



## **Customer Expectation and Customer Satisfaction: Reviewing Service Quality of UBER**

### **Harapan Pelanggan dan Kepuasan Pelanggan: Meninjau Kualitas Layanan dari UBER**

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#### **Abstract**

*This paper study the gap between the expected service and the reality of customer satisfaction from Uber's customer perception. Service companies tend to be careful and pay more attention to the customers' satisfaction and aim to have a good relationship to ensure their loyalty. Service quality dimension was used and applied to find the gap between customer expectation and customer satisfaction. The hypothesis was tested empirically to find how service quality (measured by five dimensions: tangibility, reliability, responsiveness, assurance and empathy) affects customer satisfaction on using Uber service. The result of F-test shows that service quality affect customer satisfaction positively. T-test shows that there is improvement needed on two dimension out of five. Star rating from Uber shows that customer satisfaction point is 4.6 out of 5, this paper shows that customer satisfaction result is 4.3 out of 5 from service quality dimension. Statistically this is a significant gap that needs to be filled to reach a closer gap to the expected service. Language barrier could be one of the reason to the gap that customer feels towards Uber driver. Including Taiwanese students as respondents could be done for further research.*

**Keywords: Service Quality, Customer Satisfaction, Service Quality**

#### **Abstrak**

Penelitian ini bertujuan untuk mengukur seberapa besar selisih antara kualitas layanan yang diharapkan dan realita kepuasan pelanggan dari persepsi pelanggan Uber. Perusahaan jasa cenderung berhati-hati dan lebih memperhatikan kepuasan pelanggan dan bertujuan untuk memiliki hubungan yang baik dengan pelanggan untuk memastikan kesetiaan pelanggan. Dimensi kualitas layanan digunakan dan diterapkan untuk menemukan kesenjangan antara kepuasan pelanggan dan harapan pelanggan. Hipotesis diuji dalam studi empiris untuk menemukan bagaimana kualitas layanan (dengan lima dimensi: tangibilitas, keandalan, daya tanggap, jaminan dan empati) mempengaruhi kepuasan pelanggan dalam menggunakan layanan Uber. Hasil uji-F menunjukkan bahwa kepuasan pelanggan dipengaruhi secara positif oleh kualitas layanan, sedangkan uji-t menunjukkan bahwa diperlukan peningkatan pada dimensi responsif dan empati. Sistem penilaian dari aplikasi Uber menyatakan bahwa kepuasan pelanggan berada dalam skala 4,6 dari 5, hasil uji-F menunjukkan bahwa kepuasan pelanggan adalah 4,3 dari 5 dari dimensi kualitas layanan. Secara statistik ini adalah kesenjangan yang signifikan yang perlu diisi untuk mencapai jarak yang lebih dekat dengan layanan yang diharapkan. Hambatan bahasa antara pelanggan dan pengemudi Uber bisa menjadi alasan kesenjangan.

**Kata Kunci: Kualitas Layanan, Kepuasan Pelanggan, Kualitas Pelayanan**

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## INTRODUCTION

What is quality and how is it distinct from customer satisfaction? According to Steenkamp 1989, perceived of quality is taken to be a global judgment of a service provider current offering. This is similar to the study by Zeithaml (1988) in summarizing an extensive review of the literature on quality: Perceived quality can be defined as the consumer's judgment about a service overall excellence or superiority. However, it is worth noting that there are several distinct conceptualizations of quality (Holbrook 1994). In the field of economics and marketing, quality often has been viewed as dependent on the level of product attributes (e.g., Hauser and Shugan 1983; Rosen 1974). In the services literature in marketing, quality is viewed as an overall assessment (e.g., Parasuraman, Zeithaml, and Berry 1985). Service quality in this paper is believed to depend on gaps between desired and delivered service.

Consumers are more and more demanding about the services and products that they purchased. They are well informed about what companies can provide and demand effortless, yet personalized service in real time. Customers also have an increasing power to communicate and express their opinion through

different channels and touchpoints notably thanks to the social media.

Service quality is a concept that has been noticed and discussed in the research literature as an effect of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are various definitions as to what is the meaning of service quality. One familiar definition of service quality is the span of how a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994a; Asubonteng et al., 1996; Donnelly and Wisniewski, 1996). Service quality then can be defined as the difference between customer expectations of service and customer satisfaction as perceived.

Uber has transformed the transport sector, bringing a more customize answer to customers who needed to commute small distances. In this way, the firm offers a cheaper alternative to taxis, a more comfortable experience than MRT and quicker substitute to bikes. Uber is now worldwide known and has managed to expand its business to 570 cities worldwide.

This paper tried to evaluate the issue of what customers' thought about Uber quality of service. The majority of the previous research on service quality has attempted to use SERVQUAL (Parasuraman et al., 1985; 1988) methodology to

measure service quality (e.g. Brooks et al., 1999; Edvardsson et al., 1997; Lings and Brooks, 1998; Reynoso and Moore, 1995; Young and Varble, 1997; Sahney et al., 2004). Here I wanted to analyze the customer gap which was introduced by Parasuraman (1985) which is perceive service and customer service.

Service company tend to be careful to its customer satisfaction and aims at keeping a good relationship with them to ensure their loyalty. In this way, the firm tries to deliver the best experience to the customers in order to keep the satisfaction high. Delivering a quality service is an essential approach to success and survive in today's competitive environment (Reichheld and Sasser 1990). The service quality in Uber is ensured by its monitoring of drivers' performances. Customers rate them at the end of each trip, giving them grades on a scale from 0 to 5. Similarly, every new driver has to maintain a minimum average score of 4.3 during its 25 first rides otherwise its account will be automatically deactivated. If the score is between 4,3 and 4,6 the driver is on probation during a certain amount of trips and has to improve. If the account gets deactivated the driver can attend an Uber class called quality improvement recovery. That's how they certify service quality. Thus, a question occur are those measures

to ensure service quality were sufficient to guarantee customers' satisfaction hence retaining them from going to competitors?

## RESEARCH METHOD

This paper wanted to see the overall perceived of service quality and each dimension of service quality to what customers feel about while they are using Uber.

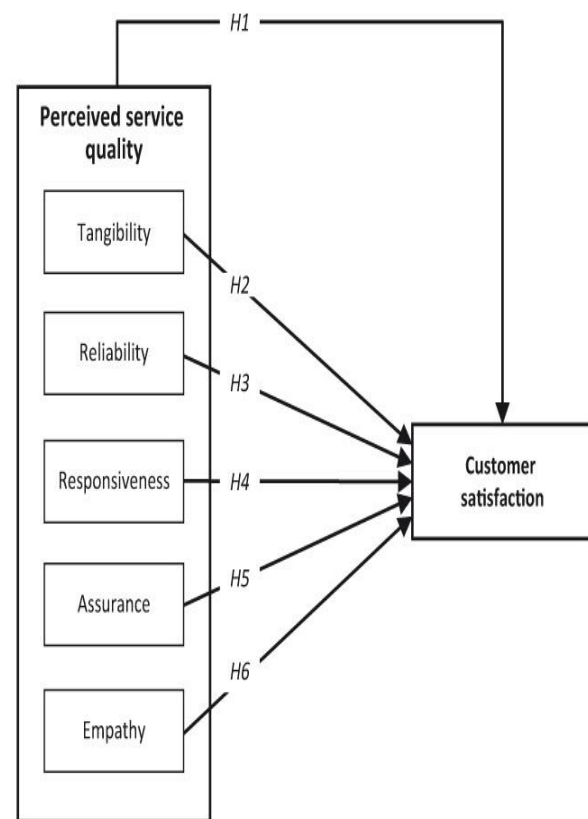


Figure 1. Framework of the relationship between customer expectation as perceived on service quality and customer satisfaction

Figure 1 explain a framework for the analysis of quality service and customer satisfaction using the example of Uber.

These hypothesis will be tested:

H1: There are significant relationship between perceived of service quality and customer satisfaction

H2: There are significant relationship between tangibility and satisfaction

H3: There are significant relationship between reliability and satisfaction

H4: There are significant relationship between responsiveness and satisfaction

H5: There are significant relationship between assurance and satisfaction

H6: There are significant relationship between empathy and satisfaction.

Customer's delight is represented by customer satisfaction which supposed to get five point or the highest point if the customer really felt that way. I assume the perfect customer satisfaction or the expected service would be score five (5) and I will collect the perceived of service quality through questionnaire with Likert scale which are scored five (5) if you highly agree with the statement and 1 if you highly disagree with the statement.

The design of questionnaire in this paper follows the perceived of service quality outline to see how they influence customer satisfaction who use Uber's service. Following a review from literatures there are 29 questions in total, where 7 questions are respondent information, 16 questions stating about service quality and 6 questions for customer satisfaction and future of Uber. I distributed the question-

naire online using google form link through facebook group, whatsapp group and email. The respondents of the questionnaires are Indonesian students who study and live in Taiwan.

The questionnaire for Uber customer is divided into 4 parts in 6 pages of google form. First part covers page one to three in which page one gives an introduction for the questionnaire itself and second page general information about the respondent which is "Have you ever ride with Uber vehicle as a customer?" If the respondent answer is yes, he/she can proceed to the next page, otherwise he/she don't have to continue responding the questionnaire. Third page is the continuation of general information about the respondent such as range of age, gender, ownership of driver license, ownership of a car and how often do they use Uber. Second part in fourth page is the service quality questions for Uber customers on how they feel about the service, here the customers are asked to rate each of the statements on a five-point Likert scale from one (1) indicating highly disagree to five (5) indicating highly agree. Third part in page five is about the respondent habits about Uber, this part represents the customer satisfaction. I wanted to know what are the reasons of the customer when they decide to order Uber, also which factor is most important

for them. Here I also want to know are they are willing to recommend Uber to their friends and colleague, this will show how satisfy are they with the service provided by Uber. Part 4 which is the last is about the future of Uber. One of future strategy of Uber is using autonomous car, so we wanted to know whether the customer ready or not for this, are they concerned about the social impact of Uber and I also want to know about their opinion on how Uber could improve their current service.

The questionnaires are delivered through google form. The validity has been tested through a theoretical review and pilot test. To summarize, a total of 127 responds were receive. Out of 127, 4 was invalid, 18 respondents never use Uber in Taiwan, which means 105 of our respondent are using Uber representing 82.7 % of the total respondents. This response remained for inclusion in the analysis. Descriptive statistics was used to explain respondents and for service quality questions we use SPSS 23.0 is used to analyze the data including descriptive statistics and reliability. The reliability analysis of each construct is well above a Cronbach alpha value of 0.5 which is considered quality for a satisfactory level of reliability (Sekaran, 1992). The result shows that the reliability ties of all the con-

structs (tangible, reliability, responsiveness, assurance and empathy) are between 0.960 And thus conforms the test of reliability. We also run the validity test and the result are all questions are valid. To test the hypothesis, I run t-test and F-test. The rest of the questions on survey are analyzed based on the respondent information and the characteristics of each country represented by the respondents. There are different past experiences from the customer's side.

## **RESULTS AND DISCUSSION**

The majority of our respondents are female (65,4.0%), 20-30 (60.0%) age group. They use Uber services less than once a month (39%), don't own a driver license (62,9%) and do not possess a car (80%). Those who like to ride with Uber is because they don't have car and also don't own a license, this also correlate with the age of the respondents which most likely are student and fresh graduate who works within three years and don't own a car yet.

This paper study on how satisfy the customer of Uber with the current service. The assumption is that if the customer feel satisfied with the service, they will give the highest score for the survey and that means the expected mean is 5. In Table 1, shown that there are still gap between the quality that customers feel and the expectation of fulfillment.

There are gap between the mean of the service quality score and the expected service. Statistically the gap is significant, since the service provider would like to give the best service to their customers, the result from the survey should have been better than this. Most of the customer are using Uber for the convenience when they don't have their own car, but there is higher expectation from the customer to the service provider, Uber. The more Uber willing to give the better service, the more customer will satisfy and become loyal to Uber.

Compared to Uber rating from the application, the result seems to be comparable and almost the same. The mean for perceived of service quality is 4.15 out of 5 and the rating from application shown score of 4.3 out of 5. This result shows the gap which explain the need of a better service from what the service that customers received. Improvement of service is needed to maintain customer satisfaction and reduce the gap from what customer expecting. As the expected service quality supposed to be 5 for a perfect satisfaction, based on the perceived of customers in this research there are 0.85 gap out of 5 that need to be fill. This is 17% gap that need to be

improved, to reach a better performance and increase customer satisfaction.

Table 1. Result of Gap 5

Items	Service	Service	Gap scores
	Quality	Quality Expected	
	Mean	Mean	Mean
Tangibles			
Tan1	4.41	5	0.59
Tan2	4.27	5	0.73
Tan3	4.10	5	0.90
Tan4	4.02	5	0.98
Reliability			
Rel4	4.26	5	0.74
Rel5	4.09	5	0.91
Rel6	3.85	5	1.15
Responsiveness			
Res7	4.00	5	1.00
Res8	4.11	5	0.89
Res9	4.22	5	0.78
Assurance			
Ass10	4.16	5	0.84
Ass11	4.31	5	0.69
Ass12	4.11	5	0.89
Empathy			
Emp13	4.22	5	0.78
Emp14	4.21	5	0.79
Emp15	4.21	5	0.79

Table 2 shown that out of five dimension of perceive of service quality there are three dimension: tangibles, reliability, assurance and empathy that have a significant relationship to customer satisfaction. However, two dimensions which are empathy and responsiveness need more future improvement.

Table 2. Gap scores of the five dimensions in SERVQUAL scale

Service quality dimension	P	E	Gap scores	t test	P value	Priority
Tangibles	4.20	5	-0.80	7.461	0.00	4
Reliability	4.06	5	-0.94	4.906	0.00	5
Responsiveness	4.11	5	-0.89	-0.609	0.54	2
Assurance	4.19	5	-0.81	8.779	0.00	3
Empathy	4.21	5	-0.79	0.034	0.97	1
Overall	P	E	Gap scores	F Value	P value	
Perceived of service quality	4.15	5	-0.85	336.39	0.00	

The gap scores show that there is a gap that need improvement from Uber to deliver the service to the customer. The highest priority is from the empathy and responsiveness. Most of the respondent mention that they couldn't order a car after certain time at night. This can be an evaluation for Uber to encourage the driver to take the order after certain time at night or make a clear announcement about the operating time of Uber.

Further analysis shown that Uber customer are more likely recommend Uber to their friends and really want Uber in a long term because the needs of transportation is bigger than before. Other things to consider is the convenience that Uber provide for it's customer, the comfort and safety on every information provided. Nevertheless, there are some parts that need to be improved by Uber, one of the example is the accuracy of the GPS on locking the customer and the destination.

## CONCLUSION

In this study I find that customer is satisfied enough with the service that Uber provided. Using service quality measure-

ment to see which part of the service need to be improved, I find that reliability and assurance need more improvements.

Although this study confirms that there is improvement needed on Uber service quality, overall customer is satisfied enough with Uber's services and willing to recommend Uber to other customers.

This study concludes that a service company concentrate the efforts on customer service as a way to improve the experience that companies can deliver to its customers. Service quality can be reflected by the perceived of customer satisfaction and the ratings shown on the application. The imperatives to delivering great customer service are therefore: 1) Align customer service strategy to customer experience strategy. All communication channels and all company touch-points must be in line with your brand proposition. Make sure that customer service strategy does not conflict with overall company strategy. 2) Focus on customers' expectations of quality of service. The communication channels that

customers are using are changing rapidly, and the mix used is a reflection of the brand proposition. Understand the interactions that consumers want to have via each channel. Also, make sure that agents are empowered with the right content and information to deliver a useful service. 3) Choose accurately the technologies that empower agents to deliver good experiences. Customer service technologies are at the heart of the solution for providing optimal customer service experiences. Customer service technologies must be able to standardize the customer service experience across communication channels, including social media. They must also be agile to allow companies to quickly react to changing business and customer needs. 4) The way the employees are organized are important factors that affect customer service success or failure and that make up an organization's corporate culture, leadership practices, performance measurement approaches, training programs, collaboration methods. Agents are, after all, the most important asset.

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