

The Influence of Brand Image and Service Quality on Customer Satisfaction and It's Effect on Customer Loyalty in Using Grab Online Transportation in Medan

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Abstract: Today, business grows and develops rapidly due to modernization and technological advancement. The capacity of a business to adapt to therapid environmental changes is very crucial in its continuation. The population was the users of grab online transportation in Medan, and 100 of them were used as the samples, taken by using accidental sampling technique. The data were analyzed by using path analysis. The result of the research showed that 1) brand image had positive ad significant influence on customer satisfaction in using grab online transportation in Medan, 2) service quality had positive and significant influence on customer satisfaction in using grab online transportation in Medan, 3) brand image had positive but insignificant influence on customer loyalty in using grab online transportation in Medan 4) service quality had positive and significant influence on customer loyalty in using grab online transportation in Medan, 5) customer satisfaction had positive and significant influence on customer loyalty in using grab online transportation in Medan, 6) brand image through customer satisfaction had positive but insignificant influence on customer loyalty in using grab online transportation in Medan, and 7) service quality through customer satisfaction had positive and significant influence on customer loyalty in using grab online transportation in Medan.

Keywords: brand image, customer loyalty, customer satisfaction, service quality

Date of Final Submission: 17-10-2018

Date of acceptance: 02-11-2018

I. Introduction

Brands are not just names, terms, signs, symbols or combinations thereof. Moreover, the brand is the company's promise consistently that provides features, benefits and services to its customers and this promise makes people know the brand, more than any other brand. In fact today the unique characteristics of modern marketing rely on the creation of distinguishing brands that can strengthen the company's brand image. Tjiptono (2011), brand image is a series of associations perceived by individuals at all times, as a result of direct or indirect experience of a brand. Brand image has an important role in the development of a brand because the brand image concerns the name and reputation of the brand which is the basis for consumers to use a product or item that will cause certain experiences.

Griffin (2003), the concept of customer loyalty is more related to customer behavior than customer attitudes. Apart from the price level and service quality that affect customer loyalty, customer satisfaction is also one of the variables that influence it. Increasingly dynamic customer satisfaction as customers become increasingly critical causes customer satisfaction to be difficult to measure.

Kotler and Keller (2009) satisfaction is a feeling of pleasure or disappointment that someone appears after comparing the performance (results) of the product that is thought of the expected performance (results). When the performance is lower than customer expectations, the customer is not satisfied. Conversely, if the performance meets expectations or exceeds expectations, the customer will feel satisfied.

Kotler and Keller (2009) stated loyalty or loyalty is a commitment that is held firmly to buy or subscribe to a particular product or service in the future even though there is an influence of marketing situations and efforts that have the potential to cause behavioral transition. Based on the above definition, it can be concluded that customer loyalty is a customer's commitment to a product or service in the future based on the quality and satisfaction of the product or service that has been purchased and the benefits of the same brand purchase.

This study uses GRAB as the object of research. Although GRAB is an online transportation service that can be used at any time but GRAB is not free from various problems. This online-based booking is only

limited for Android smartphone users by downloading the Grab application, so that customers are limited to certain circles. Grab online transportation services company provides online training to all new drivers joining the online transportation service company Grab through the application. This is still not optimal if it is done only once because there are still customers who provide poor comments related to the quality of service. The poor service of GRAB drivers is evidenced by the GRAB driver service that does not satisfy its customers such as being rude to customers, not giving smiles and so on. Customers can provide comments to drivers through the application.

In addition, if we look closely, there are many things that must be addressed in the GRAB services currently available, especially safety issues. The quality of service provided to customers is still not optimal. This can be seen from the services provided by the GRAB driver. Welcoming is an attitude that can reflect the quality of being better. There are still frequent drivers that are not customer friendly, such as canceling orders without confirmation to customers. Regarding safety, it turns out that the GRAB company does not provide raincoats for passengers. Services that do not meet the standards can cause the GRAB image to be negative in the eyes of customers. If this is allowed to continue then the customer becomes dissatisfied. If the customer feels dissatisfied then this will affect customer loyalty. When viewed from the side of loyalty, GRAB online transportation service users have not all been loyal to the company. It can be seen that some users of GRAB online transportation services only utilize promos provided by GRAB online transportation service companies. If the given promo is not attractive, the customer will switch to a similar company. If the matter is left unchecked then it can be concluded that the customer will turn to the same company and can cause the GRAB online transportation company to close immediately or not to operate again.

A simple survey that has been carried out about the community's response to the loyalty of users of online transportation services in December 2017. Based on the pre-survey results of 30 GRAB online transportation service customers stated for GRAB customer loyalty, the percentage of loyal GRAB online transportation services was only 63.3% (19 respondents), the percentage only at certain times using GRAB online transportation services was 30% (9 respondents and 6.6% (2 respondents) were not loyal. This shows that the customer loyalty of GRAB online transportation services needs to be improved again as indicated by the frequent use of these services.

The percentage of satisfied with the service provided was 60% (18 respondents) and those who expressed dissatisfaction as much as 40% (12 respondents). This shows that the majority of GRAB's online transportation service customers are satisfied with the services provided, but there are still customers who are dissatisfied that are not in line with the desired expectations. This is a challenge for GRAB's online transportation services company so that it can become better in the future and can compete healthily with its competitors. The percentage of those who stated good on service quality was 63.3% (19 respondents) and those who stated were not good on the quality of services provided were 36.6% (11 respondents). This shows that the level of quality of services provided is still not enough and GRAB's online transportation service company must be able to change the quality of its services in order to survive and be able to compete with its competitors.

The percentage of customers who have a positive perception of the company's brand image is 83.3% (25 respondents) and the remaining 16.67% (5 respondents) have a negative perception of the brand image of GRAB's online transportation service company. This also shows that brand image still needs to be improved so that people are more familiar with GRAB's online transportation services compared to other competing transportation service companies.

Based on the description above, the researchers are interested in conducting research on how much influence the brand image and service quality on customer satisfaction and the impact on the user loyalty of GRAB online transportation services in the city of Medan. Based on the description above, the research concludes a framework of thought as follows:

Figure 1 Hypothesis Model



Research hypothesis:

- 1: Brand image has a positive and significant effect on customer satisfaction of users of GRAB online transportation services in Medan.
- 2: Service quality has a positive and significant effect on customer satisfaction of users of GRAB online transportation services in Medan.
- 3: Brand image has a positive and significant effect on customer loyalty of users of GRAB online transportation services in Medan.
- 4: Service quality has a positive and significant effect on customer loyalty of users of GRAB online transportation services in Medan.
- 5: Customer satisfaction has a positive and significant effect on customer loyalty of users of GRAB online transportation services in the city of Medan.
- 6: Brand image through customer satisfaction has a positive and significant effect on customer loyalty of GRAB online transportation service users in the city of Medan.
- 7: Service quality through customer satisfaction has a positive and significant effect on customer loyalty of GRAB online transportation service users in Medan.

II. Method

This study aims to describe or describe the influence of brand image, service quality, customer satisfaction and customer loyalty from an object of GRAB online transportation research in the city of Medan conducted through data collection and quantitative analysis (questionnaire) and testing using path analysis.

Hair (1995) if the population is unknown or the size of the sample is too large it will be difficult to obtain a suitable model and suggested an appropriate sample size of 100 to 200 so that interpretation interpretation can be used. It was also explained that the minimum sample size is 5 observations for each estimated parameter and the maximum is 10 observations from each estimated parameter. In this study, the number of indicators in the research questionnaire was 20 so the number of samples was 5 times the number of indicators or as much as $5 \times 20 = 100$. Then the number of samples used was 100 people, taken by using accidental sampling technique. Criteria for respondents taken as samples are customers who have used GRAB online transportation services in the city of Medan at least twice during the last 3 months.

The two-lane diagram model consists of two structural equations with two substructures, namely: Substructural equation model 1:

$$Z = b_1X_1 + b_2X_2 + \varepsilon_1$$

Substructural equation model 2:

$$Y = b_4X_1 + b_5X_2 + b_3Z + \varepsilon_2$$

Remarks:

- Z = Customer Satisfaction
- Y = Customer Loyalty
- X₁ = Brand Image
- X₂ = Service Quality
- ε = Term of Error

III. Result and Discussion

The statistical coefficient of each independent variable can be calculated with the help of a computer through the SPSS (Statistical Packages for the Social Science).

Regression results from the model I sub-structure by looking at the contribution of the independent variables in explaining the dependent variable through the adjusted R-square determination coefficient, significant predictions simultaneously through F-Test on ANOVA and the magnitude of the influence of each independent variable on the dependent variable through the regression coefficient (path coefficient).

Table 1 ANOVA Sub Structure Model I
ANOVA Sub Structure Model I

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	69.855	2	34.928	11.955	.000 ^b
Residual	283.385	97	2.921		
Total	353.240	99			

a. Dependent Variable: Customer_satisfaction

b. Predictors: (Constant), Service_quality, Brand_image

Table 1 provides information that together the independent variables of brand image (X₁) and service quality (X₂) are able to significantly influence customer satisfaction variables. This decision was obtained based on the Fcount value greater than Ftable (11,955 > 3,09) with a significant value of 0,000 smaller than 0,05 (Sig F = 0,000). Thus the brand image variable and service quality are true predictors for customer satisfaction.

Table 2 Model I Substructure Regression Path Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	2.844	1.744		1.631	.106
Brand_image	.267	.096	.259	2.773	.007
Service_quality	.125	.038	.309	3.307	.001

a. Dependent Variable: Customer_satisfaction

Table 2 summarizes the regression coefficients for the model I sub-structure. Based on Table 2, the regression equation model for the model I sub-structure can be written as follows:

$$Z = 0.267 X_1 + 0.125 X_2 + 2.844$$

The regression equation above indicates that the variable customer satisfaction is influenced by the variable brand image and service quality and other variables outside the research. In this model, customer satisfaction increases when there is an increase in brand image given to consumers only that this influence is not significant in increasing customer loyalty. In addition, service quality variables also have a positive and significant influence. If service quality is perceived to be better, it means that consumers are increasingly accepting and happy with the quality of services provided, so consumers will be more satisfied.

Regression results from the model II sub-structure by looking at the contribution of the independent variables in explaining the dependent variable through adjusted R-square determination coefficient, significant predictions simultaneously through F-Test on ANOVA and the magnitude of the influence of each independent variable on the dependent variable through regression coefficients (path coefficient).

Table 3 ANOVA Sub Structure Model II

ANOVA Sub Structure Model II

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	171.550	3	57.183	29.563	.000 ^b
Residual	185.690	96	1.934		
Total	357.240	99			

a. Dependent Variable: Customer_loyalty

b. Predictors: (Constant), Customer_satisfaction, Brand_image, Service_quality

Table 3 provides information that together the independent variables of brand image (X₁) and service quality (X₂) are able to significantly influence customer loyalty variables. This decision was obtained based on the Fcount value greater than Ftable (29,563 > 3,09) with a significant value of 0,000 smaller than 0,05 (Sig F = 0,000). Thus the brand image and service quality variables are true predictors for customer loyalty.

Table 4 Model II Substructure Regression Path Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	-.209	1.438		-.145	.885
Brand_image	.056	.081	.054	.684	.496
Service_quality	.149	.033	.364	4.575	.000
Customer_Satisfaction	.450	.083	.448	5.452	.000

a. Dependent Variable: Customer_loyalty

Table 4 summarizes the regression coefficients for model II substructures. Based on Table 4, the regression equation model for model II sub-structure can be written as follows:

$$Y = 0.056X_1 + 0.149 X_2 + 0.450 Z - 0.209$$

The regression equation above indicates that the variable customer loyalty is influenced by the variable brand image and service quality and other variables outside the research. In this model, customer loyalty increases when there is an increase in brand image given to consumers, it's just that this influence is not significant in increasing customer loyalty. In addition, service quality variables also have a positive and significant influence on loyalty. If the quality of service is perceived, the better means that consumers will be increasingly loyal to use Grab's online transportation services. Satisfaction variables also have a positive and significant influence on loyalty. Besides that customer satisfaction also has a contribution in shaping customer

loyalty. If customers are satisfied with the consumption of services received, the customer will show behaviors that increasingly reflect loyalty to the online transportation service company Grab.

The influence between these variables is summarized in Table 5

Table 5 Influence Between These Variables

Independent Variable	Dependent Variable	Intervening	Direct Effect	Indirect Effect	Total Effect
Brand Image (X1)	Customer Satisfaction (Z)	-	0,259	-	0,259
Service Quality (X2)		-	0,309	-	0,309
Brand Image (X1)	Customer Loyalty (Y)	Customer Satisfaction (Z)	0,054	0,116	0,17
Service Quality (X2)			0,364	0,138	0,502
Customer Satisfaction (Z)			0,448	-	0,448

Table 5 summarizes the influence between research variables. Direct influence between variables (direct effect) is the effect that occurs based on the results of regression between the research variables. Indirect effects (indirect effects) include the presence of mediating variables in the calculation of these influences. Indirect influence is calculated based on the multiplication between the direct effect of the independent variable on the mediating variable and the mediating variable on the dependent variable. Examples of indirect calculations of brand image (X1) on consumer loyalty (Y) through customer satisfaction (Z) are calculated as the effect of X1 on Z multiplied by the effect of Z on Y (0.259 X 0.448), which is 0.116. The total influence is the overall effect of the independent variable on the dependent variable by including direct and indirect effects. Total influence is the amount of direct influence with indirect influence.

Table 5 informs that the most powerful influence in shaping customer satisfaction is the perception of service quality even though the influence of both variables is almost the same. The variables that most play a role in shaping customer loyalty directly are customer satisfaction. This indicates that consumers are more assessing service quality in shaping customer loyalty.

Maria (2015) conducted a study entitled "Analysis of Product Quality, Service Quality and Brand Image Against Tupperware Manado Customer Loyalty". The results of the study that simultaneously product quality, service quality and brand image affect customer loyalty. Partially, product quality and service quality have a significant effect on customer loyalty. The results of the research conducted are relevant to previous research so the concept of brand image can form a satisfaction with the customer.

Suwandi (2015) conducted a study entitled "The Effect of Service Quality, Price and Brand Image on Express Post Customer Satisfaction and Loyalty in Bondowoso Post Office". The results of the study that service quality has a significant effect on customer satisfaction at Bondowoso and Situbondo Post Offices. The results of the study provide empirical evidence that supports previous research by showing a positive and significant influence between service quality and customer satisfaction.

From the results of data analysis found that service quality has a positive and significant effect on customer loyalty. This is in line with previous researchers Erni and Wiyadi (2016) doing research with the title "The Effect of Service Quality, Price and Brand Image on Customer Loyalty with Customer Satisfaction As a Mediating Variable". Thus, the quality of service has a positive influence in shaping loyalty which if the quality of services provided is better, the level of customer loyalty will also increase.

The results indicate that customer satisfaction has a positive and significant influence in shaping customer loyalty. This result can be proven from the results of statistical data processing which shows a p-value (0,000) smaller than 0.05. This can be seen from the history of Grab users. In this case, online transportation service company Grab provides rewards in the form of points as feed back to users. The more often users use Grab the more points they get. Directly, satisfaction has the most dominant influence in shaping customer loyalty. This is in line with previous researcher Natalia (2015) who conducted research entitled "The Influence of Brand Image, Product Quality and Service Quality on Customer Loyalty through Customer Satisfaction at Marcelio Speed Shop". The results of this study indicate a positive and significant influence between customer satisfaction and customer loyalty. Thus, customer satisfaction has a positive influence in shaping loyalty which if the customer satisfaction is given the better the level of customer loyalty will also increase.

IV. Conclusion

Based on the results of the research and discussion in the previous chapter it can be concluded as follows:

1. Brand image has a positive and significant effect on shaping customer satisfaction of Grab online transportation service users in the city of Medan.
2. Service quality has a positive and significant effect on shaping customer satisfaction of Grab online transportation service users in Medan.
3. Brand image has a positive but insignificant effect on shaping customer loyalty of Grab online transportation service users in Medan.
4. Service quality has a positive and significant influence in shaping customer loyalty of Grab online transportation service users in the city of Medan.
5. Customer satisfaction has a positive and significant effect on customer loyalty of Grab online transportation service users in the city of Medan.
6. Brand image through customer satisfaction has a positive but not significant effect in shaping customer loyalty of Grab online transportation service users in Medan.
7. Service quality through customer satisfaction has a positive and significant effect in shaping customer loyalty of Grab online transportation service users in the city of Medan.

As for suggestions from researchers at the Onlie Grab transportation services company in an effort to increase customer satisfaction and loyalty, among others, as follows:

1. Based on the results of descriptive statistical data analysis, it is found that service quality is the most influential variable in creating satisfaction and loyalty. So, it is expected that the online transportation service company Grab will review the attitude and appearance of drivers related to the quality of service in order to create customer satisfaction and loyalty.
2. Grab online transportation services company is expected to provide continuing online training to all drivers about service quality through applications to drivers so that customers feel satisfied and become loyal to the online transportation service company Grab.
3. Direct survey of the field also needs to be done by distributing questionnaires directly or through social media in order to evaluate the expectations of Grab online transportation service users. When customer expectations are fulfilled, customers will automatically feel satisfied so that customer loyalty is created.
4. As an appreciation, customer feed back from the application must often be responded to by the online transportation service company Grab because this can build customer satisfaction and loyalty as well.
5. Grab online transportation service companies must do more positive Grab events that support the welfare of the community in humanity such as blood donors, help the poor, develop village infrastructure and education so that the brand image is getting better and users are increasingly confident in Grab online transportation services company will have an impact on customer satisfaction and loyalty.
6. Grab online transportation service companies must continue to update information regarding the rating given by customers so that drivers can immediately evaluate their performance.
7. It is expected that drivers will be friendly to their customers such as starting a conversation at the right time so as to create a conducive atmosphere in driving.

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Japuti Sinurat. " The Influence of Brand Image and Service Quality on Customer Satisfaction and It's Effect on Customer Loyalty in Using Grab Online Transportation in Medan." *IOSR Journal of Business and Management (IOSR-JBM)* 20.10 (2018): 12-17.