Research Paper

THE IMPACT OF CUSTOMER PERCEIVED VALUE ON CUSTOMER SATISFACTION: A STUDY ON MALAYSIAN AUTOMOBILE INDUSTRY

Loi Leong Chen  
MBA graduate  
Ashcroft International Business School  
Anglia Ruskin University, UK  
leongchen.loi@gmail.com

Abdul Basit  
Lecturer  
School of Accounting and Business Management  
FTMS College, Malaysia  
Abdulbasit@ftms.edu.my

Zubair Hassan  
PhD Candidate  
Faculty of Economics and Management Sciences  
International Islamic University, Malaysia  
Zubai7@gmail.com

ABSTRACT

The purpose of this study is examining the impact of customer perceived value on customer satisfaction in Malaysian national automobile. A sample size of 200 respondents of national car drivers was selected in Kuala Lumpur and Klang Valley, Malaysia using convenient sampling. The questionnaire framed by 5 point Likert-Scale was used to collect the data in order to examine the impact of customer perceived value on customer satisfaction. The normality and reliability tests will be used to test validity and reliability of the data collected from the respondents. The descriptive statistics shows that conditional value is the highest mean which indicated that conditional value is the most influential impact on customer satisfaction, and functional value is the second highest mean, and followed by social value and epistemic value. The regression results show that functional value and conditional value has positive significant impact on customer satisfaction, and conditional value has highest beta coefficient value in regression analysis. However, we did not find any significant impact of social value, emotional value and epistemic value on customer satisfaction. This research study fulfilled its purpose by identifying the impact of CPV on customer satisfaction among national automobile in Malaysia. It recommended that future researcher should increase the sample size by using different variables to ensure validity and reliability of the results.

Key Terms:  Consumer perceived value, customer satisfaction, Malaysian national automobile
1. INTRODUCTION

The purpose of this research aims to examine the impact of customer perceived value on customer satisfaction among national automobile industry in Malaysia. Globalization has developed a complex business environment in the manufacturing sector of Malaysia. In this context, the automotive industry has grown into emerging and manufacturing local brands with commencement of Malaysia national automobile of Proton and Perodua. Consumer nationalism refers to domestic consumers’ biasness for local products over imported products. However, through several supports given by Malaysian government, the imported cars’ sales have showed in increasing and growing trend ever since year 2000, even before fully implemented of ASEAN Free Trade Area (AFTA). This increasing trend indicated that more Malaysians displaying their preferences for imported cars (Mashahadi & Mohayidin, 2015).

In the ongoing fierce market competition, the concept of perceived value has been considered as the key success for all businesses sustainability (Huber et al., 2001). Moreover, it has been proven that use of this concept results in increased customer satisfaction and also directly impacts customer loyalty (Lin et al., 2005). There are several models of CPV that are widely used in literature, including the pioneer of CPV model by Monroe (1985) and also the models by Sheth et al (1991), Zeithaml (1988), Woodruff (1997) and Holbrook (1999) (Sánchez-Fernández & Iniesta-Bonillo, 2007).

There are a significant numbers of studies that were conducted on this topic in the developing and developed countries (Jahanshahi, 2011; Javed et al., 2015; Khan & Jadoun, 2015; Haq, 2012; Zaw & Chaipoopirutana, 2014; Orose & Hongcharu, 2012). In terms of CPV in Malaysia, there were limited researches conducted on customer satisfaction in automobile industry, and most of them were conducted on consumers’ buying decision towards automobile (Yee et al, 2011; Wen & Noor, 2015; Nezakati et al., 2011; Lee & Govindan, 2014; Noor & Divendran, 2014; Mashahadi & Mohayidin, 2015; Gomathi & Sam, 2016). The SERVQUAL Model of Parasuraman et al. (1985) was most cited to measure the expected service quality and perceived service quality on CPV in Malaysia automobile (Anantha et al., 2013; 2014).

In the Malaysian automotive market, a shift has been observed as customer expectations are changing. The latest study being undertaken by J. D. Power (2014; 2015; 2016) on Malaysian car industry exploring the sales satisfaction of national automobile (Perodua and Proton) showed customer satisfaction levels are lower than industry average and consistently decreasing over the years highlighting the need for improvement in customer satisfaction to compete with imported cars in Malaysia. The poor quality of national cars especially Proton is deteriorating the consumers’ trust, purchase confidence and perceived brand image of consumers toward national automobile (Wad & Govindaraju, 2011). Additionally, it was also noted that vehicle quality and reliability of national cars perceived to customers did not match with the prices given (Zolkifly, 2013). Therefore, national cars companies should reduce the price instead (Noor & Divendran, 2014). Hence, to survive competitive with a sustaining competitive edge in the future of automotive industry in Malaysia, national automobile makers must compete besides the price factor.

This research study is being undertaken to acquire a base for assessing the impact of CPV on customer satisfaction in the Malaysian national automotive industry. Also, it provides information to the Malaysian national automobile companies about actual requirements of customers and factors that impact on the decision making process.
Additionally, Malaysian national automobile companies can have more understanding on customer insight and making necessary adjustment to fulfil customer’s expectation in order to sustain long-term relationships. Through this study, Malaysian national automobile also can develop better strategies for upcoming time period to sustain in the competitive market.

The independent variable used to examine the impact of CPV on customer satisfaction among national automobile in Malaysia by the researcher consist of ‘functional value’, ‘emotional value’, ‘social value’, ‘conditional value’ and ‘epistemic value’, with ‘customer satisfaction’ being the dependent variable. The research objectives are:

✔ To examine the impact of functional value on customer satisfaction
✔ To examine the impact of social value on customer satisfaction
✔ To examine the impact of emotional value on customer satisfaction
✔ To examine the impact of epistemic value on customer satisfaction
✔ To examine the impact of conditional value on customer satisfaction

2. LITERATURE REVIEW

The pioneer of CPV, Monroe (1985) stated that CPV reflects the trade-off between quality and benefits that they perceive in product relative to the sacrifice that they perceive paying the price which is similar to the assertion of Zeithaml (1988). However, Sheth et al., (1991) defines a wider theoretical framework of perceived value that portrays the consumption pattern on the basis of customer decision and selection of what to buy. On the other hand, Woodruff (1997) has stated that CPV is the preference for an assessment of product attributes and values that helps customers to achieve the purpose in using situations. Holbrook (1999) defines that the concept of CPV can be described by the aspect that includes relationship between buyers and the overall product. Oliver (1980) defined satisfaction as a post consumption judgement about a specific product or service which occurs when expectation is exceeded performance of product or service. Moreover, Oliver (1997) stated that customer satisfaction is achieved when customers’ expectations are met. In recent years, Anderson et al. (2008), Luo and Homburg (2007) also argues that customer satisfaction is defined as “an overall post-purchase evaluation”, which focuses on post purchase perceived product performance compared with pre-purchase expectations.

Sheth et al., 1991 defined functional value as the perceived utility acquired from an alternative’s capacity for functional, utilitarian, or physical performance, and measured on a profile of choice attributes. Moreover, Sheth et al., (1991) defined social value as the perceived utility acquired from product’s association with a particular social group, demographic and culture. Furthermore, Emotional value associates with extrinsic aspects of consumption in terms of a product’s ability to arouse feelings or affective states (Sheth et al., 1991). On the other hand, Sheth et al. (1991) also defined epistemic or novelty value as a product’s capacity to arouse curiosity, provide novelty and/ or satisfy a desire for knowledge. Conditional value arises from an ability of the product to provide temporary social or functional in a specific situation, therefore is contingent on the particular situations facing the choice of decision making (Sheth et al., 1991).

Among the all the perceived value models, Monroe (1985) proposed relationship model of quality, price and perceived value. These are important factors in purchase decision making process of consumers. It is further proposed that perceived quality is an evaluative measure while the perceived value can be regarded as a trade-off that takes place between quality and affordability in terms of consumer perception (Sabiote-Ortiz Frías-Jamilena & Castañeda-García, 2016). On the other hand, Sheth et al (1991) is considered is one of the most crucial contributor to studies of CPV (Sanchez-Fernandez & Iniesta-Bonillo, 2007).
Sheth et al. (1991) model stated that consumer purchase choice involves five consumption values which are functional value, emotional value, social value and conditional value, and every value play different roles in consumer’s purchase decision (Deng et al., 2010). The model is advantageous as it has made a significant contribution in understanding of variables that has an impact on buyer behaviour (Solomon, Russell-Bennett & Previte, 2012). However, it has been criticised of lacking a sharp distinction between exogenous and other variables (Wright, 2006). According to Sheth et al (1991), four variables are suitable to measure CPV of automobile such as social, functional, emotional and epistemic values (Moosa & Hassan, 2015; Wen & Noor, 2015; Hur & Park, 2013, Ehsani & Hashim, 2015). When national automobile companies are able to provide these dimensions to consumers correctly then they can attain loyalty thus creating a win-win situation for both parties. The company can then modify the service in terms of automobile maintenance, after sales service among others so as to deliver exceptional quality to consumer (Hanaysha & Hilman, 2015; Anantha & Huam, 2014; Anantha & Abdullah, 2013).

Moosa and Hassan (2015) did a research on CPV associated with automobile and brand loyalty in Saudi Arabia. The sample size was 198 respondents and sampling techniques was convenient sampling. Analysis was done using descriptive statistics, correlation and bivariate multiple regression analysis. The variables used researcher were functional value, emotional value, social value, epistemic value, conditional value. The results found in regression analysis, functional value and conditional value had a significant and positive impact on customer satisfaction; on the other hand, emotional value, social value and epistemic value had no significant influence on customer satisfaction. Also, it was found that functional value, conditional value and emotional value have a positive impact on customer and brand loyalty. But, researcher did not find any significant impact of epistemic value and social value on brand loyalty. In conclusion, CPV significant associated with automobile is important in increasing the level of customer satisfaction and brand loyalty in automotive industry.

The research by Ehsani and Hashim (2015) was conducted on the relationship between CPV with customer relationship management (CRM) performance in Automaker Company of Iran. The sample size was 400 respondents, and sampling techniques used were multi-stage sampling. The Partial Least Square (PLS) was used to analyse the association between the variables. The variables used were functional value, emotional value, social value, epistemic value, satisfaction and word-of-mouth communication. The results of research study showed that CPV had significant relationships on word-of-mouth communication and CRM performance. On the other hand, Yee et. al. (2011) conducted a research on consumers’ perceived quality, perceived value and perceived risk towards purchase decision on automobile in Malaysia market. The sample size was 200 respondents and the sampling techniques was convenience sampling. The analysis was done through reliability test, normality test, multiple regression and hypothesis. The variables used by the researchers were perceived quality, perceived value and perceived risk. The result of multiple regression analysis also showed the strength of the relationship between purchase decisions with the three independent variables. Furthermore, the hypothesis also indicated that perceived quality, perceived value and perceived risk have significant association with purchase decision when customers want to purchase a car in Malaysia market.

For this research, CPV measured using consumption value model of Sheth et al. (1991) with focus on these five variables: functional values, social values, emotional values, epistemic values, and conditional values are the independent variables, and customer satisfaction as the dependent variable. Hence, the proposed framework for this research study is consumption value framework of Sheth et al. (1991) as illustrated in the research model below:
Functional value is the key driver of consumer choice (Sheth et al., 1991) and is considered as one of the most significant values perceived by customers when they want to purchase automobile (Nezakati et al., 2011; Lee & Govindan, 2014; Wen & Noor, 2015; Abdullah & Wang, 2016). However, increase in price has shown to have a negative impact on customer satisfaction (Malik et al., 2012). On the other hand, functional value of product’s quality and product functions has positive influence on customer satisfaction (Demirgünes, 2015). There are several previous studies that concluded functional value to have the most significant influence on customer satisfaction and loyalty in automobile industry (Jahanshahi et al., 2011; Orose & Boonchai, 2012; Hur et al., 2013; Zaw & Chaipoopirutana, 2014; Moosa & Hassan, 2015; Ehsani & Hashim, 2015).

**H1:** *Functional value has positive significant impact on customer satisfaction*

As defined by Sheth et al. (1991) social value is the perceived value acquired from product’s association with a particular social group, demographic and culture. The choices relating highly visible products such as automobile which to be shared with others is often driven by social value (Sheth et al., 1991). The customer perception of product value is subjected or associated with the characteristic of the social environment such as the culture or the norm in the place where they live in (Harris et al., 2005). Social value is obtained when consumers feel they are connected to others by using a product (Sweeney & Soutar, 2001). Consumer may find social value from visibly driving a national car, demonstrating that they are belonging to a specific group or members. In term of marketing perspective, reference groups have direct influence individuals’ consumption decision and preferences (Schiffman & Kanuk, 1997).

**H2:** *Social value has positive significant impact on customer satisfaction*

Sheth et al. (1991) defined emotional value associates with extrinsic aspects of consumption in terms of a product’s ability to arouse feelings or affective states. If customer is satisfied with the product, he/ she will show a higher chance of purchasing the product (Lin, 2003). However, if customers are not satisfied, it will negatively impact resulting to risk for having bad word of mouth from customer, and the company’s image will be affected negatively (Sandra, 2012). Prior research of Peng and Liang (2013) found that customers’ emotional value has strongest influence and plays an important role on satisfaction with the product. Emotional value was rated higher than price which drives behavioural intention, and
price was not always a high rated factor. Moosa and Hassan (2015) have stated that emotional value is considered as one of the key CPV in purchase automobile.

**H3: Emotional value has positive significant impact on customer satisfaction**

Epistemic value or novelty value is defined as a product’s capacity to arouse curiosity, provide novelty and/ or satisfy a desire for knowledge (Sheth et al., 1991). Exploratory, novelty-seeking, and variety-seeking motives have been suggested to activate product search, trial, and switching behaviours (Hirschman, 1980). In epistemic value, knowledge plays an important role in determining consumer behaviour (Shende, 2014). Consumers purchase an automobile will be based on the familiarity of the current brand, high curiosity about a new automobile or willingness to learn more about the new automobile. Knowledge is the main trait that affects the consumers’ buying decision making process in identifying new product adoption. They tend to match the perceived product features and situational characteristics when they choose to purchase the products. According to prior studies, the key trigger for purchase may be curiosity about a new product, variety or novelty seeking (Hirschman, 1980; Sheth et al., 1991).

**H4: Epistemic value has positive significant impact on customer satisfaction**

Conditional value means the benefits perceived in a particular situation the person making a preference (Sheth et al., 1991). Under certain special condition, product can temporarily provide great functional or social value. Conditional value has more significant positive effects on the path of consumer attitudes among those who did not have other cars than those who did (Wu & Chang, 2016). According Sheth et al. (1991), there are five dimensions of the general features of condition, which includes physical surroundings, social surroundings, temporal perspective, task definition, and antecedent states. The influence of conditional value is also considered less important in automobile industry, as conditional value arises from situational or temporary factor which is difficult to understand unless the time, place and situation might affect conditional factor (Candan, 2013). Therefore, conditional value had significant positive effects on the purchase behaviour of new automobile. Manufacturers should diversity the conditions of product usage and focus on marketing strategies to meet customers’ expectation on conditional value.

**H5: Conditional value has positive significant impact on customer satisfaction**

3. **RESEARCH METHODOLOGY**

3.1. **Research Design and Methodology**

Explanatory research design has been applied to this research to identify the cause and effect relationship. The explanatory research design is considered as the most suitable method of examination for this research study as it can measure the correlative nature with the emphasis on instrumental relationship between variables, and more importantly it can explain for the descriptive information (Gray, 2013). Moreover, explanatory design helps to assess why and how there is a relationship between two or more variables (Mabuda, 2009). Hence, the impact of CPV (independent) on customer satisfaction (dependent) in Malaysian national automobile industry could be determined.

The quantitative research methodology technique has been applied to interpret results with a motive to assist the accumulation of information from a relatively wider number of participants (Taylor, Bogdan & DeVault, 2015). As the research aim is to gather information related to CPV and its impact on their satisfaction level in automotive industry, therefore it is
crucial to undertake research among number of groups that would ultimately help in making comparison. This method would also help in generalizing wider population size and attain numerical information that would further assist in accomplishing statistical analysis which would further facilitate in defining relation among both the variables (Rao and Woolcorc, 2003).

3.2 Data Collection Method

Primary data collection method has been employed to accumulate information as the research aim is to attain the impact of CPV on customer satisfaction in automobiles. As the industry is competitive and perception of consumers changes from time to time, it is crucial to attain primary data and analyse it in a statistical manner. With the research design being explanatory and quantitative to represent data, collecting using the primary technique would be most suitable in this context. The target population for this research was Proton and Perodua consumers, The sample size of this research is 200 (100 for Proton and 100 for Perodua) and convenience sampling was used to interview the customers at the various national car service centres in order to avoid biasness in choosing any customer and most importantly saving cost and time of the research.

3.3. Data Instrument

In this research, questionnaire has been used to attain participants view on the defined area of study. Survey or questionnaires is an effective method to collect data or information relating of the individual’s attitudes, views, behaviours, and feelings (Covey, 2002). To examine the variables that impact the CPV on customer satisfaction among national automobiles in Malaysia, the statistical analysis is required to test these variables computable data obtained from the questionnaire or survey. The questionnaire consisted of two Parts, where Part 1 was Demographic Information of respondents, and Part 2 was the research questions which included all variables such as functional value, social value, emotional value, epistemic value, conditional value and customer satisfaction. All the questions were framed in relation to research topic employing a 5-point Likert scale option for respondents to provide their response (Long-Sutehall, Sque & Addington-Hall, 2010). The scale included 5 options (strongly agree, agree, neutral, disagree, strongly disagree) to understand respondents exact perception on the precise questions. The questionnaire development is illustrated as below:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Factors</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Value</td>
<td>Price; Quality; Design; Durable; Fuel Efficiency</td>
<td>(Wang et al., 2013); (Demirgünes, 2015); (Alsboul &amp; Wang, 2016);</td>
</tr>
<tr>
<td>Social Value</td>
<td>Word-of-mouth; Family and Friend; Social status; Nationalism; Social group</td>
<td>(Ehsani &amp; Hashim, 2015); (Wen &amp; Noor, 2015); (Orose &amp; Hongcharu, 2012); (Arfa Adline, 2012); Mashahadi &amp; Mohayidin, 2015)</td>
</tr>
<tr>
<td>Emotional Value</td>
<td>Feel happy; Feel exciting; Feel proud; Feel Good; Emotional branding</td>
<td>(Hur et al., 2013); (Wen &amp; Noor, 2015); (Demirgünes, 2015); (Gomathi &amp; Sam, 2016)</td>
</tr>
<tr>
<td>Epistemic Value</td>
<td>Curiosity; Truth (test drive); Knowledge; Novelty-seeking; Company background</td>
<td>(Burcu &amp; Seda, 2013); (Hur et al., 2013); (Shende, 2014); (Sandra, 2012)</td>
</tr>
<tr>
<td>Conditional Value</td>
<td>Special occasion; Discount (new user); Special offer; Promotion;</td>
<td>(Sweeney &amp; Soutar, 2001); (Hur et al., 2013); (Wu &amp; Chang, 2016)</td>
</tr>
</tbody>
</table>
3.4. Subjects

200 respondents are grouped into 6 clusters as shown in Table 1, which including gender, ethnic, age group, employment, job position, monthly salary and car brand. In this research, total of 200 questionnaires were distributed to car drivers of Proton (50%) and Perodua (50%). Majority of the respondents are male which consist of 64.5%, female 35.5%, this result indicated that male respondents are more voluntary and willing in responding the questionnaire

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>71</td>
<td>35.5</td>
<td>35.5</td>
</tr>
<tr>
<td>Male</td>
<td>129</td>
<td>64.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 - 30</td>
<td>54</td>
<td>27.0</td>
<td>27.0</td>
</tr>
<tr>
<td>31- 40</td>
<td>76</td>
<td>38.0</td>
<td>65.0</td>
</tr>
<tr>
<td>41 - 50</td>
<td>47</td>
<td>23.5</td>
<td>88.5</td>
</tr>
<tr>
<td>51 and above</td>
<td>23</td>
<td>11.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>175</td>
<td>87.5</td>
<td>87.5</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>5</td>
<td>2.5</td>
<td>90.0</td>
</tr>
<tr>
<td>Student</td>
<td>20</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Job Position</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical/ Non-Executive</td>
<td>66</td>
<td>33.0</td>
<td>33.0</td>
</tr>
<tr>
<td>Executive</td>
<td>76</td>
<td>38.0</td>
<td>71.0</td>
</tr>
<tr>
<td>Managerial</td>
<td>31</td>
<td>15.5</td>
<td>86.5</td>
</tr>
<tr>
<td>Student</td>
<td>20</td>
<td>10.0</td>
<td>96.5</td>
</tr>
<tr>
<td>Upper Management</td>
<td>7</td>
<td>3.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Monthly Salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MYR 10,001 and above</td>
<td>14</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>MYR 2,500 and below</td>
<td>53</td>
<td>26.5</td>
<td>33.5</td>
</tr>
<tr>
<td>MYR 2,501 - 5,000</td>
<td>65</td>
<td>32.5</td>
<td>66.0</td>
</tr>
<tr>
<td>MYR 5,001 - 10,000</td>
<td>68</td>
<td>34.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Car Brand</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perodua</td>
<td>100</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Proton</td>
<td>100</td>
<td>50.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Most of respondents are Malay (42.5%) and Chinese (42%), with total of 84.5% and 15% Indian and 0.5% other race. Most of the respondents are aged between 31-40 years constituted 38% followed by aged group 20-30 years with 27%. In term of employment and job position, 87.5% of respondents were employed, only 2.5% were self-employed and 10% were student. Most of the national car drivers are executive level (38%), clerical or non-executive (33%), managerial (15.5%), and followed by student (10%), only 3.5% are upper management. 60% of respondents earned monthly income below than MYR 5,000, 34% of respondents earned monthly income ranged from MYR 5001-10000, and there is only 7% of respondents earned MYR 10,000 above. This indicated that most of the national car drivers are from medium ranged income as national car is considered to be one of the most affordable prices in Malaysia.

3.2. Procedure

The researchers independently contacted the respondents using a non-probability sampling techniques (convenient sampling method) based on time and resource available to reach the target respondents. Samples of 200 respondents were chosen for this study.
Additionally, permission from the respondents was obtained while they were purchasing a car from the showroom. A time period of 7 days including weekends were spent to collect data. The completed questionnaires were collected by the researchers and a follow up were made on the spot before customer leaves the premises.

3.3. Measures

**Normality:** In this study, the normality is tested by using combines the tests of skewness and kurtosis, and the statistical significance of skewness and kurtosis are two key indicators to measure the data normality (Öztun al. et., 2006). According to Bachman (2004), the rule of thumb between -1 and +1 will be used for kurtosis and skewness values to determine a reasonably normal distribution. Based on the result of Table 2, all questions for skewness statistics can be seen in acceptable range which is below 1. The kurtosis statistics value also shows in acceptable range, except SV2 with value of 1.426 which is above 1, and CV2 (-1.043), CV3 (-1.382) and CV4 (-1.166) which are below -1. The overall of data will be considered is normal, and further reliability test will be conducted in the study.

**Reliability:** Reliability is a consistency of measurement (Bollen, 1989), or stability of measurement through variety of conditions in which basically the same results should be achieved (Nunnally, 1978). In the other words, reliability test is used to determine the consistency and stability in which to measure the constructs of the research instrument (Malhotra, 2004). Cronbach’s Alpha reliability test is used to measure the internal consistency of scale or test as Cronbach’s alpha coefficient is widely used to measure reliability in the study (Tavakol & Dennick, 2011). Malhotra (2004) stated that, the coefficient varies from 0-1 AND value of 0.6 OR less as a rule indicates unsatisfactory internal consistency reliability of test. The coefficient varies from 0.8-1.0 are very strong in reliability, 0.6-0.8 are moderate, and below 0.6 are weak in reliability [>0.9-Excellent and Good; >0.7 – Acceptable; >0.6 – Questionable; >0.5 – Poor; <0.5 - Unacceptable].

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>30</td>
<td>0.934</td>
</tr>
<tr>
<td>Functional Values</td>
<td>5</td>
<td>0.901</td>
</tr>
<tr>
<td>Social Values</td>
<td>5</td>
<td>0.769</td>
</tr>
<tr>
<td>Emotional Values</td>
<td>5</td>
<td>0.897</td>
</tr>
<tr>
<td>Epistemic Values</td>
<td>5</td>
<td>0.646</td>
</tr>
<tr>
<td>Conditional Values</td>
<td>5</td>
<td>0.871</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>5</td>
<td>0.893</td>
</tr>
</tbody>
</table>

Based on the above Table 3, the overall Cronbach’s alpha value is stood at above 0.646 for the questionnaire’s variables which shows is acceptable as satisfactory value is required to be more than 0.6 for the scale to be reliable (Malhotra, 2004). Thus the research instrument is considered to be reliable in internal consistency. Functional value has a highest Cronbach’s alpha value with 0.901 which shows the high reliability in internal consistency among the variables.
4. RESULTS AND ANALYSIS

4.1. Descriptive Statistics

Table 4: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Values</td>
<td>200</td>
<td>3.360</td>
<td>0.7987</td>
</tr>
<tr>
<td>Social Values</td>
<td>200</td>
<td>3.270</td>
<td>0.6564</td>
</tr>
<tr>
<td>Emotional Values</td>
<td>200</td>
<td>3.248</td>
<td>0.7598</td>
</tr>
<tr>
<td>Epistemic Values</td>
<td>200</td>
<td>3.259</td>
<td>0.6004</td>
</tr>
<tr>
<td>Conditional Values</td>
<td>200</td>
<td>3.482</td>
<td>0.8797</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>200</td>
<td>3.413</td>
<td>0.8142</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td></td>
<td>200</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 above shows the descriptive statistics for each value of CPV on customer satisfaction, the mean statistic of conditional value is the highest (M = 3.482; SD = 0.8797), in which indicated that conditional value is the most perceived value associated with automobiles. The second highest mean value is functional value with mean value of 3.360, and followed by social value and epistemic value with a mean value of 3.270 and 3.259 respectively. Emotional value is the lowest mean value of 3.2475 which indicated that emotional value is the least associated value with automobiles in Malaysian context. Therefore, the result of this study indicated that most of the respondents are generally satisfied with their national automobile. The result of finding is similar to prior studies of Ehsani and Hashim (2015); Demirgünes (2015); Jayakody et al. (2016). However, Moosa and Hassan (2015) found that functional value is a most important values that is associated with automobiles in Saudi Arabian context, followed by emotional value and epistemic. Moreover, the researchers of Moosa and Hassan (2015) and Demirgünes (2015) also found that social value has least impact on the level of customer satisfaction.

4.2. Regression Analysis:

From this study, regression analysis used to predict the impact of CPV on customer satisfaction based on five independent values. The factor of dependent for this study is customer satisfaction. According to Faraway (2012), regression analysis is a statistical technique to determine the linear relationship between the variables. The R Square value must be minimum of 60% of the variables, which shows the model is good fit (Gujarati, 2004); The thumb-rule for Significant F is from 0.01 to 0.05 (Blackwell, 2008); The range of acceptable for Durbin Watson should be from 1.5 to 2.5 (Bakon & Hassan, 2013). In this study, the hypothesis testing will be investigated within 5 hypotheses (H1, H2, H3, H4 and H5).

Table 5: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adj. R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.837*</td>
<td>0.700</td>
<td>0.692</td>
<td>0.4517</td>
<td>2.087</td>
</tr>
</tbody>
</table>

Based on the Table 5, the model result of R square value is 0.7 which indicates that 70% of the dependent variable of customer satisfaction can be predicted by independent variables. The adjusted R square is 0.692 which indicated that model is a fit model, as the value is more than 0.60 (Gujarati, 2004). The Durbin Watson result shows 2.087 which the value shown auto correlation among the selected respondents for this research study. Alam et
al. (2013) stated that the acceptable range for Durbin Watson should be from 1.5 to 2.5, which indicating that the data is safe from being auto correlated. The finding is similar to the previous researches of Demirgünes (2015); Ehsani and Hashim (2015). However, Moosa and Hassan (2015) indicated that the result is considered as ‘poor fit’, as the result failed to explain 60% of variance dependent variable for customer satisfaction.

Table 6: Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.112</td>
<td>0.214</td>
<td>0.526</td>
<td>0.600</td>
</tr>
<tr>
<td>Functional Values</td>
<td>0.745</td>
<td>0.053</td>
<td>0.730</td>
<td>13.937</td>
</tr>
<tr>
<td>Social Values</td>
<td>-0.049</td>
<td>0.081</td>
<td>-0.039</td>
<td>-0.602</td>
</tr>
<tr>
<td>Emotional Values</td>
<td>0.069</td>
<td>0.069</td>
<td>0.065</td>
<td>1.012</td>
</tr>
<tr>
<td>Epistemic Values</td>
<td>0.079</td>
<td>0.059</td>
<td>0.058</td>
<td>1.328</td>
</tr>
<tr>
<td>Conditional Values</td>
<td>0.137</td>
<td>0.041</td>
<td>0.148</td>
<td>3.362</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

According to Table 6, the results of functional value beta coefficient value is 0.730 and with a significant value of 0.000 which is lower than 0.01 (Blackwell, 2008). Therefore, functional value is found has a positive significant impact on customer satisfaction. The model also indicated that functional value has the highest impact of customer satisfaction as its beta coefficient indicated is the most significant and highest among all values. This finding is similar to the previous researches of Demirgünes (2015); Hur et. al. (2013); Moosa and Hassan (2015); Ehsani and Hashim (2015); Jomehri et al. (2011); Xue (2015); Tabassum et al. (2013), as all researchers were positively agreed with result that functional value has positive and significant impact on customer satisfaction. H1: (Accepted)

Social value beta coefficient value is -0.039 resulted negative value, and with an insignificant value of 0.548 which is higher than 0.05 (Blackwell, 2008). Thus, social value is found to has a negative and insignificantly impact on customer satisfaction. Moosa and Hassan (2015); Demirgünes (2015) also done a similar researches and found that there is no significant and least impact of social value on customer satisfaction. However, Hur et. al. (2013); Ehsani and Hashim (2015); Jomehri et al. (2011); Alshibly (2015); Tabassum et al. (2013) have stated that social value has significant and positive impact on customer satisfaction in their research study. H2: (Rejected)

Emotional value beta coefficient value is 0.065 and with an insignificant value of 0.313 which is higher than 0.05 (Blackwell, 2008). Hence, emotional value is found to has a positive and insignificant impact on customer satisfaction. Thus, the finding is in line with prior research of Moosa and Hassan (2015) which found that emotional value has no significant impact on customer satisfaction. However, the finding is opposite from Demirgünes (2015); Hur et al. (2013); Jomehri et al. (2011); Xue (2015); Tabassum et al. (2013). H3: (Rejected)

Epistemic value beta coefficient value is 0.058 and with an insignificant value of 0.186 which is higher than 0.05 (Blackwell, 2008). Hence, epistemic value is found to has a positive and insignificant impact on customer satisfaction. From the prior similar research study, Moosa and Hassan (2015) also did not find any significant impact of epistemic value on customer satisfaction. However, prior study of Ehsani and Hashim (2015); Tabassum et al. (2013) found that epistemic value is positively and significantly impact with customer satisfaction. H4: (Rejected)
Conditional value beta coefficient value is 0.148 and with a significant value of 0.01 which is lower than 0.05 (Blackwell, 2008). Hence, conditional value is found to has a positive and significant impact on customer satisfaction. Moosa and Hassan (2015) and Tabassum et al. (2013) have done a similar research and found that conditional value has significant impact on level of customer satisfaction. H5: (Accepted)

Overall, the result of regression analysis indicated that only functional value and conditional values were found to have significant impact on customer satisfaction in automobile. The other three indicators of CPV (social value, epistemic value, emotional value) have found to be not significant on customer satisfaction in automobile. The finding is similar with research conducted of Moosa and Hassan (2015).

5. CONCLUSION AND RECOMMENDATION

The key purpose of this research is to examine the impact of CPV on customer satisfaction among national automobile in Malaysia. In this aspect the major findings derived from literature review found that functional value of a product has positive impact on customer satisfaction and it plays an important role in customer satisfaction among Malaysian automobile industry which is similar to previous findings that signifies as all the variables are positively agreed with results that have positive impact on consumer satisfaction level. Also, the findings of conditional value indicate that conditional value positively and significantly impacts on customer satisfaction in regression analysis. Thus, it can be concluded that conditional value plays an important role in customer satisfaction after functional value. Therefore, the national car companies should diversity the conditions of product usage and focus on marketing strategies to meet customers’ expectation on conditional value. However, in context of social value, the findings suggested a negative insignificant impact on customer satisfaction. In contrast, emotional value and epistemic value, in regression analysis suggested a positive but insignificant impact on customer satisfaction. Nevertheless, after assessing both primary and secondary research it can be concluded that emotional value is also an apparent factor that can help automobile companies to enhance their customer satisfaction, hence, it should be given emphasis while implementing marketing strategies. Also, from secondary research it is evident that epistemic value is aligned with knowledge and customers usually purchase a car due to having familiarity with existing brand and high curiosity about a new product.

5.1. Recommendation

From the finding being derived, it can be concluded that Malaysian national automobile companies should seek to improve its functional, social, emotional, epistemic and conditional values as it would facilitate in achieving satisfaction of customers (Jayakody et al., 2016). Therefore, in order to overcome the sales declined of Malaysian national automobile in recent years, it is recommended that national car companies should improve its’ functional value such as car quality, engine reliability, fuel consumption and design as all these attributes can helps in brand building and achieve customer satisfaction that would ultimately increase market share of automobile industry. In Malaysian automotive market a shift has been observed as customer expectations are rising, hence car companies need to understand that meeting these needs requires innovative ways to satisfy customers in order to compete with imported car and survive or sustain competitive in the automotive industry in Malaysia. In this regards, CPV through functional, emotional, social, conditional and epistemic values hold much of importance in automobile industry as these factors are positively related with consumer satisfaction and should be managed evidently to improve business functions and enhance performance of Malaysian national automobile.
5.2. Limitation

After accomplishing this detailed research, it is apparent that the study also holds certain limitations that basically barred researcher from acquiring more prominent outcomes. Here, in while undertaking secondary research researcher faced issues in terms that there was very limited previous research available on CPV on Sheth et. al. (1991) framework that to an extent impacted on the study. Moreover, researcher also faced of limited availability citation on research related to CPV on customer satisfaction in automobile industry, therefore the study has been carried out using the limited resources. If much of data would have been available, it would have been convenient for researcher to put some valid point of view on the aspect and critically analyze it. On top of that, due to the insufficient time, this survey only could be conducted in the Kuala Lumpur and Klang Valley, Malaysia. Moreover, the results of study might be misinterpreted as the questionnaire might be inappropriately.

5.3. Future research direction

Findings of the research reveals that there are numerous opportunities present for Malaysian automobile industry in terms of growth acquisition so organizations of this sector needs to put emphasis on numerous aspects of CPV so that customer satisfaction can be attained. However, for future research it would suggest that researchers should undertake different variables for example perceived quality, perceived price and perceived service to measure the impact of CPV on customer satisfaction in National automobile in Malaysia. Furthermore, it is recommended that future researchers should increase the size of sample by widening the research context to ensure reliability and validity of the results. These aspects would basically help to frame more valid outcomes and assess the areas where Malaysian national cars are lacking and should try to improve its business functions.

References


Gray E.D. (2013). Doing research in the Real World [PDF]. Available at: http://www.sagepub.com/sites/default/files/upm-


Noor M. and Divendran V.L. (2014). Malaysians Perceptions Towards Proton Cars . Advances in Environmental Biology. 8(9); 513-522


IJABM is a FTMS Publishing Journal