Factors impacting online loyalty to the Grab ordering app among Malaysia Kelantanese Customers in Post Covid-19 Pandemic

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Abstract

This research examined how significant factors including information quality, payment convenience, and social media involvement influence customer loyalty to the Grab smartphone app among customers post Covid-19. Customer loyalty is influenced by various elements and antecedents, including values, experience, security, technological adoption, and behavioural control, according to previous research. Customers in Kelantan who were regular users of the Grab Ordering mobile application were given questionnaires as part of this study, which took a quantitative approach. SPSS version 24 was used to analyse the data. The analysed data show that the three criteria of information quality, convenience of payment, and social media all have a significant impact on customer recurrent use of the Grab Ordering App. The results further provide useful information for recognising and improving services, comfortable environment, and customer needs.

Keywords: Customer loyalty, information quality, ease of payment, social media influences, Grab, mobile application, and e-commerce.

1. INTRODUCTION

E-commerce has replaced the conventional way of doing business to a degree that has forced many small companies to shift their focus to a new market. The new technologies and supporting tools have facilitated the companies to change their pattern and behaviour to be more innovative in doing business. With the new technologies, the companies have created a new online platform that allows the customers to purchase the products more conveniently, especially when selecting and comparing the product and arranging the product's delivery. It also happened in the food and beverage industry. The emergence of new technologies enables the customer to order their favourite food through the restaurant website and some of the food delivery services such as Deliveroo, just eat and foodpanda. According to recent development, there is an increased demand for online food online and is overgrowing, 12% per year (Chang, 2021).

Furthermore, as gathered from Statista online food delivery data collected in Malaysia, the revenue of online food delivery is expected to grow RM599 million in 2019. The recent disease issue, such as COVID 19 and now that countries are opening up for economic activities has created an enormous demand for online food delivery due to the government's movement control order in many countries. The online business has been bustling as many people prefer to remain at home or their workplace while placing their order. This technology improves order accuracy, increases performance and develops customer services (Ng, Wong & Chong, 2017; Yeo et al., 2017).

More so, from a company's perspective, customer loyalty has identified as an essential segment that determines the company's success,
especially in maintaining and increasing customers and satisfy them. It has been known for a tool that brings in substantial profit and creates significant attention for the company products. Mostly business that provides high value and quality products are likely to satisfy the customer and win customer loyalty (Parasuraman and Grewal, 2000). Several researchers have attempted to uncover critical antecedents that influence consumer loyalty in various circumstances. For example, Macintosh and Lockshin (1997) developed a model based on retailer loyalty characteristics. They looked at the connections between sales people trustworthiness, store trust, and repeating purchasing intentions. Al-Awadi (2002) proposes a paradigm for cooperative consumer societies' loyalty. The model explains the connection between customer loyalty and customer satisfaction. To explain consumer loyalty, Chang, Wang, and Yan (2009) examine crucial criteria such as product quality, customer satisfaction, and value. In taking the perspective of customer online loyalty building, our goal is to show how the key factors such as information quality, social media presence and ease of use of technology that impact customer loyalty. The study of online loyalty still in its early stages of discussion. Scholars have turned their interest from studying the impact of customer loyalty towards purchase intention to online loyalty. Several scholars have highlighted to further the study on identifying the key factors that support the development of customer loyalty in an attempt to explain the role of customer loyalty in determining the company's success. However, very few studies explain the dimensions in online loyalty and the rest remained unresolved. These studies mostly exploratory in nature and often identified the important antecedents through qualitative research Aladwani and Palvia, 2002). A large number of areas remain unexplored. As per our knowledge, we believe that although some studies have furthered their research on online loyalty, there is yet to have a unified view on the key dimensions that can explain the factors that lead to the development of online loyalty in a company. This study tries to define the several essential aspects that lead to the company retaining customer loyalty perceptions of information quality, social media presence, and ease of use of technology in relation to recalled models. This study has three primary components: first, we will explore previous research that has emphasised the elements related with consumer loyalty and online loyalty, based on a review of the literature. This analysis will result in the creation of research hypotheses. Second, these hypotheses will be put to the test empirically. Finally, the influence of selected major elements will be addressed in terms of conceptual and managerial implications.

2. Literature Review

2.1 Customer Online Loyalty

Customer loyalty is a cornerstone to understanding customer decisions to stay in relationships with a product or service, according to marketing and management literature (Boakye et al 2012; Morgan and Hunt 1994). Customer loyalty is a highly sought outcome variable for any organisation, according to the authors, and it is a by-product of the customer's relationship experience with the firm's offering. It refers to the psychological attachment to or maintenance of a connection based on the customer's level of satisfaction with the product or service (Gruen et al., 2006). Customers' complete experience is captured as the writers co-create value during service delivery, according to the authors. Nonetheless, e-commerce is now overgrowing in which both retailers and customers can enjoy compelling advantages (Pereira et al., 2016). Vast information based on online purchase experience can be generated and stored electronically as well as further explored through big data analytics software (Pereira et al., 2016). However, the researchers found that consumers are doing more information searches on the internet than actual online purchasing. In the basis, the internet is an eminent and extensive information superhighway, defined as “a network of computer networks, which is capable of
providing virtually instant access to a vast storehouse of information spanning the globe” (Henrichs, 1995). It provides consumers access to a variety of information an alternative way to make purchases at home or anywhere in place that have internet, including through a mobile application. This is a software program especially for small, wireless computing mobile devices such as smartphones, rather than desktop or laptop PCs. The creation of cross-platform mobile applications has been hampered by the rise of mobile devices and specs (i.e. screen sizes, resolutions etc.). Model-Driven Development (MDD) is a powerful tool for dealing with this issue and allowing change management to be the final solution.

Nonetheless, early two-thirds of Internet users have used the internet to research purchases online. However, they have yet to buy over the internet (One-Third of Internet Users Have Made Online Purchase, 1999). Hence, online customer loyalty is seen as a critical determinant of financial performance in competitive markets for the long term (Lai et al., 2009; Pereira et al., 2016). However, online customer loyalty has been treated as the extension of customer loyalty in the offline environment (Nisar and Prabhakar, 2017; Yoon & Uysal, 2005; Buhalis et al., 2020).

The fundamental rules for creating customer loyalty remained the same in online space as an offline environment with the exception that the rate at which economic rules that businesses are needed to adapt and improve to retain customer loyalty is much higher in the online space (Reichheld and Schechter, 2000; Husain, 2017). Non-store channel retailer needs to prepare for the higher initial cost of customer acquisition than brick and mortar businesses, but double spending can be traced from repeat purchase in 24 to 36 months than in first six-months relationship (Reichheld and Schechter, 2000; Husain, 2017). This indicates the importance of online customer loyalty hence the emergence of studies in different fields (cf. Buhalis et al., 2020). Buhalis et al. (2020) proposed that customer online loyalty can be derived from two concepts 1) individual’s intention or willingness to repeat purchase for the same product, service or brand regardless of its site or to recommend it through the Web, mobile phone or social networks and 2) individual’ intention or willingness to repeat purchase on the same site regardless of its product, service or brand or to recommend it through the Web, mobile phone or social networks (Carneiro et al., 2019; Llach et al., 2013; Buhalis et al., 2020).

The second concept has been supported by Flavián et al. (2006), who described customer online loyalty as a consumer’s intention to buy from a website and that the consumer will not shift to any other website. In the online setting, customer loyalty has been defined as “a customer’s favorable attitude towards an electronic business, resulting in repeat purchasing behavior” (Anderson & Srinivasan, 2003, p.125), which denotes the attitude and behaviour of a customer.

2.2 Antecedents of Customer Loyalty

Customer loyalty seems to be so important that tracing its roots has become a major concern for businesses (Boakye et al 2012; Morgan and Hunt 1994). As a result, marketing researchers have looked into client loyalty from several angles (Abu-Alhaija et al., 2018), which led to the emergence of three categories of its antecedents (Dick and Basu, 1994; Abu-Alhaija et al., 2018). This includes a) cognitive antecedents (beliefs or evaluations), b) affective antecedents (feelings), and c) conative antecedents (behavioral dispositions) (Dick and Basu, 1994; Abu-Alhaija et al., 2018). However, the study on the antecedents of online customer loyalty is still lacking (Balabanis et al., 2006; Christodoulides and Michaelidou, 2010). It is contemplated that its antecedents can be explained by expectancy-confirmation theory (Oliver, 1991; Pearson et al., 2012; Valvi and West, 2013).

It is based on the argument that people learn from expectation and this theory has successfully been applied to the study of media and attitude (Fishbein & Ajzen, 1975; Pearson et al., 2012). In general, the beliefs about the capabilities of a media can influence an individual’s attitude to use it continually.
Although researchers have explored loyalty to comprise both a customer's attitude and behavior, the role of social media in influencing attitude has rarely been examined (Hynes and Wilson, 2016). It was rather treated as the consequence of customer loyalty (Dick and Basu, 1994, Singh et al., 2017).

2.3 Information Quality

Information quality is associated with some features and characteristics that make according to information useful to users. These characteristics are called qualitative characteristics of accounting information. Whether or not measurements are recognised for information producers, storage and maintenance systems, or searchers and users of information, it will have a considerable impact on defining what "Information Quality" is in the context of the World Wide Web and its Search Engines. The commonly consensus way of assessing IQ is to look at it from the standpoint of the user. According to Strong and Wang (1997), quality of information can sometimes be judged apart from the individuals who utilise it.

Transferring this to the Internet presents a variety of issues. For starters, there are no quality control measures in place for data uploaded to the Internet. Second, information users must make their own quality judgements (Rieh, 2002), resulting in a highly subjective environment in which one user's quality may be of little or no value to another. As a result, quality aspects like appropriateness as well as utility are crucial in determining consumer loyalty, according to research (e.g. Kim, & Niehm, 2009; Pearson, Tadisina, & Griffin, 2012).

2.4 Ease of Payment (payment security) (trusted transaction)

This research looks into the complicated world of mobile payments. It examines consumer propensity to utilise mobile phones as a payment instrument in transactions in which money is transferred from customers to merchants in exchange for goods or services. There is a need to ensure that security concerns are effectively handled and structured in accordance with potential customers' subjective views. There are currently insufficient findings from a Malaysian consumer survey on digital payment perceptions.

2.5 Social Media Influences

This study looks into the concept of social media influencers by looking at how it affects customer attitudes and buy intentions. According to Morwitz (2014), consumer buying behavior is a common marketing metric for measuring the effectiveness of a marketing plan and anticipating sales and market share. The impact of social media influencers is measured using four dimensions: source credibility (Hovland and Weiss 1951), perceived enjoyment (McGuire 1985), product match-up (Till & Busler 1998), and meaningful transmission (Till & Busler 1998; McDonald, 1989). As a result, determining the impact of social media celebrities (i.e., trustworthiness, perceived enjoyment, product match-up, and meaning transfer) on purchasing behavior via customers' attitudes may possibly provide useful information to marketers. As a result, they can devise sales promotion techniques to influence clients' decision-making in favour of the products or services.

2.6 Research Hypothesis

This study's premise is focused on the variables of quality of information, payment convenience, social media influences, and consumer loyalty. The hypotheses were formed and tested based on the research objective as:

1. H1: Every level of information quality (H1a content quality, H1b interaction quality, and H1c contextual quality) will increase consumer loyalty.

2. H2: Users' commitment to use the Grab app is influenced by their perception of security.

3. H3a: Participation in firm-hosted social media will have a positive impact on the intensity of the customer-firm relationship, suggesting a strong level of commitment.
H3b: Social media word of mouth has a significant and positive impact on client loyalty.

2.7 Research Framework

Figure 1 depicted the study's explanatory variables (IVs) and outcome variable (DV). The IVs as elements which could impact customer loyalty towards the Grab mobile app. There are three IVs that has been examined in this study, which are information quality, ease of payment, and social media influences as indicated below.

In this investigation, basic random sampling was chosen as the sample strategy. A simple random sample is one in which every element in the population in question has an equal chance of being selected, and the likelihood of being chosen is unchanged by the selection of other units (Teddlie & Yu, 2007). Simple random sampling is a basic sampling approach that allows a sample of participants to be chosen from a large population. Each person was selected completely through probability, and everyone in the population has an equal chance of being included in the sample. The researchers employed the Krejcie & Morgan (1970) equation to determine the sample size in order to obtain a reliable and valid sample for this investigation.

\[ s = \frac{X^2NP (1-P)}{d^2 (N-1)} + X^2P (1-P) \]

where the key elements of the formula are explained as:

- \( s \) = the requisite sample size.
- \( X^2 \) = represents the chi-square tables value for 1 degree of freedom at the given confidence level (3.841).
- \( N \) = is for study population.
- \( P \) = Required proportion of population (anticipated as 0.50 meant to attain the determined sample size).
- \( d \) = the level of precision given as a percentage (0.05).

Frequency distribution, descriptive statistic, and reliabilities of the constructs were the three types of data analysis used in this study. Statistical Package for Social Science model 24 was used to analyse the data (SPSS).

3. Methodology

The research uses a quantitative method by using questionnaire instruments based on the main objective of this study to determine the customers’ loyalty in Kelantan towards Grab mobile application. The data collection that researchers use is primary data and the technique that researchers use is experiments. The questionnaire had been used as the research instrument of this study. The purpose of used questionnaire as the research instruments is easier to measure the relationship between the dependent and independents variables. The sample of the population for this study is among customers in Kelantan. The total respondents for this study are 358 customers. Individuals are the object of analysis used in this study. It's because this study's questionnaire is targeted on individuals, and the respondents are also individuals; it's not a group study.

4. Analysis of Results

4.1 Descriptive Statistics

The reliability analysis, demographic features of participants, descriptive statistic, and Pearson's coefficients interpretation were all
covered in this chapter. The findings of the study have been gathered amongst 358 individuals. After that the data had been obtained, IBM SPSS Statistics version 24 was utilised to analyse the results.

This study’s primary analysis comprised a frequency analysis. The data from Questionnaires includes surveys from individuals with various demographic factors such as gender, age, and education, years of study, race, and total spending on Grab mobile application, and frequencies of using Grab mobile application. These are two of the critical points:

The result shows that the percentage of respondents by the spending spent on Grab mobile application. There were 57% (201 respondents) who had spent around RM0 – RM20 on Grab mobile application. Then it followed by 26% with 91 respondents whom spent around RM21 – RM50 on Grab mobile application. Next, there is only 8% respondents (34 respondents) spent RM51 – RM70 on Grab mobile application. The lowest rank is held by spending RM71 – RM100 on Grab mobile application with 4% (14 respondents). Lastly, there is 5% of respondents (18 respondents) have spent RM101 and above on Grab mobile application.

The number of respondents by frequencies of using Grab mobile application shows that the respondents rarely use Grab mobile applications every day, with 3.9% (14 respondents). Then, it followed by 9.8% responses (35 respondents) who use Grab once in every week. Total respondents who used Grab for every 2 – 3 weeks were 65 respondents with 18.2%. Next, respondents who used Grab every month is 15.9% (57 respondents). There are also 22.9% respondents (82 respondents) used Grab for every 2 – 3 months. Lastly, the highest rank is owned by 29.3% (105 respondents) who used Grab service less than 2 – 3 times per month.

4.2 Findings for Reliabilities of Study Variables

The questionnaires’ reliability was assessed using reliability analysis. Cronbach's Alpha analysis was used to ensure the data's dependability and internal consistency. According to Hair et al., the Rules of Thumb for Cronbach's Alpha coefficient size are as follows: (2007).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items Number</th>
<th>Cronbach Alpha values (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Quality</td>
<td>7</td>
<td>0.867</td>
</tr>
<tr>
<td>Ease of Payment</td>
<td>7</td>
<td>0.880</td>
</tr>
<tr>
<td>Social Media Influences</td>
<td>7</td>
<td>0.881</td>
</tr>
<tr>
<td>Customers’ Loyalty</td>
<td>7</td>
<td>0.902</td>
</tr>
</tbody>
</table>

Table 1 reveals that the study's Cronbach's Alpha values were higher above the acceptability level (0.5), ranging from 0.867 to 0.902. The dependent variable, customer loyalty, was shown to have a good reliability value (0.902). With = 0.867 and = 0.880, the independent variables of information quality and ease of payment demonstrated extremely strong dependability. Social media impacts, the third independent variable, similarly had a high level of dependability (0.881).

4.3 Pearson Correlation Coefficients

Pearson's correlation test seems to have been a useful tool for determining the linear relationship between two variables. The goal of this study is to see if there are any associations between both the independent factors (quality of information, ease of payment, and social media effects) and the dependent variable (customers’ loyalty to the Grab mobile app). Researchers must assess whether the strength of the correlation is acceptable if the relationship is substantial. The Pearson correlation coefficient between information quality and client loyalty is 0.725, according to Pearson's correlation coefficients. The Pearson connection between customer loyalty and ease of payment is 0.583, while the Pearson
5. Results and Discussion

From the study hypothesis, Hypothesis 1: Information Quality, H1: Each information quality dimension (H1a; content quality, H1b; interaction quality, and H1c; contextual quality) had positive impact on customers' loyalty. The p-value is 0.000, with a correlation coefficient of 0.725. The result suggested a significant and high positive correlation between information quality and customers' loyalty. This indicates respondents agreed that the Grab mobile application's information is adequate and understandable. Hence, hypothesis 1 (H1) is accepted and confirms Chae, et al. (2002) and Pearson, Tadisina, & Griffin, 2012) studies which found significant effect of information quality and customers' loyalty.

Similarly, Hypothesis 2: Payment Ease, H2: Perceived security has a good effect on customers' loyalty to use the Grab mobile app. The p-value is 0.000, which agrees with Hamidi and Moradi and is less than the significant level of 0.01. (2017). The correlation coefficient is 0.583, indicating a moderately positive relationship between ease of payment and client loyalty based on perceived security. As a result, the respondents agreed that the Grab mobile application's online transaction is secure, and that the app's cash transaction is convenient for users. Hypothesis 2 (H2) is so accepted.

More so, Hypothesis 3: Social Media Influences, H3a: that assessed the proposition that direct involvement in firm-hosted social media will have a positive impact on the intensity of the customer-firm relationship, resulting in increased loyalty. And H3b: Word of mouth on social media have a positive influence on customers’ loyalty. The p-value is 0.000, which means it has less than the significant level of 0.01. The correlation coefficient is 0.466 which though had low positive correlation between social media influences and customers' loyalty. From the results, social media significantly influence customers' loyalty to keep using Grab mobile application and is in line with Alhulail, Dick, and Abareshi, (2018) study on the effect of social media on customers' loyalty. In view of that, both hypothesis (H3a and H3b) are accepted.

In conclusion, the study found that all of the study's hypotheses were accepted. The correlation coefficients between the independent variables and the dependent value were 0.725 for information quality, 0.583 for convenience of payment, and 0.466 for social media influences. As previously stated, the study variables exhibited a high positive connection, moderate positive correlation, and low positive correlation, respectively. To summarise, there is a strong link between information quality, convenience of payment, social media influences, and Kelantanese users' devotion to the Grab mobile application.

6. Conclusion and Recommendations

Using the Grab mobile application in Kelantan in this post Covid-19 pandemic, this study investigates the relationship between the variables of information quality, simplicity of payment, and social media influences on consumer loyalty. Based on current literature, the research framework was created. The link between each constituent of the independent variables and the dependent variable was studied in this study. In total, 357 people participated in this study via an online survey. SPSS software was used to collect and analyse the data, which was done using descriptive statistics, reliability analysis, and correlation analysis.

The study discovered that all of the hypotheses in this investigation were accepted and agreed with some previous research. High positive correlation, moderate positive correlation, and low positive correlation were found, respectively. It also solved the research
question of whether all factors have any association. There is a link between the quality of the information, the convenience of payment, social media influencers, and customer satisfaction or loyalty when using the Grab smartphone app.

In this investigation, the result given is reliable and can be accepted. The findings of the study, which looked at the relationship between information quality, convenience of payment, and social media influences on customer loyalty when using the Grab mobile app among Kelantanese customers, were confirmed.

Meanwhile, such results can be foretold about the factor of information quality, ease of payment, and social media influences that influence the customers' loyalty in the use Grab mobile application among Kelantan customers in this post Covid-19 pandemic and any other crisis. The study recommends that similar studies could be conducted with other food delivery services, increase the number of customers or use a different study design in Kelantan, Malaysia or in other countries. Finally, future researchers could introduce other variables to serve as mediators or moderators in explaining how those variables contribute to these factors that influence online loyalty towards Grab ordering Application.

Reference


