



THE EFFECT OF SERVICE QUALITY AND MARKETING MIX ON CUSTOMER SATISFACTION AND LOYALTY IN GRAB APPLICATION SERVICE USERS IN MAKASSAR

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ABSTRACT

Grab is an O2O (online to offline) platform where O2O attracts customers through online media such as email, internet advertising or social media, then invites these customers to shop offline. The purpose of this study is to examine the effect of service quality and marketing mix on customer satisfaction and loyalty in Grab application service users in Makassar. The research design uses qualitative research conducted at Grab companies in 2018 as an online service. Data analysis techniques using path analysis. Hypothesis testing results are that X1 has a positive and significant effect on Y1, X2 has a positive and significant effect on Y1, X1 has an insignificant influence on Y2, X2 has a positive and significant effect on Y2, X1 has a negative and not significant effect on Y2 through Y1 , and X2 has a positive and significant effect on Y2.

PRELIMINARY

The Grab service is intended to provide alternative driving for drivers and passengers who emphasize speed, safety and certainty. Grab believes that every community in Southeast Asia must benefit from the digital economy, and the company provides access to safe and affordable transportation services, food delivery and shipping services, and mobile and financial payment services. The following will be displayed comparative data of Grab, Go-Jek and Uber Website visitors in 2016 as follows:

Table 1. 2016 Visitor Data Grab, Gojek and Uber Website visitors

Website Transportation Online	Percent of Visitor	Rank In Country	Daily Pageviews Per Visitor	Daily Time On Site
Grab.com	31,8%	Indonesia 120	2.32 increase 2%	2:58 increase 2%
Go-Jek.com	78,2%	Indonesia 2382	1.43 decline 13,33%	2:02 decline 6%
Uber.com	40,3% for USA	Indonesia -	3.00 decline 18,03%	3:52 decline 12%

Source: *www. Alexa Com (accessed November 7, 2016)*

But in 2017 Grab is growing more rapidly by doing more services including serving vehicles such as motorcycle taxi (GrabBike), Cars (GrabCar), and taxis (Grabtaksi) and couriers (GrabExpress), Food delivery (GrabFood), and social carpooling (GrabHitch Car). Recently Grab launched the Grab Gerak service, a unique solution that was first provided to support people with disabilities to move and get more access in carrying out their daily activities.

In addition to providing various services to meet the needs of the community, Grab also provides various promos in the form of discounted fees from the use of services such as GrabBike, GrabCar, and GrabTaxi and other services. Discounts or rewards given by Grab, which is about 40% - 60% of the total cost of a user's trip. This promotion was successful because there were already many people who had already used Grab services. The total number of Grab trips alone has reached 2.5 million every day, and the Grab application has been downloaded more than 45 million devices, three times the number of downloads in June 2016 (Grab, 2017).

The intense competition and the many providers of transportation service applications make Grab as a brand aware of the importance of new brands to be able to compete and provide services that exceed customer expectations by improving user experience for the better.

In the marketing mix element theory, there are 4Ps namely product, price, place and promotion. Marketing Public Relations operates in the realm of promotion (Belch, 2012). Promotion can be done through the media. With the new brand as a stimulus, Marketing Public Relations has the duty to convey the message through the promotion of the new brand to the public and evaluate the community's attitude as a response to the stimulus. The choice of the Indonesian state is based on comparison to other countries with Grab services, Indonesia has a very rapid user growth.

That was caused by the positive response from the community, especially in the city of Makassar in choosing a brand that could benefit them so that there was satisfaction that was gained in using the brand and made them continue to use the same brand continuously.

Literature review

Service quality

According to Tjipto (2012) in Rinova and Meilani (2018), that quality is a dynamic condition related to services, products, processes, people and the environment that meets or exceeds expectations. Sinambela (2010) in Ahror (2017) service comes from the word "service" which means to help provide everything that is needed by others for acts of service.

In the case of service marketing, the quality dimensions most often used as a reference are:

- a. easy to reach, waiting time is not too long a communication channel with the company is easy to contact.
- b. Courtesy, is the attitude of courtesy, respect, attention and friendliness of contact personnel.
- c. Communication, providing communication to customers in a language that is easy for them to understand and is always listening to customer suggestions and complaints.
- d. Credibility, an honest nature that is owned by a service provider and can be trusted.
- e. Security, giving the impression of consumer comfort by providing a sense of security from danger. This aspect includes physical security, financial and confidentiality
- f. Understanding / Knowing The Customer, business service providers to meet the needs of its customers.
- g. Tanggibles, physical evidence of services. Can be in the form of physical facilities, equipment used, physical representation of services such as plastic credit cards, letterhead.

Marketing Mix

According to AssauriSofjan (2011) Marketing policy is certainly in line with the marketing concept that emphasizes the provision of satisfying services to consumers, through integrated marketing activities and strategies that enable long-term profits / profits. Marketing mix is a combination of variables or activities that are the core of the marketing system, variables that can be controlled by the company to influence the reactions of buyers or consumers. So the marketing mix consists of a set of variables that can be controlled and used by companies to influence consumer responses in their target markets. The four elements or variables of the marketing mix are:

- a. Product Strategy
- b. Pricing Strategy
- c. Place / Distribution Strategy
- d. Promotion Strategy

Customer satisfaction

According to Mowen and Minor (2002), consumer satisfaction is defined as the overall attitude that consumers show towards goods and services after they obtain and use them. This is a post-election evaluative assessment caused by special purchase selection and experience using or consuming the goods or services. Brown (1992) argues that customer satisfaction is a condition in which the needs, desires and expectations of consumers of a product or service, in accordance or fulfilled with the appearance of products and services. Satisfied consumers will consume these products continuously encouraging consumers to be loyal to these products or services and are happy to promote these products and services to others by word of mouth.

Customer loyalty

Oliver (2008) expresses the definition of customer loyalty as follows: Customer Loyalty is defined commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts with the potential to cause switching behavior. From the above definition, it can be seen that loyalty is a deep commitment of customers to re-subscribe or buy back consistently selected products / services in the future, even though the influence of the situation and marketing efforts have the potential to cause behavior change. Loyal customers are important assets for the company, this can be seen from the characteristics they have, as revealed by Griffin (2005: 33), loyal customers have the following characteristics:

- a. Make regular purchases (Makes regular repeat purchases)
- b. Buy outside the product / service line (Purchases across product and service lines)
- c. Recommend other products to others (Refers Other)
- d. Demonstrate immunity from the appeal of similar products from competitors (Demonstrates an immunity to the full of the competition).

Methodology

This study uses path analysis techniques that are set for users of the Grab application in the city of Makassar. Samples were obtained by 100 respondents. The variables defined in this study include service quality and marketing mix as an independent variable and customer loyalty as the dependent variable, while the customer satisfaction variable as an intervening variable. In this calculation the direct and indirect relationship and the total influence are calculated. Following is the path analysis equation:

$$Y1 = B_1 X_1 + B_2 X_2 + e$$

$$Y2 = B_1 X_1 + B_2 X_2 + Y1 + e$$

Information :

Y1 = Dependent variable, customer satisfaction

Y2 = Dependent variable, customer loyalty

X1 = Independent Variable, service quality

X2 = Independent Variable, marketing mix

B1 = Regression Coefisein for variable X

B2 = Regression coefficient for variable Y1

e = Standard error

In the analysis technique used model testing is done by using the statistical F test and the determinant test (R2) Statistical F Test (Simultaneous Significant)

Table 2. F Statistics Equation I and II

Variable Relationship	F- Statistik	Significant
Service Quality and Marketing Mix on Customer Satisfaction (Equation I)	62.929	0.000
Customer Satisfaction, Service Quality and Marketing Mix on Customer Loyalty (equation II)	39.390	0.000

Source: Data processed using SPSS V. 25 (2019)

Based on the F test, a value of 62,929 was obtained in model I with a significant level of 0,000, meaning that the model used was feasible in explaining the variables X1-X2 to the variable Y1. Whereas the F test with avalue of 39,390 in Model II with a significant value of 0,000 is feasible in explaining the X1-X2-Y1 variable to the Y2 variable.

Determination Coefficient Test (R² / R Square)

Table 3. Coefficient of Determination (R²)

Variable relationship	Adjusted R Square
Service Quality and Marketing Mix on Customer Satisfaction (Equation I)	0.565
Customer Satisfaction, Service Quality and Marketing Mix on Customer Loyalty (equation II)	0.552

Source: Data processed using SPSS V. 25 (2019)

From the calculation of the coefficient of determination R² obtained value for model I of 0.565 means that the ability of the model used for service quality variables and marketing mix is able to explain customer satisfaction variables. While the value for model II is 0.552, which means that the variable of customer satisfaction, service quality and marketing mix can explain the variable of customer loyalty.

RESULTS

Based on statistical calculations the results of the relationship between the variable service quality and marketing mix to customer satisfaction and loyalty both directly and indirectly can be explained in the table below :

Table 4. Direct effects, Indirect effects and total effects of equations I and II

Variabel	Y1			Y2		
	PL	PTL	PT	PL	PTL	PT
X1	0.240	-	0.240	-0.169	0.130	-0.039
X2	0.542	-	0.542	0.388	0.294	0.837
Y1	-	-	-	0.543	-	0.543

Source: Data processed using SPSS V. 25 (2019)

The influence of service quality on customer satisfaction has a direct influence value of 0.240 and has no indirect effect, while the total effect of 0.240. For the effect of service quality on customer loyalty directly by -0.169 with an indirect effect of 0.130 and a total effect of -0.039. The relationship between marketing mix and direct customer satisfaction is 0.542 with no indirect value, for a total effect of 0.542. In the marketing mix relationship to customer loyalty, the value of direct influence is 0.388 and the indirect effect is 0.294, while the total effect is 0.837. For the direct influence of customer satisfaction on customer loyalty of 0.543 and do not have a relationship of indirect influence, while the total effect of 0.543.

Table 5. Research Hypothesis Tests

Relationship	Coefficient	Significant	Information	Conclusion
X1-Y1	0.240	0.046	Significant	Be accepted
X2-Y1	0.542	0.000	Significant	Be accepted
X1-Y2	-0.169	0.174	Not significant	Rejected
X2-Y2	0.388	0.004	Significant	Be accepted

Y1-Y2	0.543	0.000	Significant	Be accepted
X1-Y1-Y2	0.130	0.257	Not significant	Rejected
X2-Y1-Y2	0.294	0.013	Significant	Be accepted

Source: Data processed using SPSS V. 25 (2019)

Discussion

Effect of Service Quality on Customer Satisfaction of Grab Application Users in Makassar. This proves that the first hypothesis proposed where service quality has a positive and significant effect on customer satisfaction in the form of satisfaction and pleasure in using the Grab application.

Effect of Marketing Mix on Customer Satisfaction of Grab Application Users in Makassar. Based on the results of hypothesis testing with statistical analysis methods with the SPSS 25.0 program. This proves that the second hypothesis proposed where the marketing mix has a positive and significant influence on customer satisfaction in the form of satisfaction and pleasure in using the Grab application.

Effect of Service Quality on Customer Loyalty of Grab Application Users in Makassar. Based on the results of hypothesis testing using statistical analysis methods with the SPSS 25.0 program, this proves that the third hypothesis proposed where service quality does not have a positive and not significant effect on customer loyalty in using online grab transportation services. This means that although the quality of online grab transportation services is good, it is not certain that online transportation service users can be loyal to online grab transportation.

Effect of Marketing Mix on Customer Loyalty of Grab Application Users in Makassar. Based on the results of hypothesis testing using statistical analysis methods with the SPSS 25.0 program, this proves that the proposed hypothesis is that marketing mix has a positive and significant effect on customer loyalty. Based on this research it can be explained that the better the marketing mix undertaken by grab companies to customers, this will lead to the level of loyalty of users of online transportation services to their users.

Influence of Customer Satisfaction on Customer Loyalty of Grab Application Users in Makassar. The test results with SPSS for the variable Customer Satisfaction (Y1) on Customer Loyalty (Y2) can be concluded that the variable Customer Satisfaction (Y1) has a significant influence on Customer Loyalty (Y2). Consumers will feel satisfied if the services provided products or services are pleasing so that will affect a customer's loyalty to reuse.

Effect of Service Quality on Customer Loyalty through Customer Satisfaction of Grab Application Users in Makassar. The test results with SPSS show that indirectly the quality of service (X1) through customer satisfaction (Y1) does not have a significant effect on customer loyalty (Y2). The results of this study also do not prove that theoretical studies and empirical studies that state and prove a positive and significant causal relationship between service quality and customer loyalty mediated by customer satisfaction are also used for studies in the field of using Grab application services in Indonesia, especially in the City Makassar.

Effect of Marketing Mix on Customer Loyalty through Customer Satisfaction of Grab Application Users in Makassar. Marketing strategy is the main key in a business, the better the marketing strategy carried out by the company that affects the familiarity of the services offered, promos that often exist, satisfying service strategies for users of online transportation services Grab automatically provides a sense of satisfaction from its users and with the existence of value separately perceived by the user, loyalty will gradually arise for online Grab transportation services.

CONCLUSION

1. Service Quality has a positive and significant effect on customer satisfaction
2. Marketing mix has a positive and significant effect on customer satisfaction
3. Service Quality does not have a positive and significant effect on customer loyalty
4. Marketing mix has a positive and significant effect on customer loyalty
5. Customer satisfaction has a positive and significant effect on Customer Loyalty
6. Service Quality does not have a positive and significant effect on customer loyalty through customer satisfaction
7. The marketing mix has a positive and significant effect on customer loyalty through customer satisfaction

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