comfort towards customer satisfaction on ride hailing service in Malaysia. Therefore, 150 responses from individuals aged 15 to 39 and have used ride hailing services around Klang Valley was collected. The result from the reliability test indicated that each of the items is reliable, with the score of composite reliability more than 0.5. Hence, it is suggested that the current items were unnecessary to be deleted and it is suggested that the measurement scale can be used for further actual data collection process.

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