Factors Affecting the Quality Service: A Case Study of SOCAR

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ABSTRACT

The purpose of this study is to identify the factors affecting quality service by SOCAR. The researchers design a set of survey questions to collect data from randomly selected respondents around USM on the quality services provided by SOCAR. A total of 100 questionnaires were distributed but only 54 responses were collected. Based on the research conducted, most of the respondents in USM are not familiar with the usage of SOCAR, such as the proper procedure to rent a car via the SOCAR app. One of the factors that allow this problem to happen is competition with other companies such as Grab. The study results are expected to show a positive relationship between efficiency of quality services and passengers' satisfaction.

Keywords: car rental service; passengers' satisfaction; quality service; SOCAR

INTRODUCTION

Looy, Gemmel, & Dierdonck (2003) stated that service industries are the largest contributors to employment and gross domestic product in most countries. A car rental, hire car, or car hire agency is a company that rents vehicles for short periods of time, typically ranging from a few hours to a few weeks. It is often organized with numerous local branches which allow a user to return a vehicle to a different location, and primarily located near airports or busy town areas and often the passenger can access via their respective website for online reservations.

Car rental agencies mainly serve people who need a temporary vehicle, for example, those who do not own their own car, travellers who are out of town, or those whose their cars are damaged or destroyed and they are waiting for their vehicle to be repaired or waiting for insurance compensation. Car rental agencies may also serve the self-moving industry needs, by renting vans or trucks, and in certain markets, alternative vehicles such as motorcycles or scooters may also be offered.
Alongside the basic rental of a vehicle, car rental agencies typically also offer extra products such as insurance, global positioning system (GPS) navigation systems, entertainment systems, mobile phones, child safety seats and portable Wi-Fi.

South Korean car-sharing start-up SOCAR Mobility Malaysia Sdn. Bhd. or better known as SOCAR which was officially launched in Malaysia on Jan 23, its first overseas expansion. The Tech start-up aims to bridge the gap in the existing multi-flex transport system with its on-demand car-sharing model. Founded in South Korea back in 2011

which as at today, it operates about 9,000 cars in 3,200 SOCAR zones-area which its cars are available to rent throughout the nation with more than 3.4 million users. In Malaysia, current SOCAR zones can be found mainly in Kuala Lumpur, Johor Bharu and Penang.

According to (Parasuraman, 1988), he explicit 5 measurements of SERVQUAL that their specific criteria area are tangible (physical facilities, equipment and look of personnel), responsibility (the ability to perform the promised service faithfully and accurately), responsiveness (the temperament to help passenger and provide prompt service), assurance (knowledge and courtesy and their ability to inspire trust and confidences), and empathy (giving the individual attention, caring, quick access, and ability to be approachable).

The purpose of the research is to identify the factors affecting the quality services of SOCAR Malaysia Mobility Services Sdn. Bhd. since SOCAR is the biggest car-sharing fleet in the Klang Valley although the Malaysian market is already being served by other players such as GoCar and moovby.

The prime focus of the research is among USM students who are using car rental services and well-educated people so that they provide meaningful answers to research questionnaires. For example, there are good studies of factor that affecting the quality service of SOCAR. Therefore, the researcher used the five-dimension service quality which is tangible, assurance, reliability, empathy and responsiveness to identify the factor that affecting the quality service. Moreover, the factor that affects the quality service is a cause that controls passenger satisfaction in choosing the best rental car service as their first choice to accommodate.

Passengers' satisfaction is the feeling resulting from the process of evaluating what has been received in return of what is expected, the decision to purchase itself and meeting the needs and desires (Armstrong and Kotler, 2009). Passengers would frequently choose the rental car service according to their previous experience and if they were first-timer, they would look for another passenger review before making any decision. Dehghan (2006) consider service quality as an objective comparison between the service quality desired by the customer and quality of service they have received actually. Generally, these five dimensions were being examined by the researcher to have a stronger thoughtful of factor that affecting quality service.

Five hypotheses have been developed for this study, which was given below:
H1: There is a connection between tangible and passengers' satisfaction.
H2: There is a connection between reliability and passengers' satisfaction.
H3: There is a connection between responsiveness and passengers' satisfaction.
H4: There is a connection between assurances and passengers' satisfaction.
H5: There is a connection between empathy and passengers' satisfaction.

RESEARCH METHOD

Sample and procedure

The questionnaire was distributed to 100 respondents around USM. Out of which, 54 respondents voluntarily completed our survey questionnaire, yielding a response rate of 54%. The majority of the respondents are students in USM mainly in the age range from 20 to 25 years.

Data was collected through the questionnaires prepared using Survey Monkey as an online survey and shared to all respondents around USM through WhatsApp. All questionnaires were made compulsory to be answered in order to complete the survey. The survey is opened to be answered by respondents for a week before all data is collected for analysis to investigate the relationship among five components of service quality in SERVQUAL and passengers' satisfaction.

Measures

The questionnaire had 15 general questions and was designed to collect data from the respondents on the factors affecting the quality service of SOCAR Mobility Sdn. Bhd. The research used both qualitative and quantitative approach. The independent variable used throughout this study is the overall passengers' satisfaction of quality service provided by SOCAR.

The questionnaire combined demographic questions and Likert scale questions that offering respondents the possibility to choose and rank among several options or the possibility to grade on a "strongly agree" to "strongly disagree" scale. The questions are organized along with two thematic blocks.

The first block of questions consists of demographic information which combined demographic analysis and Likert scale. Respondents were asked to indicate their gender, age, occupation, their history in using SOCAR and to rate their overall satisfaction on the quality service provided by SOCAR using Likert scale which employed a 5-point scale to indicate the degree of their agreement or disagreement with the statement.

The second block focuses on several aspects related to respondent responses to measure the passengers' expectation that relates to 5 dimensions of SERVQUAL (Tangibles, Reliability, Assurance, Empathy, and Responsiveness) which two questionnaires are prepared for each dimensions. The 5-likert scale represents rating as below:

(i)	Strongly disagree	1 point
(ii)	Disagree	2 point
(iii)	Neutral	3 point
(iv)	Agree	4 point
(v)	Strongly agree	5 point

RESULTS AND DISCUSSION

Upon examining all the analysis as given below, Statistical Package for Social Sciences (SPSS) was used to inspect the five dimensions of SERVQUAL concerning the passengers' satisfaction towards service quality provided by SOCAR.

Demographic Results
This section presents the frequency and percentage in general information of the respondents.

Table 1: Summary of respondents' demographics (*N*=54)

Response	Frequency	Percentage (%)
Gender		
Male	18	33.33%
Female	36	66.67%
Age Group		
Under 20	8	14.81%
20 - 25	45	83.33%
25 - 30	1	1.85%
30 and above	0	0.00%
Occupation		
Student	51	94.44%
Employed	3	5.56%
Not working	0	0.00%
Retired	0	0.00%
Have you tried using SOCAR?		
Yes	18	33.33%
No	36	66.67%
Rate your overall satisfaction of quality services provided by SOCAR		
Strongly Disagree	2	3.70%
Disagree	0	0.00%
Neutral	7	12.96%
Agree	9	16.69%
Strongly Agree	36	66.67%

The distribution of respondents' demographic is seen in Table 1 above with 54 respondents which consists of difference gender, age group and occupation. Among 54 responses collected from the survey, 33.33% of males have took part in the survey with remaining of 66.67% of females in total. In terms of age, the largest proportion of the respondents was in the age group of 20 – 25 years old, amounting to 83.33% of the total respondents followed up by under 20 years old (14.81%) and 25 – 30 years old with 1.85%. Most of the respondents are students with 94.44% from total respondents and

5.56% are employed. Out of 54 responses 33.33% have try using SOCAR while the remaining of 66.67 haven't. Lastly, there are 66.67% strongly agreed and 16.69% feel agreed about the overall satisfaction of quality services provided by SOCAR and only 3.7% from the total respondents feel strongly disagree.

SERVQUAL's 5 Dimensions Results

This section presents the mean and standard deviation based on the frequency and percentage data of the respondents. The questionnaires are sorted according to the five dimensions of SERVQUAL (Tangible, Assurance, Responsiveness, Reliability and Empathy). The number 1 until number 5 in table 2 below indicates (1 = strongly disagree; 5 = strongly agree) the degree of the respondents' agreement or disagreement with each statement.

Table 2: Summary of respondent's distribution based on five dimensions' SERVQUAL

Response		1	2	3	4	5	Mean	Standard Deviation
Tangible								
1. It is easy to find SOCAR zones.	Frequency	6	7	10	11	20	4.09	1.033
	Percentage (%)	11.11	12.96	18.52	20.37	37.04		
2. The car is in good condition and the interior is clean.	Frequency	0	0	7	9	38	4.43	.716
	Percentage (%)	0.00	0.00	12.96	16.67	70.37		
Assurance								
1. I feel safe using the car provided by SOCAR.	Frequency	1	0	7	17	29	3.87	1.047
	Percentage (%)	1.86	0.00	12.96	31.48	53.70		
2. I can easily find latest information on SOCAR and the app is user-friendly.	Frequency	3	5	11	16	19	4.61	.834
	Percentage (%)	5.55	9.26	20.37	29.63	35.19		
Responsiveness								
1. SOCAR had an efficient service in	Frequency	0	0	5	13	36	4.57	.662
	Percentage (%)	0.00	0.00	9.26	24.07	66.67		

helping me during emergency.								
2. I found that SOCAR always respond quickly to our feedbacks on their service.	Frequency	1	1	7	18	27	4.28	.899
	Percentage (%)	1.86	1.86	12.96	33.33	50.00		
Reliability								
1. SOCAR provides the best price range to rent a car compared to other car rental services.	Frequency	2	2	15	17	18	4.35	.850
	Percentage (%)	3.70	3.70	27.78	31.49	33.33		
2. The car never break down on the road.	Frequency	2	0	0	13	39	3.80	1.188
	Percentage (%)	3.70	0.00	0.00	24.07	72.23		
Empathy								
1. SOCAR understood my specific needs.	Frequency	1	5	5	20	23	3.59	1.394
	Percentage (%)	1.86	9.26	9.26	37.04	42.60		
2. SOCAR provides passenger loyalty program and promotion.	Frequency	0	0	7	17	30	4.57	.716
	Percentage (%)	0.00	0.00	12.96	31.48	55.56		

Table 2 presents to the satisfaction of passenger with 5 difference aspect. The average percentage of respondents responded with "Strongly Agree" and "Agree" for overall questionnaires that are distributed based on the five dimensions' SERVQUAL is 79.60%.

On the tangible dimension, there are 37.04% strongly agree that SOCAR zones are easy to find while 20.37% agree with the statement. There are 18.52% feel neutral about the statement while 11.11% strongly disagree.70.37 % strongly agree that the car is in good condition and the interior is clean and only 12.96% feel neutral about the statement. The average percentage of respondents responded with "Strongly Agree" and "Agree" for questionnaire under tangible dimensions is 72.22%.

On the assurance dimension only 1.86% feel not safe using the car provided by SOCAR while 53.70%, 31.48% and 12.96% feel strongly agree, agree and neutral respectively

about the safety provided by the SOCAR. There 35.19% strongly agree that it is easy to find the latest information on SOCAR and the application is user friendly but 5.55% strongly disagree with the statement. The average percentage of respondents responded with "Strongly Agree" and "Agree" for questionnaire under assurance dimensions is 75.00%.

Responsiveness dimension state that SOCAR had an efficient service in helping its passengers during emergency, 66.67% and 24.07% strongly agree and agree with the statement while the remaining 9.26% feel neutral about the statement. There are 1.86% disagree and strongly disagree while 50% and 33.33% strongly agree and agree about SOCAR being responsive towards the passengers' feedback.

In reliability dimension the statement saying SOCAR provides the best price range to rent a car compared to other car rental services with 33.33% strongly agree and only 3.7% feel strongly disagree. There are 72.23% strongly agree that the car provided by SOCAR never broke down and 24.07% agree with the statement.

The last dimension of quality service in SERVQUAL is empathy. One of the question stated that SOCAR understood their passenger specific needs and 42.60% agree with the statement and 37.04% and 9.26% agree and neutral about the statement while 55.56% believe that SOCAR provides the passenger loyalty program and promotion and 12.96% of total respondents feel neutral about it.

Regression Results

Regression is an arithmetical method used to originate a calculation that shares a single continuous dependent variable to two or more independent variables (Churchill, 2004). Multiple regression is used to test this hypothesis, the results of regression the independent variables against passengers' satisfaction can be seen in the following tables.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.969[a]	.940	.933	.254

a. Predictors: (Constant), Tangible, Reliability, Responsiveness, Assurance, Empathy

Table 3 shows the model summary of the quality service provided by SOCAR using 5 dimensions of SERVQUAL.

The R square value in the model summary of the quality service provided by SOCAR shows the amount of variance in the dependent variable that can be explained by the independent variables. For SOCAR, the independent variables which are the five dimensions' of SERVQUAL (Tangible, Reliability, Responsiveness, Assurance, Empathy) gather 94.0% of the variance in the passengers' satisfaction on the quality services provided by SOCAR. A 6.0% change of the dependent variable on SOCAR is explained by other variables that has not been listed in the regression model.

The R value (.969) is the multiple correlation coefficient between all the entered dependent and independent variables. R value measures the strength of all independent

variables associated with the dependent variable (passengers' satisfaction on the quality services).

Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.110	5	9.622	149.290	.000[b]
	Residual	3.094	48	.064		
	Total	51.204	53			

a. Dependent Variable: Passengers' satisfaction on the quality services
b. Predictors: (Constant), Tangible, Reliability, Responsiveness, Assurance, Empathy

ANOVA results in the variations in the dependent variable that is explained by the regression and evaluates the general validity of the multiple regression (Paul, 2006).The ANOVA table as in Table 4 which test the significance of the regression model.

As in Table 4, we can see that the significant value (p-value) =0.000 which is $p<.05$. As $p<.05$, our predictors are significantly better than would be expected by chance. The regression line predicted by the independent variables explains a significant amount of the variation in the independent variable. It can also be reported in a similar way to other ANOVAs: $F (5, 48) = 149.290$; $p < .05$.

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.327	.326		-4.072	.000
	Empathy	-.251	.209	-.217	-1.202	.235
	Reliability	.443	.120	.401	3.684	.001
	Responsiveness	1.331	.221	1.013	6.027	.000
	Assurance	-.281	.179	-.284	-1.571	.123
	Tangible	.049	.144	.051	.337	.738

a. Dependent Variable: Passengers' satisfaction on the quality services

The next part of our analysis can be seen in Table 5 that shows the Coefficients table that explains the variables are individually significant predictors of the dependent variable (passengers' satisfaction on the quality services).

The multiple regression takes the form of equations that has a coefficient for every predictor which is the independent variable in the model (Andy Field, 2009). The beta value (β) indicates the relationship between passengers' satisfaction on the quality services and all the predictors. These coefficients determine whether the relationship is positive or negative which will further determine whether the hypotheses is accepted or rejected.

The beta value (β) indicates the average amount by which dependent increases when the independent variable increases by one standard deviation when all other independent variables are held constant (Hinton, 2014).

As referring to Table 7, the coefficient shows that reliability (β=.401) and responsiveness (β=1.013) were significant to predict the dependent variable (passengers' satisfaction on the quality services). This is because both of the variables has p-value < .05. On the other hand, the independent variables that are not significant to predict the dependent variable were empathy (β=-.217), assurance (β=-.284) and tangible (β=.051) which the p-value are equivalent to .235, .123 and .738 respectively.

Table 6: Review of the hypothesis finding

No	Hypotheses	Finding
1	H1: There is a connection between tangible and passengers' satisfaction.	Rejected
2	H2: There is a connection between reliability and passengers' satisfaction	Accepted
3	H3: There is a connection between responsiveness and passengers' satisfaction	Accepted
4	H4: There is a connection between assurance and passengers' satisfaction	Rejected
5	H5: There is a connection between empathy and passengers' satisfaction.	Rejected

Based on the hypothesis results from Table 6, it shows that among all five hypotheses, only two hypotheses which were H2 and H3 have been accepted. Zeithaml et al. (2006) added that among these dimensions of SERVQUAL model, reliability has been shown consistently to be the most important dimension in service quality.

CONCLUSION

In conclusion, the factors affect the quality service of SOCAR Malaysia Mobility Services Sdn. Bhd. is identified in this study. Five-dimension service quality which is tangible, assurance, reliability, empathy and responsive had been developed as hypotheses to identify the factor that affecting the quality service by relating to passengers' satisfaction. By using Survey monkey questionnaire as an online survey tool, the data or response from the sampled respondent is used as data to analyze the relationship between the five dimension service quality and passengers' satisfaction.

According to tangible factor, the use of SOCAR service is not only easy to find but the car condition is always in good condition. Assurance dimension shows there is a high level of an experienced passenger on the safety provided by SOCAR and moderate friendly app to get the latest information about the service provided. There is a high passenger grading on the efficiency service by SOCAR on helping passengers in emergency and being responsive on passenger feedback on responsiveness dimension while reliability dimension interprets moderate passenger feedback on SOCAR providing the best price range to rent a car than other car rental services but mostly SOCAR provides cars that do not break down. In the last dimension factor that is empathy, SOCAR has higher grading on understanding passenger needs and always provides passenger loyalty program and promotions.

Thus, the reliability dimension has the highest response. This is proven that reliability factors affect the service the most, following by assurance, empathy, responsiveness and tangible factors. This car rental service is a quick change industry with more competitors in the upcoming years. So understanding the key factor that affects quality services at the current time is important to overcome negative effects and bad impression of passengers on SOCAR services.

There is a limitation to our study. The sampling design of passengers we chose is not much appropriate. It is just 54 students in USM campus. In the future study, the sampling must increase by adding public people and other universities students as respondents.

For future recommendation, some improvement suggestions by us on SOCAR service to attract more passenger on it. The suggestions are by providing travelling insurance for the passengers, providing drinking water bottle in the car whenever new passenger renting the car, considering fewer toll expenses for passengers and reasonable charge on renting and fuel. SOCAR may implement these new ideas as a way of improving their services to more efficient and make more passengers in future time.

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