

CHAPTER I

INTRODUCTION

1.1 Background

Nowadays, the competition among entrepreneur in the development of business in any industries are very tight. Entrepreneur in Indonesia is getting more adaptive and creative in developing their competitive strategy. Their goal is to provide the best quality in goods or services that are needed by the customer. In addition, to provide the best products, companies in Indonesia are also now focused on providing the best quality service, because customers are increasingly selective in choosing a product or service they need. With the effort to get the attention from the customers, the entrepreneur should know the customer's needs. Therefore, there is a chance from customer to repurchase in the field of services and products. If the repurchasing stage happen continuously, it means that the company has a good service quality as the measurement of good company. The measurement of service quality is coming from seller's perspective, for example transactions from a seller to the buyers.

As we know, the growth of technology is becoming more advance. Lee G. G. & Lin H. (2005) assumed that technology is an important in any aspects, especially in business sector. The use of technology such as the electronic and the internet are the main tools to adapt and survive with the business competition. To utilize the growth of technology, many business company are using electronic services. The measurement of electronic services is the electronic service quality (e-service quality), that using tools such as internet media or websites to make business effective and efficient. Stated by

Bressolles & Durrieu (2011) the quality of e-service quality is defined as the extent to which websites facilitate shopping, purchasing and shipping products and services effectively and efficiently.

The development of information technology in the era of globalization is currently growing rapidly (Ho & Lee, 2007). Over time, in the era of globalization, technological developments took a very important role because it makes easier for people to carry out various life activities. At present, people in the world use the internet to obtain and deliver the information they need anytime and anywhere. The function of internet generally besides for being communication and also provides opportunities for anyone to run a business.

Looking from the existing technological developments, entrepreneurs must make innovations, and providing customer's convenience in making transactions that affect the market share to keep increasing. By utilizing growth of technology and one of the tools that used is e-service quality. According to Rowley (2006), electronic services are defined as business actions or performances that are mediated by information technology. These electronic services include elements of e-tailing services, customer support, and services. This definition reflects the three main components, which are service providers, service recipients, and service channels, those are the element to support successful e-service quality toward customer loyalty. According to Li et al (2009), the dimensions of e-service quality are seen from two perspectives, the company's perspectives and customer's perspectives. If viewed from a company perspective, one of the dimensions of e-service that must be considered is website design

(websites must be well designed and visually attractive), reliability (consistency of web performance and reliability). If viewed from a customer perspective, the dimensions of e-service that must be considered as trust (customer trust by providing fast and information-rich services). And the other literature that suggested by Parasuraman, Zeithaml, and Malhotra's (2005), consumer's assessment of a website's quality includes not only experiences during their interactions with the site but also postinteractionservice aspect for example fulfillment and returns. As such, e-service quality is defined broadly to encompass all phases of a consumer's interactions with a website, the extent to which a website facilitates efficient and effective shopping, purchasing, and delivery.

Service quality and customer satisfaction are measurement of a company to achieve competitive advantage (Sawitri, 2013). Service quality that created by a good way that can make customer satisfaction. Customer satisfaction is about customer expectations its means something like consumers shape their expectations through previous buying experience, friends, peer advice, and information and promises from marketers and competitors. If the company makes expectations too high, that does not guarantee that it will attract enough consumers. If the company makes expectations too low, the buyer may be disappointed. At present, many successful companies adjust a lot between the desired expectations and the performance given to consumers. These companies applying Total Customer Satisfaction (TCS). They attach great importance to customer satisfaction by meeting and exceeding the expectations of consumers

besides their products or services as long as the customer uses the company's products or services (Julius, 2012).

According to Johnson (1997), customer loyalty is a predisposition to purchasing and using a particular product, manufacturer or service provider again, which means that consumer loyalty is a tendency to buy and or use a product or service again. According to Oliver (1997) in a long way, satisfaction will have an impact on the formation of customer loyalty. Loyalty from the customer itself arises because of the trust of the company. Setiawan and Ukudi (2007) mentioned that connectedness behavior that occurs between companies and consumers is largely determined by trust and commitment.

The company's attention to customer satisfaction is getting bigger, many of the companies set their goals on customer satisfaction. To know about customer satisfaction is by looking at their level of satisfaction when purchasing occurred. Information about customer satisfaction naturally adds the input to be evaluated and can be used as a basis for better company improvement in terms of service quality strategy. According to Santos (2003) defines e-service quality as an overall assessment and evaluation of the quality of service delivery to consumers in a virtual market.

Competition in business segmentation through electronic services has begun to grow in Indonesian people so there are many companies use this media as a way to increase company profits, one of the service business which providing delivery services for products and services is Go-jek. Go-jek is a company that leads the transportation industry revolution. Go-jek partners with experienced motorbike riders in Jakarta

covering the Greater Jakarta, Bandung, Bali, Surabaya and other cities which are the main solutions in delivering goods, ordering food, shopping and traveling in traffic. The company was founded in 2011 by Nadiem Makarim and his colleague Michael Angelo Moran. In the beginning, this company ran a business using a call center, that is Go-jek staff contacted one by one from an empty Go-jek driver by telephone. By using electronic services, the call center makes Go-jek staff more inefficient because they have to call empty Go-jek one by one and this is very time-consuming. Since the launch of app-based Go-jek bookings on Android and iOS, this business began to grow very rapidly. The new mobile app was launched in January 2015, because it was felt that the Indonesian people were ready with their Android devices and the growth of smartphone usage.

The market share of Go-jek companies is very large, therefore the company must be able to maintain market share by improving the quality of service in accordance with customer desires. Customer desires become a key company to exist, from where we can build the basis of customer input to sustain and succeed in the era of globalization. Based on the statement stated above, researchers make Go-jek customers as objects of research and want to examine whether e-service quality affects Go-jek customer loyalty through customer satisfaction.

After discussing development of technology, go-jek company certainly took advantage of this opportunity to meet the daily needs of its consumers. By holding various features in the go-jek application, of course, it is make go-jek as a pioneer in Indonesia is one of them by holding a go-food feature. And now we need to know that

the use of the Go-Food feature in Go-Jek is the most frequently used by consumers, especially the students. In fact, not infrequently also students are too dependent on the convenience of Go-Food, students become more utilizing the development of available technology to facilitate everything even to fulfill their own personal needs. Usually students and the public order food and various drinks through Go-Food, which is caused by weather, which sometimes does not support buying food outside, which can be caused by rain or hot weather that is not fair. Indeed, currently the Go-Jek is being heavily used by various groups of people in Indonesia, especially Yogyakarta.

In this study, researcher will examine more deeply about Examining students' perception of e-service quality in Go-food service Issues. In this study, we will find out the extent of consumer loyalty from go-jek in utilizing the go-food feature of the go-jek application among students in Yogyakarta.

1.2 Problem Formulation

- 1) Does website design have an influence on customer satisfaction in Go-jek company?
- 2) Does reliability have an influence on customer satisfaction in Go-jek company?
- 3) Does trust have an influence on customer satisfaction in Go-jek company?
- 4) Do customer satisfaction attributes affect customer loyalty in Go-jek company?

1.3 Research Objectives

- 1) To describe whether website design has an influence on customer satisfaction in Go-jek company.

- 2) To describe whether reliability has an influence on customer satisfaction Go-jek company.
- 3) To describe whether trust has an influence on customer satisfaction in Go-jek company.
- 4) To investigate how customer satisfaction in Go-jek company has an impact to customer loyalty in Go-jek company.

1.4 Benefits of Research

1.4.1 Theoretical Benefits

This research helps to explain an overview of the theoretical framework of service quality in Go-jek company, including those that influence website design, reliability, trust behaviors affecting users in customer loyalty, and to provide important strategic implications contributing growth of the internet in globalization era.

1.4.2 Practical Benefits

This research will help a company or organization, especially the senior in a company or organization to consider the concept of how making an effective and efficient about using e-service quality to get loyal customers. Also, help the marketer to be more aware or realize with the importance of the growth of internet service to getting closer with the consumers, and thus can obtain information easily.