

CHAPTER I

INTRODUCTION

1.1 Research Object Overview



Figure 1.1 Gojek Logo

Source: gojek.com

Gojek is a company under the auspices of PT. Aplikasi Karya Anak Bangsa in the technology sector from Indonesia which provides transportation services via motorcycle taxi services. The company was first established in 2010 by Nadiem Makarim who was concerned about traffic jams in Jakarta. At that time, Gojek only operated in Jakarta, with a number of two-wheeled fleets of 20 units and ordering services through a call center to connect passengers with drivers. Thanks to Uber's popularity in 2014, Gojek started getting investment offers. On January 7, Gojek officially launched an Android and iOS based application to replace the previous ordering system through the call center. Gojek is expanding to more than 50 cities by expanding its services to the realm of food delivery, ticket sales, four-wheeled transportation, etc. Since the Gojek application was created, there has been an increase in orders from 3,000 per day to 300,000 per day. (Gojek.com).

In August 2016 Gojek officially announced a funding of US\$ 550 million or around Rp. 7.2 trillion from KKR, Warburg Pincus, Farallon Capital, and Capital

Group Private Markets and previous investors. (businesswire.com, 2016). In that year, Gojek has officially become the first Unicorn in Indonesia, namely a startup with a valuation of more than US \$ 1 billion. In 2017 Gojek was ranked 17 out of 20 companies that changed the world according to Fortune. Gojek grew 3,600 fold in 18 months, including one of the fastest growth in the world. Until 2018, Gojek managed to expand in Vietnam and Thailand, so that orders rose to 100 million per day. In 2019 Gojek has developed its services into 20 products and in 2020 the company succeeded in uniting the Gojek application for Indonesia, Singapore, Thailand and Vietnam. GoFood is the world's most useful and user-friendly app in during the pandemic. (Gojek.com)

Gojek's development in 2021 can contribute more than US\$ 7.1 trillion to the movement of the wheels of the Indonesian economy, helping to support the green movement in reducing plastic use by up to 11.3 tons since 2020. Gojek also helps digitize MSMEs through food merchant partners. Currently, Gojek has 20 active services, more than 2 million driver partners, more than 900 thousand GoFood partners, with the number of application installs reaching more than 190 million times, with a 2,448 fold increase in downloads from 2015 to 2020. (Gojek.com). And in the next 10 years, Gojek has a dream to become a company that is able to move anything with vehicle mode. In the transportation sector, Gojek wants to add other modes of transportation such as public transportation, inter-city shuttles, and continue to develop collaborations such as the current Bluebird. In the food business sector, such as GoFood, Gojek plans to make MSMEs in Indonesia more go digital. And for the logistics sector such as GoSend, Gojek plans to attract many business partners to deliver goods through its platform.(Jemadu & Prastya, 2021)

Currently the Gojek service has developed into a Super App service (Super App is a mobile or web application that can provide a wide range services including payment and financial transaction processing which effectively becomes an independent trading and communication platform covering many aspects of personal and commercial life) and has been present in 167 Cities and Regencies in Indonesia which is divided into the categories of transportation & payment

logistics, ordering food and shopping, entertainment and business. The payment transportation & logistics category includes GoRide, GoCar, GoSend, GoBox, and Go-Bluebird services. Payment services include GoPay, GoTagihan, GoPaylater, GoGive, GoSure, GoInvestasi, GoPay.(gojek.com) Food and shopping order services include GoFood, GoMart, GoMed and GoShop. Entertainment services include GoPlay and GoTix. Business services include GoBiz, GoStore, and moka.(gojek.com).

Reporting from the gojek.com website, since September 2021, the company has launched Gojek Protect+ as a mode of transportation with extra protection standard services. The presence of Gojek Protect+ complements the innovations and hygienic solutions that have been available since the beginning of the pandemic. The Gojek Protect+ service is different from the regular Gocar service, namely in the car an air purifier is installed, all driver partners have been vaccinated, routine body temperature checks, periodic disinfection of vehicles, and ensuring there is a protective bulkhead on the four-wheeled fleet, protocol checklist, and mask verification. The Gocar Protect+ service has a higher price than the regular Gocar service but it can guarantee users in a pandemic condition compared to the regular Gocar service because it has differences in the facilities provided, namely the absence of protective bulkheads, air purifiers.

1.2 Research Background

Today, technological developments have been utilized in all fields, including the increasingly diverse service business in meeting market needs (Soleh et al., 2018). One of the service businesses that adopts technological developments is transportation services. Transportation facilities are important tools that support human mobility at any time, such as in economic activities, goods and services expeditions, passenger transportation and others. In general, the transportation used by the Indonesian people is dominated by land transportation (Farida et al., 2016). The use of technology in transportation today can create a mobile platform for online transportation services. Online transportation is a customized transportation service that allow customers to book a ride (motorcycle, car, etc.) through applications that can elicit a response from the driver (Li et al., 2019). This

innovation makes it easier for people to be able to order vehicles using their smartphones. Currently, online transportation is developing very rapidly in Indonesia (Kristo, 2017). The development of the market share of online transportation services in Indonesia can be seen in figure 1.2:

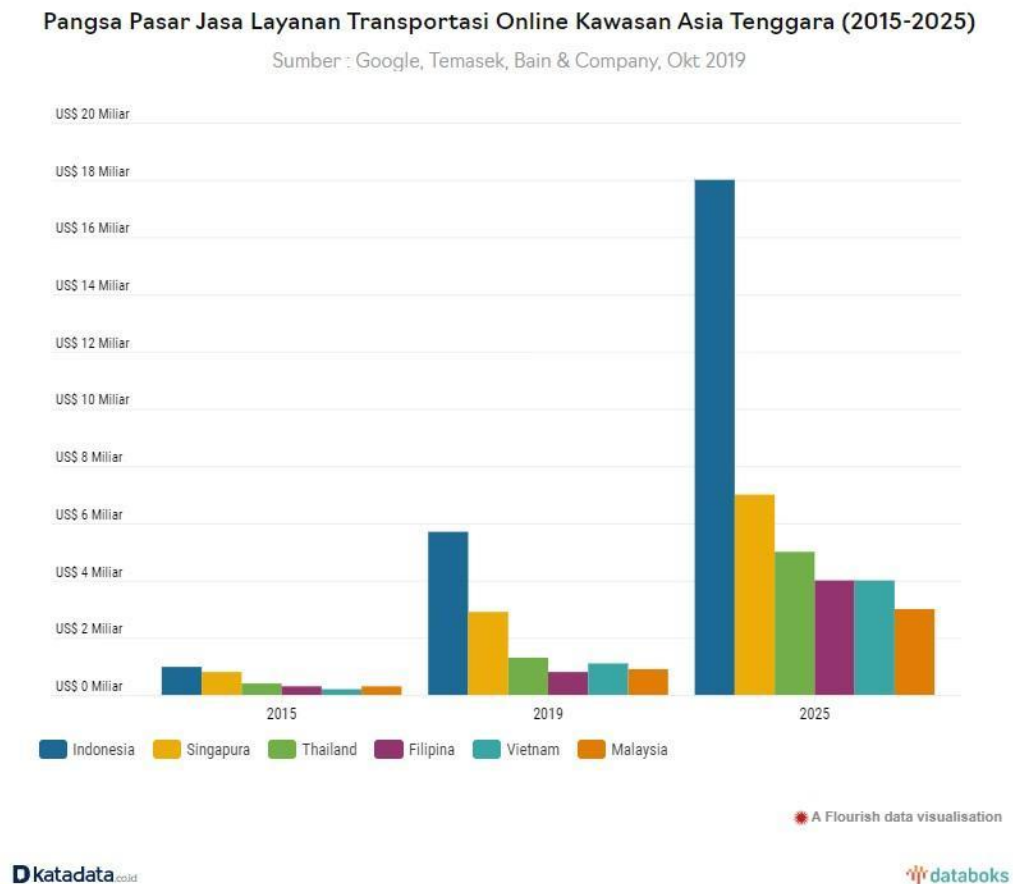


Figure 1.2 Southeast Asia Online Transportation Market Share 2015-2025

Source: databoks.katadata.co.id (2019)

Figure 1.2 above is the result of research from Google, Tamsek and Bain & Company that conducted a survey of the market share (gross merchandise value/GMV) of ride-hailing (food services and online transportation) in the Southeast Asia (ASEAN) region. Based on this data, GMV ride-hailing in the ASEAN region in 2015 reached US\$ 3 billion, then grew to US\$ 12.7 billion in 2019 and is projected to increase to US\$ 40 billion in 2025. Reported from databoks.katadata.co.id (2019) the number of active ride-hailing users in the ASEAN region reached 40 million, this amount jumped 5 times from user data in

2015. Based on the graph above, it is known that Indonesia is the largest ride-hailing GMV in the ASEAN region. Indonesia's ride-hailing market share in 2015 reached US\$ 980 million, then grew to US\$ 5.7 billion in 2019 and is projected to increase to US\$ 18 billion by 2025.

There are currently two main players in the online transportation service market in Indonesia, namely Gojek and Grab (databoks, 2019). Both companies are engaged in service-based transportation services through online applications. The online application used demonstrates full service features including two-wheeled and four-wheeled transportation, logistics, payments, food delivery services and others (Li et al., 2019). Gojek and Grab service users in Indonesia are growing rapidly from time to time. TOP Brand Index Indonesia records the development of the use of online transportation services as follows:

Table 1.1 TOP Brand Index of Online Transportation Services 2016 – 2021

Brand	TOP Brand Index (TBI)						Category
	2016	2017	2018	2019	2020	2021	
Gojek	80.8%	59.2%	44.9%	44.6%	47.3%	53.0%	TOP
Grab	14.7%	28.2%	48.0%	43.1%	43.5%	39.7%	TOP
Uber	1.7%	8.0%	-	-	-	-	-
Blu-jek	0.7%	0.3%	-	-	-	-	-

Source: topbrand-award.com (2021)

Based on TOP Brand Index data for the online transportation service category for the 2016-2017 phase, four online transportation companies dominate, namely Gojek, Grab, Uber, and Blu-jek. Next, from 2018 to 2021 the online transportation market is controlled by Gojek and Grab. The two companies are very competitive, so in 2018 Grab led the market with a TBI of 48.0%. Consistently maintaining its superiority in 2016-2017, Gojek has again shifted the position of Grab. Starting in 2019-2021 Gojek again leads the market with TBI gains of 44.6%, 47.3%, and 53.0%. Based on this data, it can be inferred that Gojek is the leader in the online transportation market and can maintain its position from 2019 until now.

Gojek is an online transportation service under the auspices of PT Aplikasi Karya Anak Bangsa which offers application-based two-wheeled transportation

(ojek) services. Gojek started operating in Indonesia especially DKI Jakarta in 2010 as an on-call motorcycle taxi service through a call center with a total of 20 drivers. Furthermore, in 2015 Gojek officially launched its application, which until now provides more complete services including gopay, gotagihan, goride, gocar, gojek, gosend, gobox, gofood, gomed, gomart, goplay and gotix. Gojek has received high enthusiasm and trust from the public so far the application has become a Super Apps which has been installed more than 190 million times, with 20 services, 20 million driver partners and 900 thousand merchant partners, (gojek.com, 2021). One of the most well-known Gojek services and also in demand by customers is GoCar. (Riyanto & Fardhani, 2021)

Despite showing significant developments, it cannot be denied that Gojek is also one of the service businesses affected by the Covid-19 pandemic. Quoted from the World Health Organization (WHO) as of March 12, 2020, Indonesia is one of the countries affected by the Covid-19 outbreak. The rapid increase in cases in a short period of time has made the government enforce various policies such as PSBB. Government Regulation No. 21 of 2020 limits all community activities. So they tend to reduce their mobility, in addition to obeying government recommendations, people are also worried that they will be exposed to the Covid-19 virus if they travel during a pandemic.

During the pandemic, Gojek also made many adjustments by prioritizing the health and safety of passengers. Reported from the gojek.com web based on DKI Jakarta Governor Regulation No. 875/2021 Gojek services as of July 5, 2020 will continue to operate during the period of application of restrictions on community activities (PPKM) by complying with health protocols including: limiting the capacity of GoCar passengers, applying extra protection to GoRide partners and customers, and requiring Worker Registration Certificates (STRP) for customers in the Jabodetabek area.

Realizing that the main need of customers during the pandemic is to maintain the safety and health of themselves and their families, Gojek is again innovating by providing safe transportation services for traveling. Reported from web gojek.com since September 2021 the company has launched Gojek Protect+ as a mode of

transportation with extra protection standard services. Presence Gojek Protect+ complement the innovations and hygienic solutions that have been available since the start of the pandemic. The Gojek Protect+ service is different from the regular Gocar service, namely in the car an air purifier is installed, all driver partners have been vaccinated, routine body temperature checks, periodic disinfection of vehicles, and ensuring there is a protective bulkhead on the four-wheeled fleet, protocol checklist, and mask verification. The Gocar Protect+ service has a higher price than the regular Gocar service but it can guarantee users in a pandemic condition compared to the regular Gocar service because it has differences in the facilities provided, namely the absence of protective bulkheads, air purifiers. This service is prioritized in the Jabodetabek area first, so many customers in other cities complain because the fleet they are traveling in does not match the qualifications offered by Gojek via the web and application. Here are customer complaints via the comments column on Gojek Indonesia's Instagram feed.

	sitiraudho99 Saya naek gocar beberapa kali kaga ada tuh airpurifier nya..pernah juga dapet driver nya batuk ngeri banget	
30 mg	Balas	
	ilham_andre12 Udah gw unstaill muahalll... Dari sisi Driver gada bonus, dari gofood onhkirnya gede bgtt... Mending pake shopee atau grabe 🤔	
26 mg	1 suka Balas	
	d.daonan Sering dpt driver yg bau rokok mobilnya...	
30 mg	4 suka Balas	
	embun_in Enakeun ko kalau yg sudah ada, penumpang nyaman dengan udara yg segar segar sejuk. Tapi belum semua merata da pake ya, karena sempat naek mobilnya bau apek	
30 mg	Balas	



Figure 1.3 Customer Comments on the Gojek Indonesia Instagram Page

Source: Instagram Gojek Indonesia (2021).

Based on the compilation of comments above, it is known that many customers are not yet comfortable with the Gocar Protect+ facility. Customers complain that the fleet they are traveling in is dirty, smells musty or cigarettes, and there is no air purifier or insulation available. Customers complain that drivers have not implemented health protocols properly so that passengers do not feel safe and comfortable, and do not trust the reliability of services. Some customers also stated that they had uninstalled the Gojek application because the price/tariff offered was relatively expensive compared to competitors. From this description, it can be

concluded that customers Gocar Protect+ are not satisfied with the services provided by service provider. It means in the quality of service Gocar Protect+ The gap between expectations and the company's performance that customers feel the most is the condition of the four-wheeled fleet related to cleanliness, level of hygiene, as well as completeness of protective bulkheads and air purifiers that are not in accordance with customer desires. So it is very important for the company to improve service quality, especially in Gocar Protect+ service.

For business, customer satisfaction is the basis for achieving the goals they need to achieved (Li et al., 2019). Every customer who is satisfied with a product will tend to established a friendly and beneficial relationship for the company or organization (Odunlami & Asabi, 2015). According to Li et al., (2019) a focus on satisfaction is the key for companies in the online application-based transportation sector to win the competition. As the market leader for online transportation in Indonesia, Gojek must maintain its position. As presented in table 1.1, it is known that Gojek is competing with Grab companies that are engaged in the same field. So to win the competition, it is important for Gojek to focus on creating customer satisfaction.

Every company that faces business competition create needs that make quality a key factor and explain the comparison between customer expectations and real company performance (Li et al., 2019). The availability of good service quality will be an added value (competitive) for enterprises in formulating customer loyalty strategies (Dubey & Srivastava, 2016).

Research from Rochim (2020) found that customer satisfaction and loyalty are significantly affected by the service quality. In line with these findings, the service quality variable was stated to have a significant effect on customer satisfaction in the research of Sholeh et al.,(2018); Pasharibu et al., (2018); Putri et al., (2018); Valery et al., (2020), Wiratama et al., (2021). Inconsistency with these findings, Le et al., (2019) in their research, it was stated that service quality has a negative and insignificant effect on customer satisfaction and loyalty. Therefore it can be concluded that there is a research gap between the variables of service

quality and customer satisfaction, so that researchers are interested in conducting a review of the relationship between the two

Price is the most important part of service providers because price is the dominant factor that shapes service user satisfaction (Mar'ati & Tri, 2016). Findings by Navixoxo (2019) stated price as the most important element that customers consider in their intention to make repeat purchases. Research by Miranthi & Idris (2017) states that in addition to service quality, price has a significant effect on online transportation customer satisfaction. In line with these findings, research from Valery et al., (2020) and Sholeh et al., (2018) found the effect of price on online transportation customer satisfaction is positive and significant. Inconsistent with the three studies, the research conducted by Pasharibu et al., (2018) with online transportation objects found that price in addition to other variables had no effect in shaping customer satisfaction. These findings are in line with research by Li et al., (2019); Rochim, (2020); and Wiratama et al (2021) which stated that price did not have a significant effect on customer satisfaction. Therefore it can be concluded that there is a research gap between the price variable and customer satisfaction, hence this research will explore the relationship between the two.

Another factor that is considered to affect customer satisfaction and loyalty is customer trust. A good relationship between satisfaction and trust depends on customer perceptions when comparing expectations with perceived company performance (Li et al., 2019). This means that the better the service obtained by the customer, the higher the perceived trust. On the other hand, if expectations do not match the actual implementation, customers will be dissatisfied and distrustful (Guspul, 2014). Research by Li et al., (2019) states that customer trust has a positive and significant relationship with customer satisfaction. In line with this research, Putri et al., (2018) stated that the brand trust variable has a significant effect on customer satisfaction. A positive and significant relationship between trust and customer satisfaction was also found in the research of Pasharibu et al., (2018); Wiratama et al., (2021). Inconsistency with these findings, Rochman et al., (2020) in their research found that trust had no significant effect on online transportation customer satisfaction. So it can be concluded that there is a research gap between

the variables of trust and customer satisfaction, so this study will review the relationship between the two.

The presence of service Gojek Protect+ Gojek companies and the intense competition in online transportation services are interesting to study empirically, then Gojek Protect+ especially service Gocar Protect+ will be the object of this research. Based on the existing research, the researcher will review the relationship between service quality, price, trust, and customer satisfaction with GoCar Protect+. The research will be entitled “The Influence of Service Quality, Price and Trust on Online Transportation Toward Customer Satisfaction (Study case customers Gocar Protect+ in Indonesia)”.

1.3 Problem Statement

Gojek is one of the biggest online transportation service companies in Indonesia. Gojek has received high enthusiasm and trust from the public so far the application has become a Super Apps which has been installed more than 190 million times, with 20 services, 20 million driver partners and 900 thousand merchant partners, (gojek.com, 2021). One of the most well-known Gojek services and also in demand by customers is Go-Car. (Riyanto & Fardhani, 2021)

Despite showing significant developments, it is undeniable that Gojek is also one of the service businesses influenced by the Covid-19 pandemic. During the pandemic, Gojek also made many adjustments by prioritizing the health and safety of passengers. Realizing the needs of customers, the Gojek company in September 2021 launched Gocar Protect + as a mode of transportation with extra protection standard services. This service is prioritized in the Jabodetabek area first, so many customers in other cities complain because the fleet they are traveling in does not match the qualifications offered by Gojek via the web and application. Customers complain that the fleet they are traveling in is dirty, smells musty or cigarettes, and there is no air purifier or insulation available. Customers complain that drivers have not implemented health protocols properly so that passengers do not feel safe and comfortable, and do not trust the reliability of services. Some customers also stated that they had uninstalled the Gojek application because the price/tariff offered was relatively expensive compared to competitors. From this description it can be

concluded that customers Gocar Protect+ not satisfied with the services provided by service providers. It means in the quality of service Gocar Protect+, the gap between expectations and the company's performance that customers feel the most is the condition of the four-wheeled fleet related to cleanliness, level of hygiene, as well as completeness of protective bulkheads and air purifiers that are not in accordance with customer desires. Therefore, it is very important for companies to improve quality of service, especially in service Gocar Protect+.

For business, customer satisfaction is the basis for achieving the goals they need to achieved (Li et al., 2019). In addition, to face business competition, the company also makes quality an important part and need, and explains how it compares of customer expectations with the company's actual performance (Li et al., 2019). Price is also the most important part of service providers because price is the dominant factor that shapes service user satisfaction (Mar'ati & Tri, 2016). Another factor that is considered to affect customer satisfaction and loyalty is customer trust. A good relationship between satisfaction and trust depends on customer perception when comparing expectations to the perceived performance of the enterprise. (Li et al., 2019).

1.4 Research Question

Based on the above explanation of the research background, this research ask the following research question:

1. How service quality, price, trust and customer satisfaction on online transportation Go-car Protect Indonesia based on the opinion of the respondents?
2. Does service quality affect customer satisfaction in online transportation Go-car Protect Indonesia?
3. Does price affect customer satisfaction in online transportation Go-car Protect Indonesia?
4. Does trust affect customer satisfaction in online transportation Go-car Protect Indonesia?
5. Do service quality, price, and trust simultaneous affect customer satisfaction in online transportation Go-car Protect Indonesia?

1.5. Research Purposes

Based on the research questions above, the purposes of this research are is to:

1. To find out service quality, price, trust and customer satisfaction on online transportation Go-car Protect Indonesia based on the opinion of respondents.
2. To find out whether service quality has an effect on customer satisfaction in online transportation Go-car Protect Indonesia.
3. To find out whether price has an effect on customer satisfaction in online transportation Go-car Protect Indonesia.
4. To find out whether trust has an effect on customer satisfaction in online transportation Go-car Protect Indonesia.
5. To find out if service quality, price, and trust have a simultaneous affect customer satisfaction in online transportation Go-car Protect Indonesia.

1.6. Research Benefit

The results of this research should contribute in the form of theoretical and practical benefits. The benefits that by researchers expect are:

1.6.1. Theoretical Benefits

Theoretically, this research is expected to increase knowledge and insight in the field of marketing related to the discussion of service quality, price, trust, and customer satisfaction, especially in online transportation service industry.

1.6.2. Practical Benefits

The researcher also hopes that this research can be useful for various parties, including:

- 1) Telkom University

For universities, this research can function as library material to support the development of knowledge in the field of marketing services and related sciences.

- 2) Indonesian Gojek Companies

The results of this research can be used as consideration in making decisions related to discussion of service quality, price, trust, to create customer satisfaction.

3) Further Research

For further research, this research can be used as a research reference to explore discussions about service quality, price, trust, and customer satisfaction in the field of online transportation services.

1.7. Systematical of Writing

This section contains systematics and a brief explanation of the research report consisting of Chapter I to Chapter V.

1. CHAPTER I INTRODUCTION

This chapter is a general, concise and concise explanation that accurately describes the content of the research. The contents of this chapter include: Overview general research object, research background, problem formulation, research objectives, research benefits, and final project writing systematics.

2. CHAPTER II LITERATURE REVIEW

This chapter contains theories from general to specific, accompanied by previous research, research frameworks and equipped with hypotheses if needed.

3. CHAPTER III RESEARCH METHODS

This chapter outlines the approaches, methods, and techniques used to collect and analyze findings that can answer the research problem. The contents of this chapter include: Types of research, operationalization of variables, population and samples, data collection, validity and reliability tests, and data analysis techniques.

4. CHAPTER IV RESEARCH RESULTS AND DISCUSSION

The results of the research and discussion are systematically described in accordance with the formulation of the problem and research objectives and are presented in separate sub-chapters. This chapter is divided into two parts: first, the part that presents the research results and second, the part that presents the discussion or analysis of the research results. Each aspect of the discussion should start from the results of data analysis, then be interpreted

and then followed by drawing conclusions. In the discussion section, it is better to compare it with previous studies or the relevant theoretical basis.

5. CHAPTER V CONCLUSIONS AND SUGGESTIONS

Conclusions are answers to research questions, then become suggestions related to the benefits of research.