

DRIVER BEHAVIOR, COUPON REDEMPTION AND RELIABILITY FOR CUSTOMER LOYALTY WHILE SELECTING E-CAB SERVICES: EMPIRICAL EVIDENCE FROM HYDERABAD, PAKISTAN

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ABSTRACT: The purpose of this research is to study the factors influencing customer loyalty while selecting e-cab services particularly in Hyderabad Sindh. A new market for mobile-based taxi service providers commonly known as e-cab companies, these companies were not still present here five years earlier, even that a tremendously positive response has been observed from customers for these companies. The primary method has been adopted for the collection of data in the form of an adopted questionnaire. Total respondents were 220, out of which 200 respondents were physically contacted and 50 were online respondents from social media. The statistical tools like the Reliability test and multiple regression statistics are used for data analysis. The results of this study revealed that multiple regression analyses of all independent variables such as Driver's Behavior, Coupon Redemption, and reliability are found to be a positive and significant impact on the selection of E-cab services. However, the highest value of beta Driver's behavior is revealed as a key factor by customers of Hyderabad, Pakistan. Policymakers should consider these factors for the more market share in E-cab service.

Keywords: Driver's Behavior, Coupon Redemption, Reliability, E-cab

INTRODUCTION

Nowadays it is not easy to travel within big cities due to rapidly increasing traffic around the world. Today people are more comfortable using public transportation and traditional taxi services instead of using their vehicles because of heavy traffic and limited availability of parking places in big cities [1]. However, it is also true that public transportation is not easily available in every city. People living in small cities or remote areas are unable to use public transportation. Entrepreneurs & IT experts have identified this problem very well and turned it into not only worldwide money earning opportunity but also created a convenient & easy to use the traveling facility, known as E-cab or online cab service around the world. Cab, which is commonly known as a Taxi is a vehicle used to provide pick and drop facility to the passengers from one point to the desired destination. The concept of a taxi is quite traditional and is in practice for a long time but in today's technical era of modernization has changed the way of life [2]. Technological development, especially in the field of internet, has made structural changes in every field of life likewise; traveling patterns have also been changed. In the past, when anyone wants to use a cab, he used to wave his arm in the air by standing for the taxi. That was the former century way. Now, let an app do all the work. Today if someone wants to use taxi services he/ she can simply book a ride by connecting the smartphones with the internet and using a different app such as Careem or Uber E-cab services. In recent times it has been observed that different cab companies have developed an effective cab management system and offering special discounts with amazing features in a much faster and convenient way [3].

Cab Services in Pakistan

Careem and Uber have emerged as some major e-cab service providers in the Pakistani taxi market. In a very short time, both Careem & Uber became very famous and captured

the cab market of the country. Large numbers of vehicles have been registered with them and also created employment opportunities for both part-timers and full-time employees. The purpose of providing the information to the passenger is to give them a sense of security and a facility to track with the help of GPS (Global positioning system). In Pakistan, people are quite satisfied with this new mode of transport which provided the ease of traveling within big cities like Karachi, Lahore, Quetta, Peshawar, and Islamabad of country. These online services provided them a facility to travel anywhere within the city, at any time with full safety, comfort and in style.

Research Gap

The first and utmost problem is that previous scholars did not conduct any research regarding consumer selection of cab services in Hyderabad. It has been observed that important factors like reliability and driver's behavior have not been taken into consideration while preparing the research. Most of the conducted researches were on service quality and customer satisfaction only.

Significance of the study

The factors that influence consumers in the selection of cab service are concerned with the three main stakeholders. Firstly, the companies who are providing the e-cab services. This study will not only help the researcher to understand the factors but it also proved to be very helpful to the e-service companies to improve and extend their business in the market. Secondly, the consumers who are getting more benefits in terms of reasonable prices, discount offers, 24/7 availability of the service and sense of complete security. Finally, the government will generate revenues in terms of taxes and other regulatory charges.

EMPIRICAL STUDIES

The study confirmed the customers are very responsive towards the redeem coupons while selection of cab service. [4]. The customers used to consider the both factors the physical and virtual factor. Physical factors can be understood via driver's behavior and vehicle condition and whereas, the virtual factor via application designed by the service provider [5]. The reliability and driver's behavior are important factors for selection of cab service confirmed by the study [6]. The female passengers really take care for taxi driver's behaviors in context of less develop countries [7]. The research results revealed that the Price, Reliability and driver behavior are key factors for the customer loyalty, however, the driver's behavior is more weighted by customer while selection of cab service [8]. The study explored the online taxi and its influence on the customer satisfaction while selection of cabs based vehicle. Findings, confirmed that reliability and trust on driver's behavior is an important factors and in case of failure these factors customer may withdraw the services offered by the cab companies in the future [9]. The customers really take care of various variables that serve as the key factors for the customer satisfaction overall, research scholar revealed the unique findings in context of cab industry that marketer should take care of immediate actions in terms of reliability for better market share in upcoming days. The competition has been increase to great extend due to more than one service provider into cab industry [10]. The trust in terms of driver's behavior is considered as the key factor for the customer satisfaction in cab industry while section of service provider, findings suggested by [11]. Furthermore, the trust level and teamwork are suggested an important factors into cab service industry. The research claims that the cab service industry's business model there are three key factors such as value creation, value appropriation and value delivery. The primary factors for all cab service provider is driver and passenger relationship while consumption of service. Along with, technology and the driver's behavior are important factors [12].

Based on the above literature review following the alternative hypothesis and conceptual framework has been developed.

H₁: There is a significant impact of Driver's Behavior while selecting a cab service in Hyderabad, Sindh.

H₂: There is a significant impact of Coupon Redemption while selecting a cab service in Hyderabad, Sindh.

H₃: There is a significant impact of Reliability while selecting a cab service in Hyderabad, Sindh.

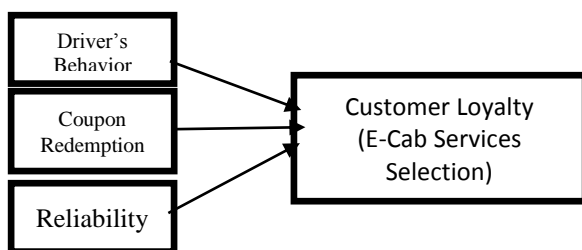


Figure 1: Conceptual Framework

MATERIAL AND METHODS

Data Source

The data source of the study is 'Primary', which involves the collection of research data directly from the respondents. In other words, the primary source is the direct data source related to the subject or problem. Here, data will be collected directly from the participants using a structured adapted questionnaire based on cab services to determine the Loyalty level among customers.

The population of the Study

The population of a research study is a general public that prefers cab services for their purpose of work. As the aim of the study is to explain the factors influencing customer satisfaction for cab service in Hyderabad, therefore the population of the study consists of the general public, who used to use cap services for the last two years.

Sampling Strategy

In the primary research, sampling is an important component, which determines the number of respondents participating in the research study. Due to several constraints, including time, geographic and finance, a study needs to select a subset of the population. The sampling process can be either probability or non-probability. In this case, the 'convenience sampling' technique is used, which is a form of non-probability sampling and considers accessibility and proximity of the respondents.

Sample Size

The most acceptable way of determining the sample is 10:1 (10 samples for one item. According to proposed a rule of thumb that in case of quantitative and Multiple Regression Analysis is good enough to sample size criteria as (number of items *10). In our case, the Total number item is 12*10 =120. But we used 220 same questionnaires, 20 are discarded and the remaining 200 questionnaires are our sample size with a response rate of 90.9 percent.

RESULTS

Respondent's Profile

Table: 1 Respondent's Profile

Gender	Frequency	Percent
Male	110	55
Female	90	45
Total	200	100
Age		
18-28	80	40
29-39	72	36
Above-40	48	24
Total	200	100
Income		
20,000-30,000	75	37.5
31,000-40,000	80	40
Above-40,000	45	22.5
Total	200	100

Table 1 indicates the respondent profile. Respondents' characteristics such as Gender, Age and Income categorized to achieve the objectives of this study. The demographics of respondents are shown in below Table 1.

Reliability Analysis

Table: 2 Reliability Analysis

Variables	Number of items before analysis	Number of items after analysis	Cronbach's Alpha Value
Customer Loyalty	3	3	0.82
Driver Behaviour	3	3	0.78
Coupon Redemption	3	3	0.72
Reliability	3	3	0.75

You can see in above table 2, the Reliability statistics, the value of Cronbach's Alpha is used for final decisions about the reliability of studied data. On that basis, we can level of reliability in terms of poor or good, in our case Cronbach's Alpha value of Customer Loyalty 0.82 or 82%, Driver Behavior 0.78 or 78%, Coupon Redemption 0.72 or 72%, Reliability 0.75 or 75%, The conclusion for reliability for all the variables can be drawn as data is reliable.

ANOVA

Table: 3 ANOVA

Model	Significant value
Regression	0.003

The ANOVA table 3, shows the fitness of a model with the help of sig value, the p-value should be less than 0.05. In this study, the ANOVA table reveals that the P-value is 0.000 which indicated that our model is fit and we can explain the individual impact of the independent variable concerning the dependent variable.

Coefficients

Table: 4 Coefficients

Model	Standardized Coefficients (Beta)	Significant value	VIF Value
Constant		0.000	
Driver Behaviour	0.225	0.002	1.194
Coupon Redemption	0.178	0.016	1.258
Reliability	0.151	0.035	1.183

In table 4, the beta value shows the relationship between dependent and independent variables. In this study, it indicates a positive relationship among all studied variables such as Driver behavior, Coupon redemption, Reliability with customer loyalty. The value of p or significant value reveals the impact of independent variables on dependent variables. This value should be less than 0.05 percentages; in our case, all 03 variables are found to have a significant impact on the dependent variable. VIF (Vector inflation factors), indicates the correlation among the independent variables, the decision criteria are that it should be less than or at least 10 to rely on final results. In this study all independent variables have VIF is less than the recommended value (10).

Hypothesis Testing

Table: 5 Hypothesis Testing

S. No	Independent Variable	Hypothesis	Remarks
01	Driver Behaviour	H1	Accepted
02	Coupon Redemption	H2	Accepted
03	Reliability	H3	Accepted

It can be seen in table 5, results revealed that all alternative hypotheses are accepted in the present study.

DISCUSSION

Based on this study's results, all independent variables such as Driver's Behavior, Coupon Redemption and Reliability are considered important for the selection of E-Cab selection in Hyderabad, Pakistan. First, Driver's Behavior has more influence as compared to other important factors due to higher beta value (0.225) with p-value (0.002). Similarly, a study conducted by [13,14] in India, in this study they suggested that the Driver's Behavior has a significant influence on the customer. Second, customers of Hyderabad, Pakistan had given priority to Coupon Redemption with beta value (0.178). Third, Reliability is found to have positive (beta value= 0.151) and significant (p-value=0.035) for the E-cab selection in Hyderabad, Pakistan. A similar, study conducted by [13, 14] Customers is looking for Reliability for the final selection of services.

CONCLUSION

This research has found a significant impact of service quality factors such as Driver behaviour, Reliability and Coupon Redemption on the dependent variable which is Customer loyalty. Driver Behaviour, Coupon Redemption, and Reliability have a positive relationship with customer loyalty, which means that good behaviour of drivers; more frequent discount offers and overall reliability of e-cabs services directly lead customers towards brand loyalty and loyalty is what both marketer and companies want to achieve in today's competitive era. Furthermore, this research paper can also be useful for policymakers and upcoming online e-cab service providing companies to understand the market and operate their businesses more efficiently in the Hyderabad, Pakistan marketplace in the future.

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