FACTORS INFLUENCING CONTINUANCE INTENTION TOWARDS ON-DEMAND RIDESHARING SERVICES

EUGENE AW CHENG XI

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FACTORS INFLUENCING CONTINUANCE INTENTION TOWARDS ON-DEMAND RIDE SHARING SERVICES

By

EUGENE AW CHENG XI

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfillment of the Requirements for the Degree of Master of Science

October 2017
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FACTORS INFLUENCING CONTINUANCE INTENTION TOWARDS ON-DEMAND RIDESHARING SERVICES

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October 2017

Chairman : Associate Professor Ng Siew Imm, PhD
Faculty : Economics and Management

On-demand ridesharing services have seen unprecedented growth in recent times, threatening to replace traditional business models. The identification of critical service performance factors which contribute to customer satisfaction and loyalty is essential for businesses success. The purpose of this research was to investigate important factors that influence customers’ continuance intention towards on-demand ridesharing services in Malaysia. This study applied Means-End Theory as the foundation to examine the relationship between perceived attributes (perceived service innovativeness, perceived personalization, and perceived usefulness of online customer review system), service personal values, perceived value, satisfaction, and continuance intention towards on-demand ridesharing services. Furthermore, the moderating role of technology readiness and trust were examined in the research model. The subjects of this study consists of individuals who have experienced using on-demand ridesharing services in Malaysia. Through a quantitative research approach, this study utilizes a purposive sampling method to collect 280 useable responses through online and face-to-face self-administered surveys. Data was analysed using Partial Least Square Structural Equation Modelling (PLS-SEM). The result articulated that perceived personalization, perceived usefulness of online customer review system and service personal values was found to be the significant predictors of perceived value towards on-demand ridesharing services. Subsequently, perceived value positively affects satisfaction, and that in turn, has a positive impact on the continuance intention outcome. Moderating effect of technology readiness has been found in the relationship between perceived attributes (perceived service innovativeness and perceived personalization) and perceived value. In addition, customer satisfaction and continuance intention were found to be moderated by trust. Mediating role of perceived value was found in the relationship between perceived personalization and customer satisfaction, perceived usefulness of online customer review system and customer satisfaction, service personal values and customer satisfaction.
satisfaction. Important implications for the industry’s service providers are further discussed.
Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains

FAKTOR MEMPENGARUHI NIAT MENERUSKAN PENGGUNAAN PERKHIDMATAN PERKONGSIAN KENDERAAAN

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perkhidmatan dan kepuasan pelanggan. Implikasi untuk pembekal perkhidmatan perkongsian kenderaan dibincangkan seterusnya.
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TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>i</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>v</td>
</tr>
<tr>
<td>APPROVAL</td>
<td>vi</td>
</tr>
<tr>
<td>DECLARATION</td>
<td>viii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>xiii</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xv</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INTRODUCTION</td>
</tr>
<tr>
<td>1.1</td>
<td>Background of Study</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Differences between Taxi and On-demand Ridesharing Services</td>
</tr>
<tr>
<td>1.1.2</td>
<td>Taxi industry in Malaysia</td>
</tr>
<tr>
<td>1.1.3</td>
<td>On-demand ridesharing services in Malaysia</td>
</tr>
<tr>
<td>1.2</td>
<td>Problem Statement</td>
</tr>
<tr>
<td>1.3</td>
<td>Research Questions</td>
</tr>
<tr>
<td>1.4</td>
<td>Research Objectives</td>
</tr>
<tr>
<td>1.4.1</td>
<td>Specific Research Objectives</td>
</tr>
<tr>
<td>1.5</td>
<td>Scope of Study and Delimitation</td>
</tr>
<tr>
<td>1.6</td>
<td>Significance of Study</td>
</tr>
<tr>
<td>1.6.1</td>
<td>Theoretical Significance</td>
</tr>
<tr>
<td>1.6.2</td>
<td>Practical Significance</td>
</tr>
<tr>
<td>1.7</td>
<td>Operational Definition of Terms</td>
</tr>
<tr>
<td>1.8</td>
<td>Conclusion</td>
</tr>
<tr>
<td>2</td>
<td>LITERATURE REVIEW</td>
</tr>
<tr>
<td>2.1</td>
<td>Introduction</td>
</tr>
<tr>
<td>2.2</td>
<td>Service</td>
</tr>
<tr>
<td>2.3</td>
<td>Sharing Economy</td>
</tr>
<tr>
<td>2.3.1</td>
<td>On-demand Ridesharing Services</td>
</tr>
<tr>
<td>2.4</td>
<td>Overarching Theories</td>
</tr>
<tr>
<td>2.4.1</td>
<td>Means-End Chain Theory</td>
</tr>
<tr>
<td>2.4.2</td>
<td>Social Exchange Theory</td>
</tr>
<tr>
<td>2.5</td>
<td>Perceived Service Innovativeness</td>
</tr>
<tr>
<td>2.6</td>
<td>Perceived Personalization</td>
</tr>
<tr>
<td>2.7</td>
<td>Perceived Usefulness of Online Customer Review System.</td>
</tr>
<tr>
<td>2.8</td>
<td>Service Personal Value</td>
</tr>
<tr>
<td>2.9</td>
<td>Perceived Value</td>
</tr>
<tr>
<td>2.10</td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td>2.11</td>
<td>Continuance Intention</td>
</tr>
<tr>
<td>2.12</td>
<td>Trust</td>
</tr>
</tbody>
</table>
3 HYPOTHESES DEVELOPMENT & CONCEPTUAL FRAMEWORK

3.1 Introduction 38
3.2 Hypotheses Development 38
   3.2.1 Antecedents of Perceived Service Innovativeness 38
   3.2.2 Perceived Service Innovativeness and Perceived Value 39
   3.2.3 Perceived Personalization and Perceived Value 40
   3.2.4 Perceived Usefulness of Online Review System and Perceived Value 40
   3.2.5 Service Personal Values and Perceived value 41
   3.2.6 Perceived value and customer satisfaction 41
   3.2.7 Customer satisfaction and continuance intention 42
   3.2.8 The Role of Moderator (Trust) 43
   3.2.9 The Role of Moderator (Technology Readiness) 44
   3.2.10 The Role of Moderator (Technology Readiness) 45
   3.2.11 The Role of Moderator (Technology Readiness) 46
   3.2.12 Mediating role of perceived value 47
3.3 Proposed Conceptual Framework 48
3.4 Conclusion 51

4 METHODOLOGY

4.1 Introduction 52
4.2 Research Paradigm 52
4.3 Research Design 53
4.4 Target Population 55
4.5 Sample Size 55
4.6 Sampling technique 57
4.7 Data Collection Method 57
4.8 Research instruments 58
   4.8.1 Measurement of Variables 59
   4.8.2 Demographic Questions 59
   4.8.3 Constructs 59
4.9 Pre-Test 71
4.10 Statistical Analysis 72
   4.10.1 Structural Equation Modeling (SEM) 73
   4.10.2 Partial Least Square Structural Equation Modeling (PLS-SEM) 77
   4.10.3 Reflective and Formative Constructs 77
   4.10.4 Evaluating Measurement and Structural Models using PLS 79
      4.10.4.1 Measurement Model 79
      4.10.4.2 Structural Model 83
4.11 Conclusion 86
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Summary of Hypothesis Development</td>
</tr>
<tr>
<td>4.1</td>
<td>Summary of Two Research Paradigms</td>
</tr>
<tr>
<td>4.2</td>
<td>Qualitative Versus Quantitative Research</td>
</tr>
<tr>
<td>4.3</td>
<td>Benefits of using Quantitative Research Design</td>
</tr>
<tr>
<td>4.4</td>
<td>Sample Size Power</td>
</tr>
<tr>
<td>4.5</td>
<td>Measurement Scales of Demographic Questions</td>
</tr>
<tr>
<td>4.6</td>
<td>Summary of Measurement</td>
</tr>
<tr>
<td>4.7</td>
<td>Comments from the Experts</td>
</tr>
<tr>
<td>4.8</td>
<td>Comments from the Interviewees</td>
</tr>
<tr>
<td>4.9</td>
<td>Comparison between PLS-SEM and CB-SEM</td>
</tr>
<tr>
<td>4.10</td>
<td>Summary of the Rules of Thumb in Selecting between CB-SEM and PLS-SEM</td>
</tr>
<tr>
<td>4.11</td>
<td>Guidelines for Choosing the Measurement Model Mode</td>
</tr>
<tr>
<td>4.12</td>
<td>Summary of Guidelines for Assessing Reflective Measurement Model</td>
</tr>
<tr>
<td>4.13</td>
<td>Summary of Guidelines for Assessing Formative Measurement Model</td>
</tr>
<tr>
<td>4.14</td>
<td>Indices for Structural Model Analysis using Partial Least Square SEM (PLS-SEM)</td>
</tr>
<tr>
<td>5.1</td>
<td>Demographic Profile</td>
</tr>
<tr>
<td>5.2</td>
<td>Usage Profile</td>
</tr>
<tr>
<td>5.3</td>
<td>Reflective Measurement Model: Factor Loadings, CR, and AVE</td>
</tr>
<tr>
<td>5.4</td>
<td>Discriminant Validity of First Order Constructs</td>
</tr>
<tr>
<td>5.5</td>
<td>Discriminant Validity of Second Order Constructs</td>
</tr>
</tbody>
</table>
5.6 Measurement model of second level constructs (formative) 94
5.7 Descriptive Analysis (Mean, Standard Deviation, Skewness and Kurtosis) 96
5.8 Assessment of Lateral Collinearity 99
5.9 Hypothesis Assessment 100
5.10 Co-efficient of Determination ($R^2$) 102
5.11 First Set of Effect Size 103
5.12 Second Set of Effect Size 103
5.13 Third Set of Effect Size 103
5.14 Fourth Set of Effect Size 103
5.15 Assessment for Predictive Relevance $Q^2$ 104
5.16 Result of Moderating Effect 108
5.17 Hypothesis Testing of Indirect Relationships 112
5.18 Summary of Hypothesis Testing 113
<table>
<thead>
<tr>
<th>Figure</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Pyramid Model of Service Marketing</td>
</tr>
<tr>
<td>3.1</td>
<td>Research Model</td>
</tr>
<tr>
<td>4.1</td>
<td>Statistical Power in a Complex Model</td>
</tr>
<tr>
<td>5.1</td>
<td>Measurement Model</td>
</tr>
<tr>
<td>5.2</td>
<td>The Five-Step Procedure for Structural Model Assessment</td>
</tr>
<tr>
<td>5.3</td>
<td>Structural Model with Corresponding Path Coefficient and t-value</td>
</tr>
<tr>
<td>5.4</td>
<td>The Interaction Effect Model</td>
</tr>
<tr>
<td>5.5</td>
<td>The Interaction Effect Model</td>
</tr>
<tr>
<td>5.6</td>
<td>Satisfaction* Trust Interaction Plot</td>
</tr>
<tr>
<td>5.7</td>
<td>PSI* TR Interaction Plot</td>
</tr>
<tr>
<td>5.8</td>
<td>PP* TR Interaction Plot</td>
</tr>
</tbody>
</table>
CHAPTER 1

INTRODUCTION

1.1 Background of Study

Technology advancement has disrupted industries by empowering companies to develop cost-effective business models through the utilization of mobile applications. Kaplan and Haenlein (2010) stated that the growth in information technology realized the blooming of online platforms which enabled user-generated contents and various forms of sharing and collaborations. The far-flung adoption of Web 2.0 empowers consumers to provide services and co-produce consumption experiences with others. It also engages the role of firms in the sharing economy transactions. According to Perren and Grauerholz (2016), collaborative consumption which is also referred to as “sharing economy”, is the emerging novel idea with the potential to raise a burst of upsurge in future service businesses.

A sharing economy can be deemed as the sharing of resources by individuals for certain compensation and exchange among individuals (Perren & Grauerholz, 2016). The sharing economy first gained attention and popularity in developed countries, such as the United States of America, the United Kingdom and Australia. After recognizing the unavoidable disruption brought on by the sharing economy system, some ownership-based firms are moving into the sharing domain (Lamberton & Rose, 2012). Automotive companies such as Mercedes, BMW, Peugeot and Volkswagen began initiating their car sharing programs as part of their business expansion by utilizing the Internet and mobile applications (Belk, 2014). Aside from automotive companies, independent parties such as Uber, Grabcar, Local Motion and Sidecar are joining the new transportation service business as well. Recently, the sharing economy service firms such as Uber, Grabcar and Airbnb began penetrating developing countries like Malaysia. The sudden growth of the sharing economy heightens the need for attention to be given by practitioners and policy makers as it is expected to bring major societal impact (EU Environment, 2013).

Uber Technologies Inc. is a classic example of a successful mobile application based service provider in a sharing economy. Unlike the traditional taxi service, Uber provides on-demand ridesharing services by matching passengers and drivers using a mobile application. Based on the description given by Quirk (2014), in Uber’s business delivery process, passengers first send their requests for rides by using the Uber mobile application. The mobile application then equips drivers and passengers with information of mutual location and details such as a picture of the drivers and their vehicles. The fare can be paid via cash or charged directly to the passengers’ credit card.
Due to its successful implementation, Uber is ranked among the 50 most powerful companies in America (Loudenback, 2015) and has already achieved 40 billion US Dollars in their global value. Most recently, Uber is active in over 50 countries and 370 cities around the globe and consequently poses a threat to the traditional taxi industry. For instance, the taxi industry in the United Kingdom has started to feel threatened not only due to the decrease in customer demand but also in the declining interest of Londoners to be taxi drivers (“Is Uber already harming the traditional taxi?”, 2015).

There are many different views on the sharing economy that have been voiced out among researchers. The proponents of the sharing economy consider the practice as an emerging from of the current economic model and will continue to grow as an alternative business model (Botsman & Rogers, 2010). On the more extreme side, others believe that the sharing economy is a disruptive business model, which will outperform or even replace traditional business models and threaten current businesses (Guttentag, 2015). The unprecedented phenomenon of the sharing economy is still in its infant stage and its future is ambiguous. Therefore, the sharing economy becomes an interesting phenomenon worthy of further research.

### 1.1.1 Differences between Taxi and On-demand Ridesharing Services

Traditional taxi services and on-demand ridesharing services differ in several aspects. First, traditional taxis are regulated by government-linked bodies, and are operated by contract-based employees. Their vehicles have a standardized appearance, with fixed colours and logo. On-demand ridesharing services are operated by an online platform companies which match volunteer drivers and riders through smartphone applications. Drivers use their own private vehicles, which vary from one to another. Second, on-demand ridesharing services use GPS tracking for every ride, where drivers drive customers to the destination based on the route shown by the navigation system. By contrast, taxi drivers send customers to their destination based on their own experience or preference. Third, traditional taxi services do not exercise a driver review system. At most, customers can deal with unsatisfactory services by complaining through the hotlines. On the contrary, on-demand ridesharing services incorporate dual-way review and rating systems, where riders and drivers can rate each other after the trip end. This practice serves to prevent problematic interactions and create a comfortable riding environment.

### 1.1.2 Taxi industry in Malaysia

The taxi industry in Malaysia has been condemned for a period of time due to misconduct and notorious behaviours such as speeding, refusing to use the taximeter, falsifying the taximeter, and using poor condition taxis (“Peningkatan Tak Setara Perkhidmatan”, 2015). Abdul Hamid (2015) confirmed these findings after the release of a survey conducted by the Land Public Transport Commission (SPAD). Taxi services act as one of the closest services in tourism and represent a source for tourists
to evaluate and judge Malaysia. As a consequence, poor taxi services have tarnished Malaysia’s image in the eyes of foreign tourists (Amirul & Hands, 2016).

The practice of the sharing economy has challenged the current regulatory environment (EU Environment, 2013), and has been argued to be illegal in several countries. For example, short-term rentals are against the law in New York and San Francisco (Perren & Grauerholz, 2016). According to Ching (2016), the Malaysian government is planning for a 11-point Taxi Industry Transformation Program (TITP) which will shake the taxi industry, especially to traditional taxi services which already suffers from a tarnished reputation. Under the program, on-demand ridesharing services like Uber and Grabcar will be legalized. Quoted by the SPAD Chairman Syed Hamid Syed Jaafar Albar "We have to move with the technology," (Ching, 2016). This statement has indicated the government authority’s encouragement for traditional taxi service to move forward rather than upholding the status quo.

Reports from The Star Online declared rising taxi fares, which took effect from January 2015 (Meng, Choong, Lee, & Gasper, 2015) further escalated the troubles of the traditional local taxi services. This makes on-demand ridesharing services in Malaysia a more attractive option for customers. Consequently, there have been many instances of protests by traditional taxi drivers against Uber and Grabcar that are published in the news, and the incidents have been escalating since the launch of on-demand ridesharing services in Malaysia. For instance, Intan Amalina (2016) reported instances where taxi drivers harassed Uber drivers and their passengers at the Penang airport by banging on the car’s windows and shouting at them. All of these has triggered dissatisfaction among consumers and compelled them to embrace on-demand ridesharing services.

1.1.3 On-demand ridesharing services in Malaysia

Despite impressive growth in the first few years of launching, there are several issues that concern the viability of this industry. The first being competition. Despite enjoying the first-mover advantage, Uber is no longer able to enjoy a monopoly in the market since the entry of other competitors who are similar in business nature, such as Grabcar, an on-demand ridesharing service provider, which started its business in 2012. Grab provides a range of on-demand ridesharing services in the majority markets of Southeast Asia, such as Singapore, Malaysia, Indonesia, Philippines, Thailand and Vietnam. The company claims to have more than 17 million application downloads and 320,000 drivers in 30 cities in South East Asia (Grab, 2016). In Malaysia, Grab is available in 13 cities and possesses the widest ride network, compared to Uber’s availability in 11 cities.

There are slight differences between Uber and Grabcar pricing. Uber charges a base fare based on the distance a customer travels and the time taken for the ride, whereas GrabCar charges a fixed rate basis which makes it a cheaper option, regardless of traffic conditions. Also, unlike Uber, Grabcar does not surcharge based on time.
In addition, Grab has been awarded the ISO 9001:2015 certification, which crowned the company to be the very first quality recognized ride-sharing application in the industry (Grab, 2016). Anthony Tan, CEO and Co-founder of Grab, further claimed that Grab is the most reliable transport partner for consumers, businesses and government (Grab 2016). The award is believed to enable Grab to further penetrate the market share of Uber by boosting Grab users’ confidence and trust. To date, Grab claims that they have a 95% market share in third-party taxi-hailing apps and over 50% in private vehicle-hailing apps (Grab, 2017).

Apart from that, Grab has been committed to improving their service through innovation. Recently, Grab launched GrabChat, an instant messaging platform embedded within the application; being the first ride-sharing service provider to offer an instant messaging feature (Grab, 2016). GrabChat provides seamless communication between drivers and passengers, which eventually results in a better service experience. The new feature is especially useful for tourists to communicate with Grab drivers, as it diminishes expensive international roaming charges (Grab, 2016).

Another issue of concern with on-demand ridesharing services is safety and privacy. Trust is considered to be a principal determinant of using the sharing economy option (Möhlmann, 2015; Botsman & Rogers, 2010). However, issues of diminishing trust are a bane of this industry, e.g. issues such as sexual harassment in Grab services (Kumar, 2017) and illegal data tracking in Uber (Tufekci & King, 2014). These issues may be putting customers on hold in deciding whether they would continue their use with on-demand ridesharing services.

In brief, on-demand ridesharing services have experienced extensive media coverage in recent years due to the global success, along with a variety of legal disputes with local municipalities and businesses. The market for on-demand ridesharing services may start to saturate as time goes on. Aside from getting customers from traditional taxi industry, customer retention is foreseen to be the upcoming attention-drawing issue due to increasing competition. To ensure the sustainability of this industry, and to avoid similar disruption as had happened for the traditional taxi industry, research must be done. The question arises: What factors drive customers of on-demand ridesharing services to continuously use the service from a particular service provider, in view that they have other alternatives to choose from?

1.2 Problem Statement

On-demand ridesharing services have been growing and appear to take over the traditional taxi industry in recent years. Following the entry of competitors into the market, competition is becoming increasingly intense among the on-demand ridesharing service providers. Therefore, the identification of critical service performance factors that contribute to customer satisfaction and loyalty is essential for businesses success (Deng & Pei, 2009). Investigating factors which drive customer
loyalty is important to form better understanding of the sharing economy services from a customer’s perspective (Yang, Song, Chen, & Xia, 2017).

Firstly, there is scant research in the exploration of the sharing economy despite its importance to the market and to other relevant parties (Prothero, Dobscha, Freund, Kilbourne, Luchs, Ozanne, & Thogerse, 2011; Yang & Ahn, 2016) which has driven the need for this research. Moreover, Cohen & Kietzmann (2014) also highlighted that there are insufficient studies looking into the operation sustainability in the sharing economy. Yang et al. (2017) has taken relational benefits in measuring loyalty toward sharing economy services and they urged for other antecedents. Furthermore, Yang et al. (2017)’s study investigates only individual-level relationship instead of relationship between customers and business platforms. In addition, although previous studies have looked into the growth and sustainability of the sharing economy from an organizers’ and peer providers’ perspective (Martin, Upham, & Budd, 2015), taking lens from a customer’s view will provide a more comprehensive view and will benefit parties involved in the sharing economy (Yang et al., 2017). Therefore, there exists a gap in literature to be further explored.

Secondly, to make on-demand ridesharing services a sustainable business, service providers need to provide value that consumers desire in the service. The first being perceived value, which is the customers’ overall evaluation on relational exchanges in determining continuous relationship with service providers (Khan, 2010; Sa’nchez, Sa’nchez, Antonio, & Gutie´rrez., 2010). The perceived value that on-demand ridesharing service providers may offer through their services may be investigated by applying Means-End Chain theory (Gutman, 1982; Woodruff & Gardial, 1996). Means-End Chain theory articulates that an individual chooses products and services based on their attributes which lead to desired values and end states.

In reviewing servitization research, Baines, Lightfoot, Benedettini, and Kay. (2009) pointed out the need to understand how consumers value a firm’s offerings because collaboration with key stakeholders becomes increasingly crucial under sustainability pressure (Bocken, Short, Rana, & Evans, 2014). In addition, value is no longer created by firms acting autonomously, but by firms acting together with external parties (Bocken et al., 2014). Although it is a very important concept, only a few researchers have investigated the antecedents and the consequences of perceived service value in detail (Ladhari & Morales, 2008). Chen and Dubinsky (2003) asserted that a customer value’s components are different according to specific consumption context which posed a need to further investigate the perceived value concept in the sharing economy context. Most of the studies applied the perceived value’ components to explain the adoption intention and loyalty toward the sharing economy services (Böcker & Meelen, 2017; Wan, Mohammad, Shahib, Azmi, Kamal, & Abdullah, 2016; Hamari, Sjöklint & Ukkonen, 2016). However, none of these studies exhibit the attributes of on-demand ridesharing services which contribute to the perceived value. As suggested by the Means-End Chain theory, it is important to understand factors which constitute perceived value and subsequent behaviour, customers are expected to evaluate the benefits they can get from the service attributes before deciding to use the service.
Therefore, this research intends to investigate the antecedents in shaping up the perceived value toward on-demand ridesharing services.

Besides that, understanding personal values helps service providers to enhance positive judgments from consumers’ point of view (Durvasula, Lyonski, & Madhavi, 2011). In line with Means-End Chain theory, Zeithaml (1988) asserted that personal values provide a deeper insight into consumer behaviour in choosing service or service providers. According to Durvasula et al. (2011), most studies probing into personal values and behavioural outcomes are in the context of fashion, food consumption and tourism. To date, no study relating to personal value has been found in the context of the sharing economy. Despite the evidence linking personal values to purchase behaviour, scant studies have been done on probing the relationship between personal values and perceived value. To go beyond the attributes level of Means-End Chain theory, this research adds focus to the last stage of the means-end chain model from the perspective of personal values. This research answers the call by Lages and Fernandes (2005) to investigate the consequences of service personal values and its use in different settings for generalizability purpose.

Thirdly, most literature on information technology adoption emphasizes on initial adoption instead of post-consumption intention and behaviour (Susanto, Chang, Ha, 2016). In the sharing economy services context, studies were centred on adoption intention (Zhu et al., 2017; Hamari et al., 2016). What remains unknown is the customers’ perception in the post-consumption state. June (2014) refuted Venkatesh and Brown (2001)’s idea that internal motivation stimuli and external motivation stimuli are only important in initial adoption as those effects wear away or diminish after adoption. Moreover, Son and Han (2011) stated that the long-term survival and the substantial success of technological firms rely on the continued use of new technology rather than that of first adoption. Sourcing from respondents who did adopt the service may capture a more accurate and relevant understanding of on-demand ridesharing sustainability. Therefore, continuance intention was examined instead of purchase intention as the outcome of perceived value to complement the findings of previous research.

Fourth, technology readiness has been treated as the antecedents of technology acceptance in many studies (Ferreira, Rocha, Silva, 2014; Erdoğan & Esen, 2011). In an e-commerce setting, technology readiness plays an important role in online businesses (Parasuraman, 2000). Although the role of technology readiness has been examined in the initial adoption context, its role in a post-adoption situation remains scarce (Son & Han, 2011). It is proposed that technology readiness affects the service evaluation in a post consumption condition (Wang, Kam, & Sparks, 2016). Also, its importance is not yet tested in the sharing economy context. The technology usage behaviour in this research is different from those in organizational settings because customers have other alternatives. This situation has rendered the decision to use on-demand ridesharing services to be posited as more dependent on personal desire (value acquired) and evaluation (attributes) instead of obligations. Furthermore, Dabholkar and Bagozzi (2002) argued for its moderating role. Therefore, this research
incorporates the role of technology readiness as a moderator into framework of this research.

Fifth, trust is deemed to be a principal determinant in choosing the sharing economy options (Botsman & Rogers, 2010). Although Möhlmann (2015) found that trust influences customer satisfaction in the sharing economy consumption, the study asserted that the role of trust is still unclear in current literature of the sharing economy, especially in empirical studies. Furthermore, Möhlmann (2015) suggested future research to further investigate the trust concept and its multifaceted character in the context of the sharing economy. Given that perceived risk is higher in services due to the nature of its intangibility, the issue of trust in the sharing economy context cannot be understated. Given its importance, the subject of trust in the sharing economy context is still vague which drives this research to address the gap.

1.3 Research Questions

Overall Research Question: What are the important factors that influence customers’ continuance intention towards on-demand ridesharing services?

Specific Questions:

1. What are the antecedents of perceived value towards on-demand ridesharing services?
2. What are the outcomes of perceived value towards on-demand ridesharing services?
3. Does technology readiness moderate the relationship between perceived attributes of on-demand ridesharing services and perceived value?
4. Does trust moderate the relationship between satisfaction and continuance intention?
5. Does perceived value mediates the relationship between perceived attributes of on-demand ridesharing services and satisfaction?

1.4 Research Objectives

The main purpose of this research is to examine the factors that influence continuance intention towards on-demand ridesharing services. To accomplish this, several objectives are listed below:
1. To examine the antecedents of perceived value towards on-demand ridesharing services.
2. To examine the outcomes of perceived value towards on-demand ridesharing services.
3. To examine the role of technology readiness between perceived attributes and perceived value towards on-demand ridesharing services.
4. To examine the role of trust between the relationship of satisfaction and continuance intention.
5. To examine the role of perceived value between perceived attributes and satisfaction.

1.4.1 Specific Research Objectives

1. To investigate the effect of perceived concept newness on perceived service innovativeness.
2. To investigate the effect of perceived relative advantage on perceived service innovativeness.
3. To investigate the effect of perceived technology newness on perceived service innovativeness.
4. To investigate the effect of perceived service innovativeness on perceived value.
5. To investigate the effect of perceived personalization on perceived value.
6. To investigate the effect of perceived usefulness of online customer review system on perceived value.
7. To investigate the effect of service personal values on perceived value.
8. To investigate the effect of perceived value on customer satisfaction.
9. To investigate the effect customer satisfaction on continuance intention.
10. To investigate the moderating effect of trust between customer satisfaction and continuance intention.
11. To investigate the moderating effect of technology readiness between perceived service innovativeness and perceived value.
12. To investigate the moderating effect of technology readiness between perceived personalization and perceived value.
13. To investigate the moderating effect of technology readiness between perceived usefulness of online customer review system and perceived value.
14. To investigate the mediating effect of perceived value between perceived service innovativeness and satisfaction.
15. To investigate the mediating effect of perceived value between perceived personalization and satisfaction.
16. To investigate the mediating effect of perceived value between perceived usefulness of online customer review system and satisfaction.
17. To investigate the mediating effect of perceived value between service personal values and satisfaction.
1.5 **Scope of Study and Delimitation**

This research is confined to individuals who have experience in using on-demand ridesharing services in Malaysia. This research focuses on those who already tried the services instead of potential intended adopters because investigating into the post-adoption behaviour can better predict the sustainability of services as customer retention has long been viewed as a powerful weapon for business survival in competitive environments (Clark, 1997). Next, this research investigates on-demand ridesharing services through the lens of a service platform instead of peer service providers because previous research (Yang et al., 2017) has raised interesting questions on the role of platforms in the sharing economy as they are the intermediaries connecting customers and peer service providers. Lastly, this research only included on-demand ridesharing services users in Malaysia as probing such a new phenomenon in a developing country provides new insight into literature.

1.6 **Significance of Study**

1.6.1 **Theoretical Significance**

First, despite the importance and the significant growth of the sharing economy, current research is still scarce especially on the topic of sharing economy service adoption (Hamari et al., 2016), relationship maintenance (Yang et al., 2017) and operation sustainability (Cohen & Kietzmann, 2014). Therefore, this research bridges the gap by further investigating the effect of perceived attributes of on-demand ridesharing services and personal values on customers’ post-adoption behaviour. Through this research, the essential factors which are valued by customers of on-demand ridesharing services can be understood and taken as an opportunity for service providers to improve and enhance their business performance to retain customers.

Second, this research provided valuable inputs into the Means-End Chain Theory. The linkage proposed in the Means-End Chain Theory, namely attribute-benefit-value-behaviour linkage can be further enhanced through this research. This research contributes to the literature by examining the relationship between perceived service attributes that are unique to the on-demand ride sharing services (perceived innovativeness, perceived personalization, and perceived usefulness of online customer review system) and perceived value. The present study may also contribute by assessing a top-down approach to the Means-End Chain theory, which suggests that personal values are a means to goal-directed action to perceived value (Brunsø, Scholderer, Grunert, 2004). Probing into heterogeneity can further fortify and add values to the theory by reducing the bias gap between theory and real situation. This research applied moderators such as technology readiness to contribute deeper understanding when applying the Means-End Chain Theory in real life practice as people’s value perception on service offerings may be varied according to personal characteristics as suggested by Yang et al. (2017).
Thirdly, this research applied the Social Exchange Theory as a supporting theory and further extended its use in the context of the sharing economy services. In this research, the Social Exchange Theory was used to explain the phenomenon of customer satisfaction and continuance intention. In other words, it clarifies the condition which customers are intending to continue the use of on-demand ridesharing services. As mentioned by Matzner, Chasin, and Todenhöfer (2015), the relationship between exchange parties in the sharing economy is neglected. This research also contributes to the theory by examining the contingency effect of trust to further enhance the explanatory power of the Social Exchange Theory.

1.6.2 Practical Significance

This research provided insight for on-demand ridesharing services’ marketers by examining the perceived attributes (perceived service innovativeness, perceived personalization, and perceived usefulness of online customer review system), personal values and their impact on customers’ continuance intention. Through this research, on-demand ridesharing services’ marketers are able to grasp the important factors in shaping customers’ continuance intention, thus, able to devise appropriate strategies to retain their customers.

In addition, investigating the role of technology readiness in on-demand ridesharing services enables marketers to adjust their improvements in innovation incrementally and carefully so that their services can be more easily accepted by their customers. Furthermore, by taking trust and its role in influencing continuance adoption of on-demand ridesharing services into consideration, it may give service providers a view on how they can devise their strategies accordingly. Overall, by probing into the above-mentioned constructs, marketers can fully understand the crucial elements to focus on in order to create and maintain the sustainability of on-demand ridesharing services.

According to market research agency Nielsen, 93% of households in Malaysia own a car, rendering the country ranked third for private car ownership in the world. Correspondingly, people in Kuala Lumpur spend more than 250 million hours a year in their cars; resulting in an estimated congestion cost on the economy of up to 2.2% of GDP (Howard, 2016). The emergence of on-demand ridesharing services is deemed to be the solution for a such phenomenon, as they aim to reduce cars on the streets by increasing car use efficiency. For instance, UberPOOL has already led to 100m carshare rides, which it estimates have saved 6.8m litres of petrol and 16,000 metric tons of carbon emissions, equivalent to the yearly emissions of 3,380 passenger vehicles (Howard, 2016) Therefore, the sustainability of on-demand ridesharing services can be prolonged through service improvement strategies provided by this research. The success of on-demand ridesharing services will eventually complement the current transportation system and create more job opportunities and most importantly reduce car ownership and traffic congestions. Also, this research provided
some views on disruption of on-demand ridesharing services by looking into customers’ satisfaction and continuance intention.

### 1.7 Operational Definition of Terms

<table>
<thead>
<tr>
<th>Terms</th>
<th>Definition</th>
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<tbody>
<tr>
<td>On-demand ridesharing services</td>
<td>A taxi-like service which connects drivers and passengers through smartphone applications.</td>
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<td>Sharing economy</td>
<td>A phenomenon where consumers grant each other temporary access to under-utilized physical assets, possibly for money.</td>
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<td>Perceived service innovativeness</td>
<td>Perception of newness and enhancement compared to existing alternatives.</td>
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<td>Perceived personalization</td>
<td>Perception of customers on the degree of individualization in services offered by on-demand ridesharing service providers.</td>
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<tr>
<td>Perceived usefulness of online customer review system</td>
<td>The degree to which consumers perceive an online review system as being helpful in assisting judgment or purchase decisions.</td>
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<tr>
<td>Service personal values</td>
<td>Customer’s total evaluation of the service depends on the perceived achievement in terms of personal values.</td>
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<tr>
<td>Perceived value</td>
<td>The overall evaluation by consumers regarding the utility of products consumed based on perception of difference between cost and benefit received</td>
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<td>Customer satisfaction</td>
<td>The extent to which the customer’s perception of a product’s qualities matching his/her predetermined expectation(s).</td>
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<td>Continuance intention</td>
<td>Continuance intention is a psychological state which mirrors customers’ decision to repeat certain behaviours</td>
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<tr>
<td>Trust</td>
<td>The level of confidence an individual has towards the exchange partner’s integrity and reliability</td>
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<tr>
<td>Technology readiness</td>
<td>Technology readiness is an overall state of mind resulting from a gestalt of mental contributors and inhibitors which collectively determine predisposition to use new technologies</td>
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1.8 Conclusion

This chapter provided the foundations for this study. First, it explained the background of this study. Second, the problem statement was outlined. The research questions and research objectives were then presented. Subsequently, the scope of study was defined. Then, the significance of study from the theoretical and the practical views was outlined. Literature review was conducted in the following chapter to provide a thorough understanding of customers’ behaviour in on-demand ridesharing services context.
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