

The Impact of E-service and Taxi Fare on Customers' Contentment and Loyalty to Taxi Service Company, PT. Bluebird Medan

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Abstract:

Background: This study was aimed at finding out and analyzing the impact of e-service quality and taxi fare on customers' contentment and loyalty to taxi company, PT. Bluebird Medan.

Materials and Methods: The method of the study applied quantitative approach using a survey. Samples were collected by using random sampling technique, amounting 100 sample people. The data were collected through questionnaires. The method of data analysis used was descriptive and verification data analysis. Verification analysis used was path analysis.

Results: The study resulted in that e-service quality directly and indirectly affected customers' contentment on PT. Bluebird Taxi Company in Medan, positively and significantly. Meanwhile, this e-service quality insignificantly affected customers' loyalty. The taxi fare directly and indirectly influenced the customers' satisfaction and loyalty to PT. Bluebird Taxi Company in Medan, positively and significantly. The change in customers' satisfaction on PT. Bluebird Taxi Service Company in Medan was affected by the changes in e-service quality and taxi fare by 67,7%. The change in customers' loyalty to PT. Bluebird Taxi Service Company in Medan was affected by the changes in e-service quality, taxi service fare, and customers' satisfaction by 74,6%.

Conclusion: Customers' contentment was a variable intervening e-service quality and taxi fare variables on customers' loyalty, because there was increasing influence in e-service quality and taxi service fare variables toward customers' loyalty by 0,601 through customers' satisfaction variable.

Key Word: loyalty, contentment, e-service quality, service fare

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I. Introduction

Transportation is an element holding an important role in supporting people activities. Transportation systems including land, sea, and air transportations become the veins of a territory which is always in line with the technological advances. The development of transportation in Indonesia cannot be parted out of the big changes in world's transportation. The importance of transportation in society is reflected in more needs in transportation service for mobility of goods and people. This happens because of rapid growing population. One of land transportations which develop in Indonesia is taxi, and it is much favored by Indonesian society. Taxi is a public transportation that uses exclusive service to serve passengers from door to door or picking up in front of the door and dropping off in front of the door. Taxi service business competition in Indonesia is getting serious and intense, especially in Medan.

The competition of taxi service companies in Medan has forced the companies to find ways to attract their customers by equipping armada facilities and service. For example, PT. Bluebird has enabled booking the taxi online. This innovation is a form of bettering service quality of customers' ease to book a taxi. In service companies specifically, service quality is a main scoring component of customers. If the service quality experienced by customers is good, then the customers score well. Customers' satisfaction is the difference between benefit gained from a product or a service and sacrifice given to get and use the product or the service. Service quality is the expected level of primacy and its control in order to fulfill the customers' need in contentment or satisfaction²².

Transportation is a key to development and it is a part that cannot be separated from human life. There is a tight correlation between transportation and distance and location of human activities, goods and service. In affiliation with human life, transportation plays a significant role in social, economical, environmental, political,

and defensive and security aspects. In aspect of economy, transportations have a big influence. Even data exposed that one of barriers that is encountered by industries is sector of transportation.

Taxi Service Company is one of service providers which actively and directly interacts with service customers. Nowadays, many service provider companies offer taxi service, from very famous taxi service companies to unknown ones. In Semarang, there are various taxi service companies named, New Atlas Taxi, Kosti Semarang, Bluebird, Centris Multi Persada, PuriKencana, and so forth. The competition among those companies has made them compete to maintain customers by availing various vehicle facilities and the best service quality as a form of service quality.

Service quality is all those forms of activities that can be done by companies to meet the consumers' expectation. This kind of service is defined as the services given by the companies of service if forms of ease, acceleration, relation, capacity and hospitality which is depicted in manner and behavior while providing the service for customers' contentment. The concept of service quality itself consists of five main dimensions, namely tangible, reliability, responsiveness, assurance and empathy. Those dimensions affect the customers' contentment and are used to measure level of service quality in a company.

Those service dimensions are also applied in taxi service provider company which is a kind of Transportation Company that provides services like sending a person from a place to another destination that a customer wants to go. Companies operate in a transportation service have many competitors. Thus, each company is forced to always enhance its service quality in order to maintain customers' contentment and trust so that the company profile is together noted and as a result of this, more customers will come in the future.

Quality of a product can determine the consumers' contentment which relates to their expectation of product quality they receive. In other words, even though in service provider's mind (as a producer), they have give good taxi armada and they have followed work procedures well, but if they cannot fulfill the customers' standard or expectation, then the service quality given by the provider is still scored low. In addition to fulfillment of standard/ expectation of customers, bad and good things of a product/ service provided can be seen in consistency of customers' expectation and need fulfillment.

Customers' contentment is an important element in providing better, more efficient and more effective taxi service. When customers do not feel content of a service provided by a taxi service provider, then the service given is surely said to be ineffective and inefficient. While customers feel satisfied of a service given, then probably they will be loyal and use again that taxi service provider.

Previous research by Rizanet *al* stated that price/ fare, service quality and brand image positively and significantly affect customers' contentment. Stated that service quality, price perception, and company prestige positively and significantly affect telecommunication customers' contentment. Suggested that customers' contentment, price/ fare and reliability positively and significantly affect customers' loyalty¹⁸. Suggested that service quality positively and significantly have an impact on customers' contentment and desire to come back again^{23,25}.

Suggested that service quality and price significantly affected customers' loyalty while satisfaction plays mediator variable role^{1,13,27}. A research conducted by Montalu suggested that service quality affected customers' contentment. This means that if the service quality in a company is maintained, customers' contentment will be affected. This study is in line with that of who suggested that service quality positively and significantly affected customers' satisfaction^{23,25}.

A research conducted stated that service quality positively and significantly affected customers' loyalty to Astra Motor Siliwangi Semarang workshop¹⁹. This idea was emphasized by researches conducted, which suggested that service quality positively and significantly affected customers' loyalty^{4,32}.

The result of a study by Hasanah and Harti stated that price offered by a company can affect customers' loyalty¹⁰. Stated that price positively and significantly affected customers' loyalty^{18,29}. This study result was supported by a previous research who suggested that price perception positively and significantly affected customers' loyalty¹². According to, customers' contentment and loyalty have a very close relation⁹. This statement was supported by researches conducted by which stated that customers's contentment positively and significantly affected customers' loyalty^{5,8,15}. A prior research by Aryani and Rosinta stated that service quality has a positive and significant effect on customers' contentment³. A research done by Lenzun, *et al* stated that price has a positive and significant effect on customers' contentment²⁰.

Conclusively, customers' contentment is a response from customers after comparing reality and consumers' expectation, after using a product or a service. Customers' contentment benefits a company. For instance, harmony between customers and the company pertains, there will be a good reason to come back to buy a product or use a service and thus loyalty is maintained, and there will mouth to mouth (word of mouth) recommendation among consumers. This will bring about benefits for a company.

A research conducted by Montolalu stated that customers' contentment positively and significantly affected customers' loyalty²⁴. Stated that service quality is as consumers' manner related to the comparative result between expectations from a service and perceptions over actual actions⁶.

Irfan (2013) conducted a study titled *The Impact of Service Quality, Customers' Satisfaction and Loyalty Programs on Customers' Loyalty: An Evidence from Telecommunication Sector*. Comparative analysis at the company showed that companies have to focus on enhancing service quality to get better and more customers' contentment and loyalty. Mohsan (2011) did a study titled *Impact of Customers Satisfaction on Customer Loyalty and Intentions to Switch: Evidence from Banking Sector of Pakistan*. This study tried to find out how customers' contentment affected customers' loyalty and intentions to switch.

II. Material And Methods

This study is a descriptive quantitative study that measures strength of two or more variables. The type of the study is *explanatory associative* that is to explain positions of variables and relation among other variables. The study was conducted at PT. Bluebird Taxi Service Company in Medan, addressed on Kapten Muslim street No. 92, Medan, North Sumatera. Variables researched were e-service quality variable (X) and customers' satisfaction variable (Y). Samples were collected through *random sampling* amounting 100 people/respondents. The data collection was through questionnaires. Analytical method applied was analytical description and verification. Verification analysis was path analysis.

Data Analysis

The method used to analyze the data was analytical description and verification. The study applied data collection technique. The techniques used to collect the data of the study were: questionnaires and interview. Instrumental test was used through validity test and reliability test.

III. Result

Test Result of Research Instrument

Validity Test Result

Questionnaires in the study were constructed based on the number of variables, which was 47 items of statements. Questionnaires used to measure variables consisted of e-service quality variable (X₁), service fare (X₂), customers' contentment (Y₁) and customers' loyalty (Y₂). The test of validity instrument was by SPSS software. The value of validity can be seen in *Corrected Item-Total Correlation*. Criteria of the validity instrument were coefficient r count, where an instrument is said to be valid if the value of coefficient r count \geq 0,300. The result of validity test on e-service quality variable (X₁) is presented in Table 1.1.

Table no 1:The result of validity test on e-service quality variable (X₁)

items	r count	r table	decision
1	0,549	0,300	Valid
2	0,709	0,300	Valid
3	0,496	0,300	Valid
4	0,714	0,300	Valid
5	0,595	0,300	Valid
6	0,635	0,300	Valid
7	0,710	0,300	Valid
8	0,560	0,300	Valid
9	0,603	0,300	Valid
10	0,689	0,300	Valid
11	0,532	0,300	Valid
12	0,483	0,300	Valid
13	0,377	0,300	Valid

Source: Data Primer, 2018.

It is found out in Table 1.1 that each single statement about e-service quality asked to respondents, is beyond 0,300. Therefore, it can be concluded that every single statement is valid.

The result of validity test on taxi fare variable (X₂) is presented in Table 1.2. It is known in the table that every single statement asked to respondents, values beyond 0,300. That is why every single statement is valid to measure taxi service fare.

Table no 2 :The result of validity test on taxi fare variable (X₂)

items	r count	r table	decision
1	0,783	0,300	Valid
2	0,823	0,300	Valid
3	0,679	0,300	Valid

items	r count	r table	decision
4	0,563	0,300	Valid
5	0,591	0,300	Valid
6	0,863	0,300	Valid
7	0,708	0,300	Valid
8	0,807	0,300	Valid
9	0,736	0,300	Valid
10	0,794	0,300	Valid

Source: Data Primer, 2018.

The result of validity test on customers' satisfaction (Y1) is in

Table no 3 :The result of validity test on customers' satisfaction (Y₁)

items	r count	r table	decision
1	0,723	0,300	Valid
2	0,704	0,300	Valid
3	0,685	0,300	Valid
4	0,608	0,300	Valid
5	0,662	0,300	Valid
6	0,588	0,300	Valid
7	0,550	0,300	Valid
8	0,606	0,300	Valid
9	0,801	0,300	Valid
10	0,661	0,300	Valid
11	0,749	0,300	Valid
12	0,709	0,300	Valid
13	0,670	0,300	Valid
14	0,697	0,300	Valid

Source: Data Primer, 2018.

It is seen that every single item of the statement asked to respondents is at beyond 0,300. That is why every single item of the statement is valid to measure customers' satisfaction with the company.

The result of validity test on customers' loyalty variable (Y2) is prepared in

Table no4 : The result of validity test on customers' loyalty variable (Y₂)

items	r count	r table	decision
1	0,594	0,300	Valid
2	0,633	0,300	Valid
3	0,672	0,300	Valid
4	0,770	0,300	Valid
5	0,750	0,300	Valid
6	0,695	0,300	Valid
7	0,703	0,300	Valid
8	0,623	0,300	Valid
9	0,729	0,300	Valid
10	0,595	0,300	Valid

Source: Data Primer, 2018.

It is known that every single item of the statement asked to respondents is at beyond 0,300. Therefore, every single item of the statement is valid used to measure customers' loyalty to the service company.

The Result of Reliability Test

Reliability test is aimed at exposing how consistent the result of relative measurement is. In this way, reliability is an index that explains how reliable an instrument of measurement is. If the instrument is used twice or more, the result obtained must be consistent. Every instrument should have ability to show consistent result of measurement so that the result can be trusted only when used twice or more to measure a group of subject, it shows relatively the same results, as long as the aspects within the group of subjects do not change. To count reliability coefficient, Cronbach (1951) in Soehartono (2000) recommended the usage of coefficient *alpha*: "A coefficient of reliability called coefficient *alpha*."

Table no 5 :Research Instrument Reliability Test Results

No	Research variable	Koef. α	r critical	decision
1	e-service quality (X_1)	0,890	0,60	Reliabel
2	Sevice Price (X_2)	0,931	0,60	Reliabel
3	Customer satisfaction (Y_1)	0,930	0,60	Reliabel
4	Customer loyalty (Y_2)	0,910	0,60	Reliabel

Source: Data Primer, 2018.

The table indicates that the value of coefficient alpha of overall research variables is more than 0,60. This shows that all instruments used to measure the research variables have accepted reliability and consistency.

IV. Discussion

The result of validity test on e-service quality, service fare, customers' satisfaction and loyalty to PT. Bluebird Taxi Service Company in Medan, is valid. The result of reliability test on research instruments is reliable. The result of this study is the same as that of Jonathan (2013), stated that *e-service quality* has an effect on *customer loyalty*, and *e-service quality* and *customers satisfaction* has an effect on *customer loyalty*. On *e-service quality*, attributes like *website* provides accurate information. *Website* has a good reputation. Every payment is confirmed *online*. *Website is easily used* and products/ services on *website* are sent based on the time agreed. *E-service quality* on *website bayubuanatravel.com* has significant effect on customers' loyalty. This happens because *e-service quality* given to customers affect customers' loyalty.

The result of the study by Amin and Ngatno , indicated that service quality and price have an effect on customers' loyalty². There was a negative and significant effect price on Bejeu travel service users' loyalty. This means that when the price of the ticket goes up/ is expensive, the satisfaction of the travel service company customers goes down and they might not unlikely to switch to other travels.

By this study, one effort to maintain PT. Bluebird taxi customers' loyalty is by enhancing their e-service quality and service fare. Based on the result of the analysis, it can be seen that the more dominant factor that affects the customers' satisfaction is the *e-service* quality, whereas the more dominant factor that affects the customers' loyalty is service fare. This fact shows that the adversity of many *online* transportation services nowadays has caused more competitions among them. Service fare becomes the main factors considered by customers to choose to use an *online* service or not. Many promos or *discount* offered also in order to get customers' intention, including new customers. Therefore in order to maintain and obtain customers' loyalty, it is in need of bettering service quality. One way to apply this is for example by offering promos or discount, not only for old customers but also new customers. Service development also copes in website quality both in management and infrastructure. More attention have to be paid to service procedure to customers.

V. Conclusion

The result of the study shows relation between e-service quality and Bluebird Taxi Service customers' satisfaction. The relation goes in the same direction that is seen in the value of path coefficient which is positive. This means that if e-service quality is better, the satisfaction of the Bluebird Taxi Service customers will arise. Otherwise, if the e-service quality is bad, the satisfaction will fall down.

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