CHAPTER I

INTRODUCTION

1.1. General Descriptions of Research Object

Flip is an application that helps people send money securely without any transaction fee. Individual users can use Flip to send money to the 14 largest banks in Indonesia at zero cost. At the same time, corporate users can remit money to more than 100 banks in Indonesia quickly, safely and at low cost. Flip owned by PT Fliptech Lentera Inspirasi Pertiwi and was founded in 2016, Jakarta, Indonesia. In terms of sending banks, Flip has currently cooperated with Bank Mandiri, BRI, BNI, Bank Syariah Indonesia (BSI), BCA, Jenius/BTPN, CIMB/CIMB Syariah, Muamalat, Permata/Permata Syariah, Digibank/DBS and Danamon/Danamon Syariah.

Figure 1.1 Flip's Logo

Source: (www.flip.id, accessed in December 2021)

Not only can bank-to-bank transfers be made, but customers can also top up their electronic wallets such as DANA, OVO, GoPay and ShopeePay with the more affordable price on Flip. Moreover, Flip has no additional fees for customers if they make a top up to their e-wallet. Customers can also buy credit, data packages, and electricity tokens at a more affordable cost through Flip. Then, customers can buy various products from Telkomsel, by.U, Indosat Ooredoo, XL, Axis, Tri, Smartfren and PLN. In addition, customers can make transfers abroad using the Flip Globe service which can be accessed through the website or application.

Currently, Flip serves remittances from Indonesia to Malaysia, Singapore, China, South Korea, India, Japan, Hong Kong, United Kingdom/UK, Australia, Thailand, Philippines, and Turkey. As a fund transfer company, Flip has been licensed

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by Bank Indonesia with the number 18/196/DKSP/68 (www.flip.id, accessed in December 2021). Flip also applies double security to the personal data of all Flip users and guarantees that all transaction processes that occur in the application such as interbank money transfers, remittances abroad, e-wallet top-ups, and other digital products are under the supervision of Bank Indonesia.

1.1.1. Company Vision & Mission

As one of the most popular financial applications in Indonesia, Flip has the commitment to increase their services for customers. flip aims to create a financial product that is fair to all Indonesians, and for this reason, they are doing their best to achieve this goal.

1.2. Research Background

Along with the development in this era of globalization, the internet has influenced all of aspects such as people lifestyle, business, and company. By using internet, it is easier for society to access the information, knowledge, and education. Moreover, internet is needed as a facility for connectivity and communication, mapping, entertainment, and business convenience.
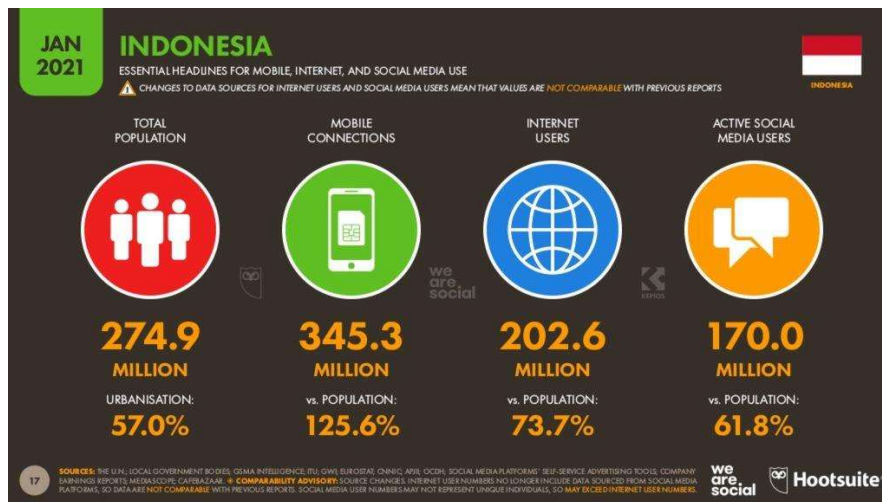

Figure 1.2 The Increasing Number of Internet Users in Indonesia, 2021

Source: (www.inet.detik.com, accessed in December 2021)

Based on the figure, Indonesia's internet users reached 202.6 million by January 2021. If it is compared with the number of internet users in 2020, there was an increasing of 15.5% or more than 27 million people in the last 12 months. According to the data from Hootsuite and We Are Social, the total population of Indonesia is 274.9 million. When there are 202.6 million internet users, it means that

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73.7% of Indonesians have been touched by surfing in cyberspace. In addition, the number of connected mobile devices also jumped to 345.3 million, and the number of users active on various platforms and social media increased by 10 million to 170 million. The percentage of internet users aged 16 to 64 years who own each type of device, mobile phone (98.3%), smartphone (98.2%), non-smartphone mobile phone (16%), laptop/desktop (74.7 %), tablets (18.5%), streaming TV (6%), game consoles (16.2%), smart-home devices (5.7%), smartwatch/wristband (13.3%), and virtual reality devices (4.2%) (www.inet.detik.com, accessed in December 2021).

Many companies also use information technology and the Internet to develop various types of services, especially in the field of financial technology. Fintech is a combination of financial services and technology and ultimately requires the business model to be completed in the form of cash. The traditional method must bring in a certain amount of cash. It is possible that it becomes a remote transaction that can only be carried out immediately. Moreover, financial technology provides benefits to those who use it, such as obtaining better services, facilitating transactions, freezing the flow of information, etc. (www.bi.go.id, accessed in December 2021).
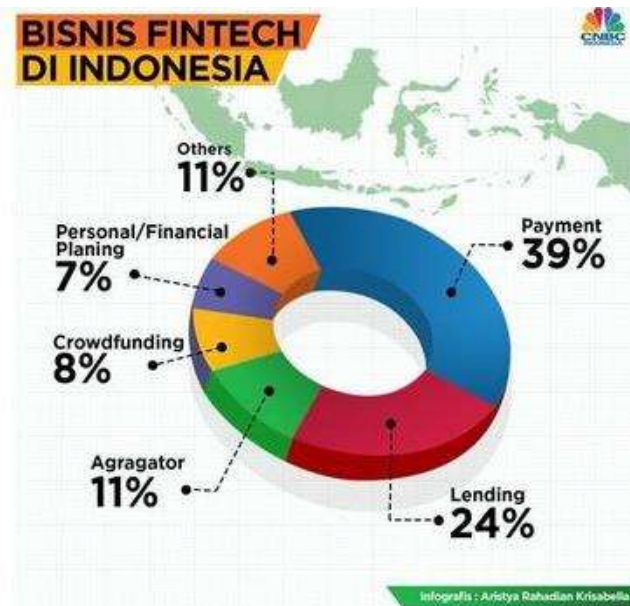
Figure 1.3 Types Of Financial Technology In Indonesia

Source: (www.cnbcindonesia.com, accessed in January 2022)

Based on the figure above, the largest number of financial technology types of business is payment as much 39%, followed by lending as much 24%. While other types of financial technology are e-aggregator as much 11%, followed by

crowdfunding as much 8%, personal planning/financial planning as much 7%, and others as much 11%. This sub-sector is believed to continue to strengthen in line with the increasing potential and strength of solutions from each Fintech provider.

Flip is an application that owned by PT Fliptech Lentera Inspirasi Pertiwi which aims to help people send money securely without any transaction fee. Individual users can use Flip to send money to the 14 largest banks in Indonesia at zero cost. At the same time, corporate users can remit money to more than 100 banks in Indonesia quickly, safely and at low cost. To find out user's enthusiasm of the interbank transfer application and see the comparison. Then, the author collects the number of users from several interbank applications to know how the differences between Flip and others as follows:

TABLE 1.1

USERS COMPARISON 2021

Interbank transfer application	Number of users
DANA	80.000.000
LinkAja	66.000.000
Flip	6.000.000
Netzme	2.500.000
OY! Indonesia	30.155

Source: Data processed by author, 2022

Based on the table 1.1, Flip's users still smaller than DANA and LinkAja. Where DANA's users are about 80 million users and LinkAja's users are about 66 million users. It is known that Flip as the newest digital payment method or e-wallet. Therefore, to know how the experience of customers, the author collects the rating some reviews of customers through App Store and Play Store.
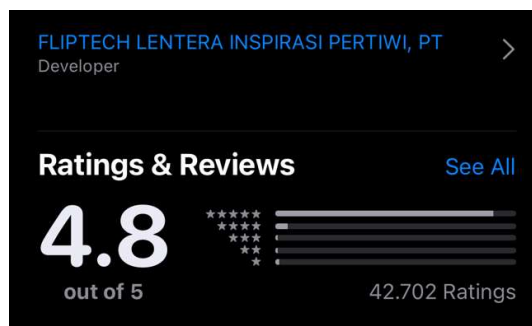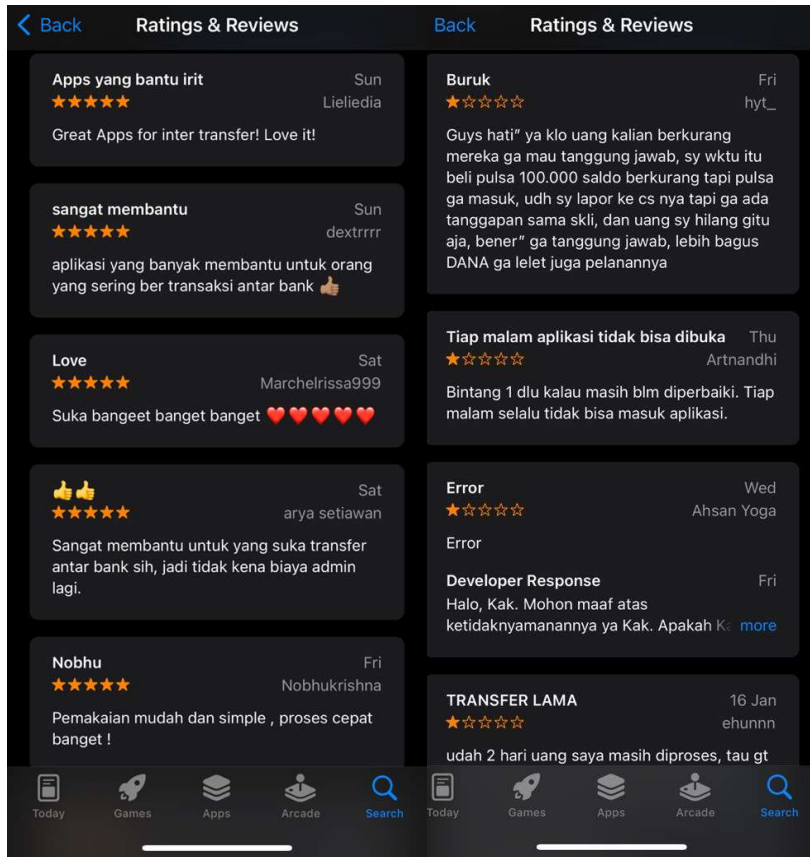

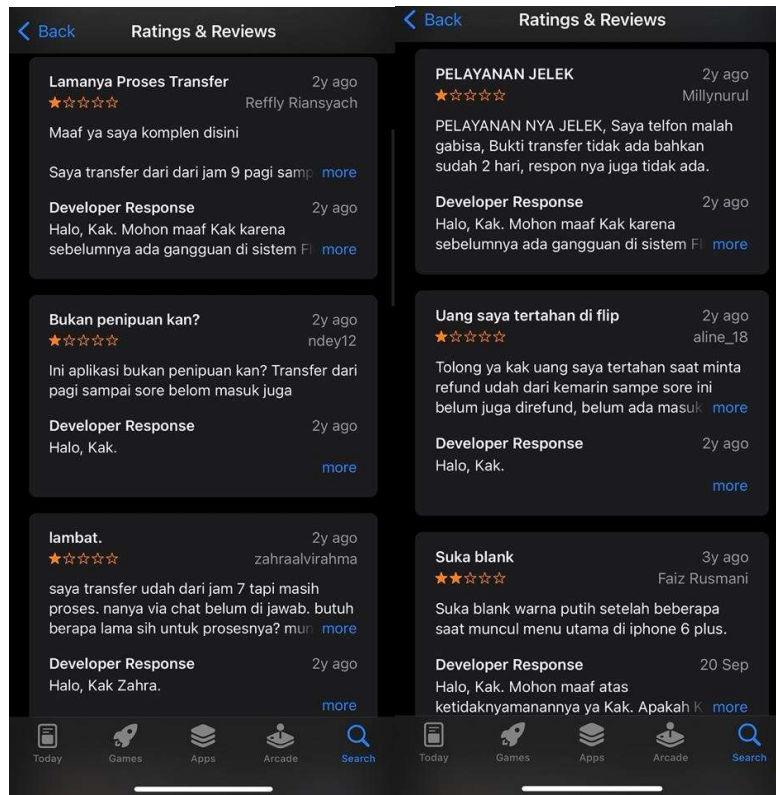**Figure 1.4 Flip Application Rating from AppStore, 2022**

Source: AppStore, 2022

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Figure 1.5 Customer's Good Reviews from AppStore, 2022
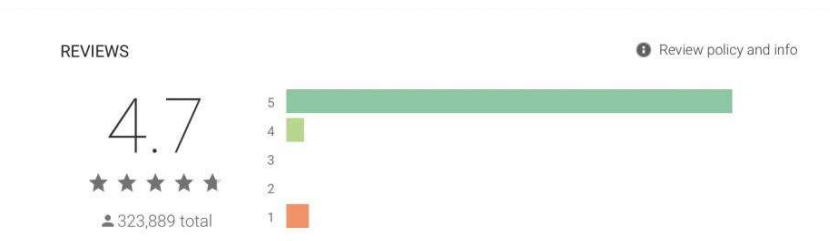
Source: AppStore, 2022

From figure 1.4, it shows that Flip application has the rating of 4.8 (scale 5) in AppStore. It can be said that most of customers give good reviews. In addition, from figure 1.5, some customers give good reviews, which mean they have a good experience after using Flip. But there are some customers give bad reviews about total balance, error login, and slow transfer.

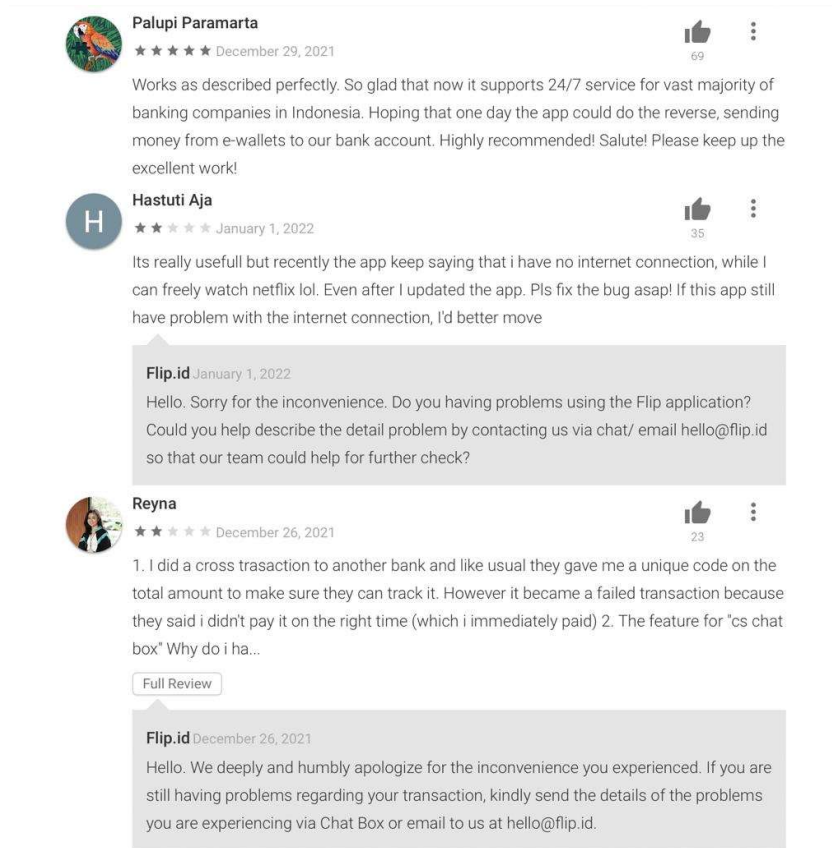**Figure 1. 6 Customer's Bad Reviews from AppStore, 2022**

Source: AppStore, 2022

From figure 1.6, it shows that even the Flip application has 4,8 ratings in AppStore there is some bad reviews from the customer. The most reason the customer give bad reviews is slow transfer. The slow transfer process can make customer not satisfied. It can be seen from the review that said the service is bad.

Figure 1.7 Flip Application Rating from PlayStore, 2022

Source: PlayStore, 2022

Figure 1.8 Customer's Reviews from PlayStore, 2022

Source: PlayStore, 2022

From figure 1.6, it shows that Flip application has the rating of 4.7 (scale 5) in PlayStore. It can be said that most of customers give good reviews, which mean they have a good experience after using Flip. Unfortunately, there are some customers give bad reviews about the ease of use and failed transaction. By give bad reviews, it can be concluded that some customers feel dissatisfied with their experience after using Flip application. At the end, the rating of Flip shows good things. Although there are some negative comments, it still can be concluded that most of users are satisfied with Flip's services.

To see a general description of this research, the author has conducted a pre-survey through google form to 30 respondents about their satisfaction after using Flip application services. Pre-survey questions that distributed by the author can be seen in appendix, and the result of pre-survey is shown in Figure 1.8.

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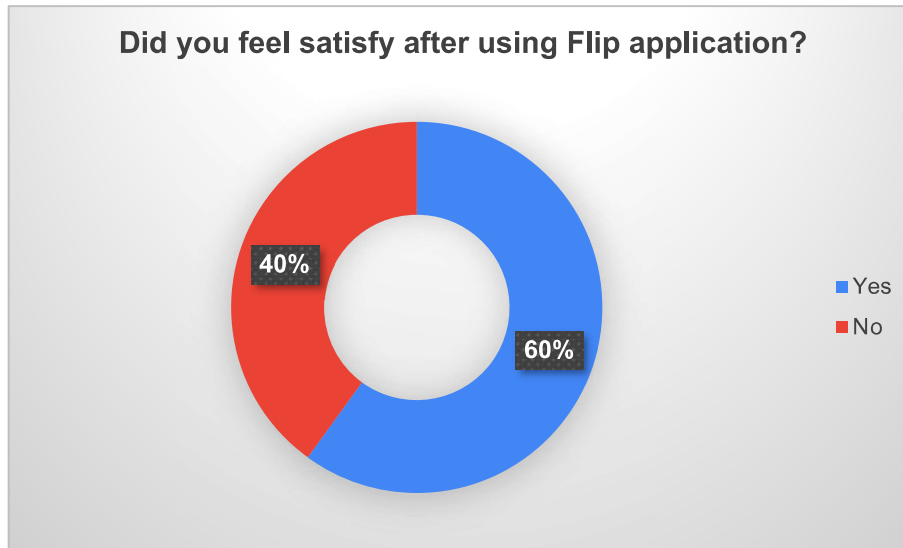
Figure 1.9 Pre-Survey Result

Source: Pre-Survey Result, 2022

Figure 1.8 shows the perception of Flip's customers after using Flip application. 18 respondents said they are satisfied after using Flip application and 12 respondents said they are dissatisfied after using Flip application the total is 30 respondents for pra-survey. The table 1.2 shows the perception of customers about their experience after using Flip application.

TABLE 1.2

PRE-SURVEY RESULT

No.	What makes you satisfied with the Flip application service?	No.	What makes you dissatisfied with the Flip application service?
1	Free transfer fee	19	Long process
2	Free transfer fee	20	Slow app
3	Free interbank transfer	21	Customer service is slow to respond
4	Friendly admin	22	Admin doesn't help
5	Free money transfer	23	Long process
6	Very helpful app	24	Not efficient
7	Free transfer	25	The process of sending money must take a long time around h+1

(*continuance*)

No.	What makes you satisfied with the Flip application service?		What makes you dissatisfied with the Flip application service?
8	Admin is very helpful	26	Application error, can't login
9	Free transfer fee	27	The customer service not responding
10	Good	28	The money wasn't sent
11	Application's feature	29	Always error while transferring money
12	Easy and save	30	The money wasn't sent and no refund
13	Customer service's service	-	-
14	In addition to free transfer fees, the customer service also helps	-	-
15	The application is easy to use and does not incur transfer fees	-	-
16	Good services	-	-
17	It was easy to transferring money	-	-
18	Free transfer	-	-

Source: Data processed, 2022

Based on the pre-survey result, some customers have bad experiences while using Flip application. This indicates that Flip must improve their application service to give a better experience for customers. It is very important for company to handle complaints which must be considered and take an action for improvement because it closely related to customers satisfaction. According to Kotler & Keller (2016) Customers who have a positive experience after consuming the product will certainly form a positive perception that has an impact on satisfaction, and conversely if the customer has a negative experience will certainly create a negative perception that ultimately has an impact on dissatisfaction. However, an experience may relate to specific aspects of the offering, such as a brand or technology, and it consists of

individual contacts between the firm and the customer at distinct points. An experience is built up through a collection of these touchpoints in multiple phases of customer decision process or purchase journey". (Lemon and Verhoef, 2016, p. 71). According to Godovykh dan Tasci (2020) customer experience is a combination between cognitive and emotional component and is a positive manifestation of positive impact in a future customer experience. In this study, there are five dimensions to measure customer experience according to Barbu et al. (2021:1422) which is containing of ease of use, perceived value, customer support, assurance, speed, and perceived firm innovativeness.

In this study, there are five dimensions used to measure customer satisfaction according to Kotler and Keller (2016:140), which is containing of confirmation of expectations, repurchase intern, and willingness to recommend.

This study is following some previous study of Jaiswal & Singh (2020), where they found that customer experience influences customer satisfaction. Then, the study of Pei et al. (2020) found that customer experience has a positive influence on customer satisfaction. Another study of Ren et al. (2016) shows that customer experience influence customer satisfaction.

By seeing the importance of this study to understand the factors of customer experience that can influence customer satisfaction of Flip's users in Indonesia. Based on the background above, the author is interested to do the research with a title of "**The Influence of Customer Experience Towards Flip's Customer Satisfaction**".

1.3. Research Questions

Based on the research background the questions of this study are as follows:

a. How is the customer experience of Flip application?

b. How is the customer satisfaction of Flip application?

c. Is there any influence between customer experience and customer satisfaction of Flip application?

1.4. Research Objectives

From the research questions above, the research objectives of this study are as follows:

a. To analyze how is the customer experience of Flip application?

b. To analyze how is the customer satisfaction of Flip application?

c. To analyze is there any influence between customer experience and customer satisfaction of Flip application?

1.5. Research Benefits

This study expected benefit of this study are as follows:

a. Practical Benefits

The results of this study can provide valuable information for related company namely Flip and as input as well as additional information that can be considered to develop better strategies in competition between interbank money transfers, especially in Indonesia to improve and maintain customer satisfaction through Flip's customer experience

b. Theoretical Benefits

The results of this study can add insight and can be used as a reference for further research, so the results of this study are expected to be useful to strengthen theories related to customer experience and customer satisfaction.

1.6. Writing Structure

This systematics of writing is made to provide a general overview of research. Systematics writing as follows:

CHAPTER I INTRODUCTION

In chapter I contains an overview of the object of research, background of research, problem statement, research objective, research benefits, and systematic writing of the thesis.

Chapter II LITERATURE REVIEW

In chapter II contains literature review of research, previous research, conceptual framework, and research hypothesis.

Chapter III RESEARCH METHODS

In chapter III contains types of research, data collection tools, operational variables, stages of research, population and samples, validity and reliability testing, and data analysis techniques.

1.7.   Research Period

This research will conduct within five months, starting from December 2021- May 2022.