

## Service quality improvement of traditional automotive maintenance services in Yangon, Myanmar

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### Abstract

This study aims to identify the relationship between service quality and satisfaction, trust and revisit intention to traditional automotive maintenance service in Yangon, Myanmar. Data collection from online and offline who have experienced using conventional automobile services by 200 respondents and analyzing data by multiple regression analysis. The findings are service quality variables, Tangible (TAN), responsiveness (RES), assurance (ASS), and empathy (EMP), have a positive relationship with satisfaction when responsiveness (RES), assurance (ASS), and empathy (EMP) have a significant relationship with trust. Furthermore, there is a positive relationship between satisfaction, trust and revisit intention in using traditional automotive maintenance services in Yangon, Myanmar. Plus, this study will benefit current and future investors of the traditional automotive maintenance services and compete for authentic maintenance service centers in Yangon, Myanmar.

**Keywords:** Service Quality, Customer Satisfaction, Customer Trust, Revisit Intention, Traditional Automotive Maintenance

### 1. Introduction

In 1905, an automobile was imported and started to use in Myanmar. It has probably been a remarkable sight to the inhabitants of Myanmar close by the bullock trucks. In 1915, Myanmar motor vehicle rules were introduced and drafted for Myanmar. In 1956, the world's largest automobile maker Toyota distributed the company's first exports in ASIA. Therefore, in 1962, Myanmar's streets and roads are becoming rather busy as the motor vehicles number around 30,000 (Ipsos Business Consulting, 2013). In 2011, Myanmar's political and economic are transition by the new government. They set up the new plan was replaced and removed the old car from Myanmar's lanes because of safety and environmental pollution. Under this program, the government allowed a new model automobile year from 1999 to 2006 produced models. After that, a total of 58,711 import permits were issued in 2012. Thus, during

the 21st century, Yangon roads quickly became a common sight to see modern automobiles.

The number of passenger vehicles registered was growing year by year, but authentic maintenance services are also bombing across the region. Therefore, traditional services are facing customer retention as customers demand is rising. Some customers are sticking to automotive maintenance service over the authentic. service center for many reasons. However, it is crucial to provide better service quality and fulfill customer satisfaction to increase switching costs. Therefore, fulfilling the customer needs building trust and satisfaction crucial in customer retention and revisit to the service for automotive maintenance service. Additionally, due to the low switching cost and highly competitive rival, considering and fulfilling customer needs, satisfaction, and building trust plays a significant role in automotive maintenance service to survive in the future.



## 2. Objectives

This study focuses on achieving the following objectives:

- 1) To understand what factors in the SERVQUAL model should consider customer satisfaction and customer trust and
- 2) to find the relationship between customer satisfaction, trust and revisit intention on automotive maintenance service in Yangon, Myanmar.

## 3. Literature Review

### 3.1 Service Quality

Service is tangible, and there is no objective to measure the quality of the service, Parasuraman, Zeithaml, & Berry (1988) mentioned that a possible tool to measure service quality is the consumers' perception of the quality. They studied that there are five dimensions to measure service with 22 scale items which call SERVQUAL. There are

- 1) Assurance: Trust and confidence in the service and knowledge of the employees
- 2) Empathy: Caring and attention that provide to each of the customers
- 3) Reliability: Performing the service as promised
- 4) Responsiveness: Happy to help customers currently and after the service
- 5) Tangibles: The physical appearance of the facilities which provide to the customer

### 3.2 Customer Satisfaction

Oliver (1980) defined customer satisfaction as differences between the customer's service quality experience and customer expectations. Service satisfaction is the result of the customers after they through on the products or services and customers feel the value received from what they spend. (Hallowell, 1996).

## 3.3 Trust

Many researchers defined trust in many different ways. Rotter (1980) described the belief that another party's performance can be trust, and Deutsch (1958) mentioned that the belief and intention toward the loss. Moreover, some researchers described the belief in another party due to their consistent well-performance and virtue (Morgan & Hunt, 1994). Trust is playing a crucial role in the marketing study (Morgan & Hunt, 1994; Moorman, Deshpande, & Zaltman, 1993; Brashear, Boles, Bellenger, & Brooks, 2003) while researchers found that service quality has a significant relationship on trust. The higher the service quality higher the trust in another party (Shpëtim, 2012).

### 3.4 Revisit Intention

Warshaw & Davis (1985) described revisiting intention as the level of how a person participates in future behavior. Customer satisfaction is a major factor influencing the customer to revisit intention (Wu., Ai, Yang, & Li, 2015) and it also predicts that customer will revisit/repurchase the service/product or not (Kim & Lee, 2011).

## 3.5 Relationship between research variables and research hypothesis

### 3.5.1 The relationship between service quality and customer satisfaction

In the competitive global market, service quality is becoming an essential consideration for the automobile service. Therefore, many companies must understand and remain about SEQUAL and customer satisfaction are very important concepts in the competitive market (Faisal, Zaineb, Abeer, & Aiman, 2020). With the purpose of gaining high degree of customer satisfaction, high SERVQUAL is required which frequently impacts to positive behavioral intentions (Brandy & Robertson, 2001).Service quality has the

option to develop customer satisfaction (Kotler & Keller, 2006).

### **3.5.2 The relationship between service quality and customer trust**

Some researcher confirms that the higher service quality customers obtain from service suppliers, the higher the trust he or she apply towards those service suppliers (Shpetim, 2011). Another researcher found that service quality affected belief in steady customer relationships. Some researchers expressed that consumer satisfaction is the predictor of customer trust and earlier researchers demonstrated that consumer satisfaction has an altogether impact on customer trust (Leninkumar V. , 2017).

### **3.5.3 The relationship between customer satisfaction and customer trust**

The higher the satisfaction that customers have with the service, the higher the trust in the service and will increase the likelihood to repurchase the service (Gusti & Putu , 2018). Some researchers showed that customer satisfaction is the predictor of customer trust and the previous researcher proved that customer satisfaction has significant influence on customer trust in the e-banking sector and the e-commerce industry (Rizky, 2017; Leninkumar V. , 2017; Norhermaya & Soesanto, 2016; Chu, Lee, & Yu, 2012). Moreover, the customer will gain their confidence to the service and create the repurchase behavior since customer satisfaction affect to the customer trust (Revita, 2016).

### **3.5.4 The relationship between customer satisfaction, customer trust and revisit intention**

Customer satisfaction is an important factor in the service industry since keeping a customer is playing a significant role than persuading new customers (Kim & Lee, 2011) and another researcher described that satisfaction is the main factor that effect the customer revisit intention in resort industry (Alexanaris, Kouthouris,

& Meligdis, 2006). Moreover, Satisfaction can predict the customer revisit intention (Kim, Kim, & Goh, 2011). Not only the satisfaction has a positive effect on revisit intention, but also trust has a positive effect on it. If the customer has trust on the service, it leads to the positive intention to that service (Lau & Lee, 1999). Hus et al., (2015) found that satisfaction and trust significantly correlate with repurchase/ revisit intention.

### **3.6 Benefit of Research**

This study will advantage the current automotive maintenance services to survive and help meet customer satisfaction to revisit the service rather than the dealership service center in Yangon, Myanmar. Also, this will help not only for automotive maintenance service but also for the authentic service center. Additionally, it will help future investors who want to invest in the high potential industry.

## **4. Research Process**

Research developed the questionnaires based on the previous valid researchers and did back translation to avoid misunderstanding of the questionnaires. Researchers did online and offline users who have visited to the maintenance at once.

Convenient sampling method for the data collection because to collect data quickly and readily available to the researcher. A pilot test of 30 respondents required to test the reliability and validity of the questionnaires before collecting the data. Five-point Likert scale such as Strongly agree – 5, Agree – 4, Neutral – 3, Disagree – 2, Strongly Disagree – 1 will be used in questionnaires and only targeted to those who had experienced automotive maintenance service once.

There were three steps in the data analysis plan. Firstly, descriptive statistics to review the demographic information of the respondents. And Cronbach's Alpha was used to ensure the reliability of the variables. Multiple regression analysis was used in this study to analyze the data



to understand the relationship and factors influencing customer satisfaction, trust and revisit the intention of automotive maintenance services.

#### 4.1 Population and Sample

The researcher targeted those who had experience in automotive maintenance service at least once across the Yangon region area. Later, the researcher adopted (Green S.B, 1991) to calculate the sample size. According to the

formula, the sample size was 106. The calculation was following;

$$N > 50 + 8m$$

$$N > 50 + 8(7)$$

$$N > 106$$

N: Sample size, m: No. of predictors.

Therefore, estimate sample size for this study was 200.

## 5. Finding and Result

Descriptive analysis analyzed the total 8 variables on the total 200 respondents experienced in traditional automotive maintenances services. The descriptive analysis result was as follows;

Variables	Mean ( $\bar{x}$ )	Std. Deviation
Tangible (TAN)	3.7	0.75
Reliability (REL)	4.5	0.645
Responsiveness (RES)	4.1	0.515
Assurance (ASS)	4.2	0.483
Empathy (EMP)	4.2	0.598
Satisfaction (SAT)	4.2	0.575
Trust (TRU)	4.1	0.605
Revisit intention (REV)	4.3	0.614

All variables are over 3.7 which can be defined as agree.

### 5.1 Multiple Regression Analysis

Figure 1.1 illustrated that Tangible (TAN) and Assurance (ASS) have positive effects on satisfaction at  $p < 0.05$ , while Responsiveness (RES) and empathy (EMP) significantly affect satisfaction  $p < 0.01$ . Responsiveness (RES) has the most substantial influence among other variables at 0.26, which means that the traditional automobile services provide swift responsiveness to customers, which will increase satisfaction by 0.26 units. Reliability has no relationship with satisfaction. Also, some researchers found that reliability has not positively related with customer satisfaction in commercial bank (Vencataya, Pudaruth, Juwaheer, & Dirpal, 2019). Yet, other researcher found that they all dimension of service quality has influences

on customer satisfaction (Faisal, Zaineb, Abeer, & Aiman, 2020).

Responsiveness (RES), assurance (ASS), and empathy (EMP) have a significant influence on customer's trust at  $p < 0.01^{**}$ . It can be assumed that traditional automobile services should provide swift responsiveness, better assurance on services, and empathy to customers to improve satisfaction level, which increases customer's trust in services. However, tangible (TAN) and reliability (REL) does not influence customer's trust. Therefore, it can be defined as customer trust is not depend on the traditional automobile service's appearance and reliability. Among the variables, responsiveness (RES) has the strongest influence on customer trust since it has 0.319 beta value.

Regression analysis of satisfaction and trust resulted in the satisfaction that significantly influences customer trust at  $p < 0.01$ . Standardized coefficients  $\beta$  is 0.51 units, meaning an increment of one unit in customer satisfaction led to an increase of 0.51 units of customer's trust. Also, some researchers found that satisfaction is significantly related to customer trust (Leninkumar V. , 2017).

Customer satisfaction and trust significantly affect revisiting intention at  $p < 0.01$ . At the same time, the beta is 0.35 and 0.471, respectively. It can be defined as trust as the strongest indicator of revisit intention. other researcher found that satisfaction and trust has a positive relationship on revisit intention (Hsu, Chang, & Chuang, 2015).

No.	Hypothesis Path	Beta	t-value	P-value	Hypothesis Supported
H <sub>1</sub>	TAN → SAT	0.13	2.042*	0.04	Accepted
H <sub>1a</sub>	TAN → TRU	0.092	1.57	0.12	Rejected
H <sub>2</sub>	REL → SAT	0.03	0.448	0.65	Rejected
H <sub>2a</sub>	REL → TRU	-0.058	-1.01	0.31	Rejected
H <sub>3</sub>	RES → SAT	0.26	3.53**	0.00	Accepted
H <sub>3a</sub>	RES → TRU	0.319	4.55**	0.00	Accepted
H <sub>4</sub>	ASS → SAT	0.18	2.73*	0.01	Accepted
H <sub>4a</sub>	ASS → TRU	0.207	3.33**	0.00	Accepted
H <sub>5</sub>	EMP → SAT	0.23	3.087**	0.00	Accepted
H <sub>5a</sub>	EMP → TRU	0.234	3.32**	0.00	Accepted
H <sub>6</sub>	SAT → TRU	0.51	8.299**	0.00	Accepted
H <sub>7</sub>	SAT → REV	0.35	5.932**	0.00	Accepted
H <sub>8</sub>	TRU → REV	0.47	8.111**	0.00	Accepted

Note: \* $p < 0.05$ , \*\* $p < 0.01$

Figure 1.1 The Summary Results of Multiple Regression Analysis

## 6. Conclusion

This study is adapted from Parasuraman's (1988) service quality to measure the service and extended the theory to measure the relationship with trust and integrated from Faisal (2020) to find the relationship between satisfaction, trust and revisit intention of the service. This study extended and integrated the useful framework from previous researchers' work to find the different theoretical perspectives and new ideas to apply in the traditional automobile maintenance services in Yangon, Myanmar. As discussed earlier, traditional

automobile maintenance services face difficulties competing for authentic automobile maintenance services since authentic services are developing and threatening traditional services. This extended theory suggests that traditional service owners should improve satisfaction and trust to improve revisiting intention. This research also fills the gap with a useful theoretical framework for the local business in traditional automobile services owners and future small and medium business investors by providing information about meeting satisfaction and trust to increase customers' intention to revisit.



Current or future investor implies the results to improve service quality. Upgrading the appearance and decoration of automotive maintenance service will give the increase service satisfaction. Furthermore, keep clean and well organized will give the fresh environment work area. Also, assurance is positive relationship in satisfaction so improving employee skills and hiring a skillful employee with full of knowledge will deliver better assurance of services to improve satisfaction. The owner should improve the staff skills and training so that employees will work faithfully in their jobs. Therefore, the employee will happily work and try hard to achieve the goals of a traditional automotive maintenance service. As a result, if the automotive maintenance service delivers remarkable service quality and incredible experience, the customers give positive word-of-mouth suggestions.

## 7. Recommendation

There is some recommendation for future study. This study developed and extended the previous researchers on service quality and finding the relationship between satisfaction, trust and revisit intention based on the valid framework and previous researchers. Also, some researchers found that marketing mix has a positive relationship with customer satisfaction, service quality, and loyalty. Element of the service marketing mix, including “product, price, place, promotion, people, process, and physical evidence,” are important in business and service, impacting satisfaction and loyalty. (Setiawan, Alam, & Maming, 2020; Mustawadjuhaefa, Basrimodding, Jobahaarbima, & Ilhamlabbase, 2017; Khumnualthong, 2015) They played a major role in business and service marketing strategies to follow and set the right marketing to target audiences. Therefore, considering and integrating service marketing mix to measure customer satisfaction, trust and revisit

intention on traditional automobile maintenance services to understanding the relationship between marketing mix variables. Automobile maintenance services might benefit from the findings to improve service quality and fulfilling customer satisfaction to improve their intention to revisit.

This study found the remarkable result by understanding the factors influencing satisfaction, trust and revisit intention on automobile maintenance services in Yangon, Myanmar. As discussed earlier, authentic automobile maintenance services became widespread and increasing customer retention rate in traditional services somehow. Therefore, this study brings valuable information to improve customer service quality to increase satisfaction and trust to increase revisiting service to survive and compete in the market where authentic automobile maintenance services are developing.

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