

Investigation of Customer Trust and Customer Loyalty on Transjakarta's Bus

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Abstract

The population of Jakarta has reached 9.6 million, plus outsiders who are active in Jakarta during the day as many as 2.5 million. On the other hand, every year population growth in DKI Jakarta always occurs, especially after Lebaran. The opening of Jakarta to newcomers was accompanied by the abolition of Population Justification Operation (OYK), leaving residents from outside the area free to come to Jakarta to look for work and change their fortune in the Capital. The purpose of this study was to determine the service quality and price perception together in gaining customer trust and its effect on the loyalty of TransJakarta users. This research uses quantitative and verification methods. The research unit is TransJakarta users in 15 corridors in Jakarta. With a sample size of 200 respondents. Data collection using survey techniques and data analysis was done descriptively with the help of Structural Equation Modeling (SEM) statistics using LISREL 8.8 software. Based on the results of this study, service quality, perceived price, trust, and loyalty together positively influence the first hypothesis that service quality has an effect of 7.11 on trust. The second hypothesis of price perception influences 6.65 on trust. The third hypothesis of trust has an effect on loyalty of 6.75. So if trust in TransJakarta, TransJakarta users will always trust using the services provided. The research findings show significant results for TransJakarta users who experience a fairly high increase every year, consumers believe using public transportation using TransJakarta provides its own satisfaction that is comfortable with buses, fast transport services, and affordable prices.

Keywords: Service Quality, Price Perception, Trust, Loyalty

INTRODUCTION

In the Regional Regulation (Perda) of the 2030 Regional Spatial Planning (RTRW), it is determined that the population of DKI Jakarta is only 12.5 million people. Whereas at present, based on the results of the 2011 census, the population of Jakarta has reached 9.6 million, plus outsiders who are active in Jakarta during the day as many as 2.5 million. The head of the Jakarta Population and Civil Registry Office at the time, Purba Hutapea, said that it was estimated that in 2030, the population of DKI would increase to 12.5 million. While during 2013, Jakarta's population had broken through 9.7 million people at night and 12.7 million people during the day. This means that the actual population of Jakarta has now exceeded its capacity. Expressed by the Head of DKI Jakarta Dukcapil Office, Purba Hutapea, Purnomo (2011). From the data from the Population Service, these urban areas are spread in five areas of Jakarta. As in West Jakarta with 13,736, Central Jakarta with 1,118, South Jakarta with 2,406, North Jakarta with 1,869 and East Jakarta with 3,614.

Transjakarta as an alternative public transportation for the people of Jakarta is an institution managing Bus Rapid Transit (BRT) or better known as Busway. The current institutional form for

Transjakarta is the Public Service Agency (BLU) which is under the supervision of the DKI Jakarta Provincial Government Transportation Agency. The Transjakarta BLU is responsible for managing the Busway which includes planning, operation and maintenance. The Transjakarta Busway began operating on January 15, 2004 and is the flagship program of the DKI Jakarta Provincial Government for the development of bus-based public transportation. Transjakarta Busway is a pioneer of public transportation reform that prioritizes comfort, security, safety and affordability for the community. Transjakarta facilities and infrastructure are specifically designed to function as a transportation system capable of carrying large numbers of passengers. The infrastructure, management, control and planning of the Transjakarta Busway system is provided by the DKI Jakarta Regional Government, while the bus operational activities and receiving payments from the ticket system are cooperated with the private sector (<http://www.transjakarta.co.id>).

Statistics on the number of Transjakarta passengers from 2011 to 2015 can be seen from the peak number of passengers in 2011 with a number of (+/-) 114,700.00 passengers. Furthermore in 2012, 2013, 2014, 2015. This decline continues due to many factors that occur namely the problem of the number of the fleet to the service that can be said to be bad. The above explanation still indicates the low level of consumer confidence in TransJakarta in terms of service quality, thus negatively affecting the level of consumer loyalty to continue using Transjakarta as their daily means of transportation. But in addition to service quality, there are also tariff factors that attract people because they are considered cheap, which will certainly have a positive impact on the trust and loyalty of Transjakarta consumers.

LITERATURE REVIEW

Service quality is the totality of features and characteristics of a product or service that bears on its ability to satisfy expressed or implied needs, Kotler & Keller (2015). According to Gronroos, service quality is the result of an evaluation process where customers compare their perceptions of service and results, with what they expect, Grönroos (2007) According to Wirtz and Lovelock, service quality is economic activity carried out between one party to another party. Often time-based, shows bringing desired results to recipients, objects, or other assets that have the responsibility of the buyer, Lovelock & Wirtz (2011). According to Boone and Kurtz the quality of service refers to the quality expected and felt by consumers from the services offered, which have a large influence on the competitiveness of the company.

In the competition for consumers, a company must be able to understand consumers better than its competitors. Various factors can affect how consumers view the products and services they consume, one of which is price. According to Kotler Keller "Perception is the process by which we select, organize, and interpret information inputs to create a meaningful picture of the world. Consumers perceive many different types of information through their senses, as reviewed in "Marketing Memo: The Power of Sensory Marketing." Kotler & Keller (2015). Perception is the process by which we choose, organize, and interpret information input to create a meaningful picture of the world. Consumers see various kinds of information through their senses, as reviewed in "Memo Marketing: The Sensory Power of Marketing". According to Kotler Keller "This will be based on a per-product retail price. Because of the advantages of selling directly, higher margins can be achieved with premium pricing that will still appeal to customer segments. Kotler & Kelle, (2015). Prices can be interpreted as retail prices per product. Because of the advantages of selling goods directly, a higher margin can be achieved at a premium price that will still attract the customer

segment. Zhang and Feng were quoted by Professor Tariq M. Khizindar, et. al. in the journal "An Empirical Study Of Factors Affecting Customer Loyalty Of Telecommunication Industry In The Kingdom Of Saudi Arabia" states that prices are monetary costs for customers to buy products or services, Khizindar & Al-Azzam (2015). According to Jacob V.Simons Jr. quoted by Usman Yousaf, et. al. in the journal "Studying Customer Loyalty at Daewoo Express Bus Service, Pakistan" states that price perception is the way customers perceive company prices. Yousaf, Yousaf, Altaf, & Mehmood Bagram (2013).

Mayer et al. quoted by Alok Kumar Rai and Srivastava Medhadalam "The Antecedents of Customer Loyalty: An Empirical Investigation in Life Insurance Context" defines trust as the party's willingness to be vulnerable to the actions of others based on the expectation that others will take certain actions that are important for trust or , regardless of the ability to monitor or control other parties, Rai & Medha (2013).

Then it can be stated that trust is the trust of certain parties to others in conducting transaction transactions based on a belief that the person they trust will fulfill all their obligations properly, as expected.

The definition of loyalty according to Oliver quoted by Griffin: "Loyalty is the formation of attitudes and patterns of behavior of a consumer towards the purchase and use of products is the result of their previous experience", Jill Griffin (2012: 5). According to Lovelock loyalty is a commitment of customers to continue to consume or use products or services owned by certain companies for an uncertain period of time. Based on the expert opinion above, it can be concluded that loyalty is a form of behavior of decision-making units or customer commitment to carry out purchasing, consumption or continuous use of goods or services of a company that is selected during an uncertain period of time, Wirtz & Lovelock, (2011). From the definition above it can be seen that loyalty is a behavior where consumers make repeat purchases that are consistent and as an attitude of positive appreciation of a product or producer (service provider) which according to his expectations, based on this it can be concluded that customer loyalty towards related products with consumer appreciation because the product has met its expectations is in the form of repeat purchases made consistently.

The hypothesis of this research is :

H1: There is an effect of Service Quality on customer Trust

H2: There is an effect of Price Perception on customer Trust

H3: There is an effect of Service Quality on Loyalty

H4: There is an effect of Price Perception on Loyalty

H5: There is an influence of customer trust on loyalty

H6: There is an effect of Service Quality and Price Perception together on Customer Trust

H7: There is an effect of Service Quality and Price Perception together on Customer Loyalty.

In accordance with the objectives and relevant literature, this study proposes the model of service quality, price perception, trust, and loyalty. This model is shown in Figure 1.

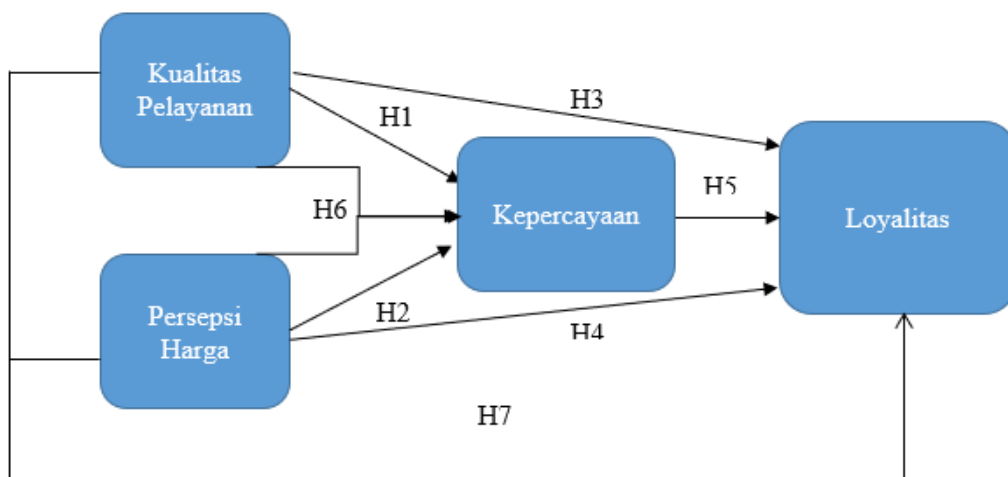


Figure 1 Framework

RESEARCH METHODS

The method used in this research is quantitative research, where quantitative research according to Sugiyono is descriptive research and tends to use an inductive approach analysis. Quantitative research is research that focuses on the measurement and analysis of the cause and effect relationships for each variable, Sugiono (2012). The method of data collection uses a survey method that is by distributing structured questionnaires given to respondents designed to obtain more specific information, Naresh K. Malhotra, (2009).

Structural equation modeling from LISREL 8.8 is used to analyze data. As a first step, exploratory factor analysis (EFA) was carried out using SPSS version 20 for all indicators used. Then a first order confirmatory factor analysis (CFA) was performed to test the fitness level of the hypothetical model of each latent variable. Six indexes are used: probability (equal to or greater than 0.05); TL / NNFI (equal to or greater than 0.90); CFI (equal to or greater than 0.95); RMSEA (equal to or less than 0.08); GFI (equal to or greater than 0.90); RMR (equal to or less than 0.05); AGFI (equal to or greater than 0.90) .. The next step is to collect all the models to build a complete structural equation model. There is a good-of-fit index that does not meet the criteria so modifications are needed and as a result three indicators are omitted. Finally, all hypotheses are tested using t-tests.

DISUCSSION

Basic information about the respondent's profil and characteristics are summarized in table 1. Among 200 respondents, 126 (63%) were female and 74 (37%) were male. In terms of age, the largest age group is 21-30 years, accounting for 58% of the total percentage. In the educational background, the group is the SMA from the total calculation percentage of 52.5%, and in terms of employment, namely students from the total calculation percentage of 53.5%.

Table 1 RESPONDENT CHARACTERISTICS

Variabel	Type	Waktu	%	Cumulative %
Gender	Male	74	37,0%	37,0%
	Female	126	63,0%	100,0%
Age	<20	33	16,5%	16,5%
	21-30	116	58,0%	74,5%

	31-40	39	19,5%	94,0%
	41-50	12	6,0%	100,0%
Educational Background	Bachelorr	62	31,0%	31,0%
	Master	31	15,5%	46,4%
	Elementary School	2	1,0%	47,5%
	High School	105	52,5%	100,0%
Profession	Student	107	53,5%	53,5%
	Civil servants	31	15,5%	69,0%
	Employee	62	31,0%	100,0%

For data to be processed for CFA, it must meet EFA requirements. Measuring the adequacy of KMO sampling must have a value that is equal to or greater than 0.60, the Bartlett sphrecity test must have a significance value of less than 0.05. The results show that all values of each variable meet the criteria: service quality has a KMO value of 0.761, significant 0,000; price perception has a KMO value of 0.845, significant 0,000; trust has a KMO value of 0.793, significant 0,000; loyalty has a KMO value of 0.858, significant 0,000.

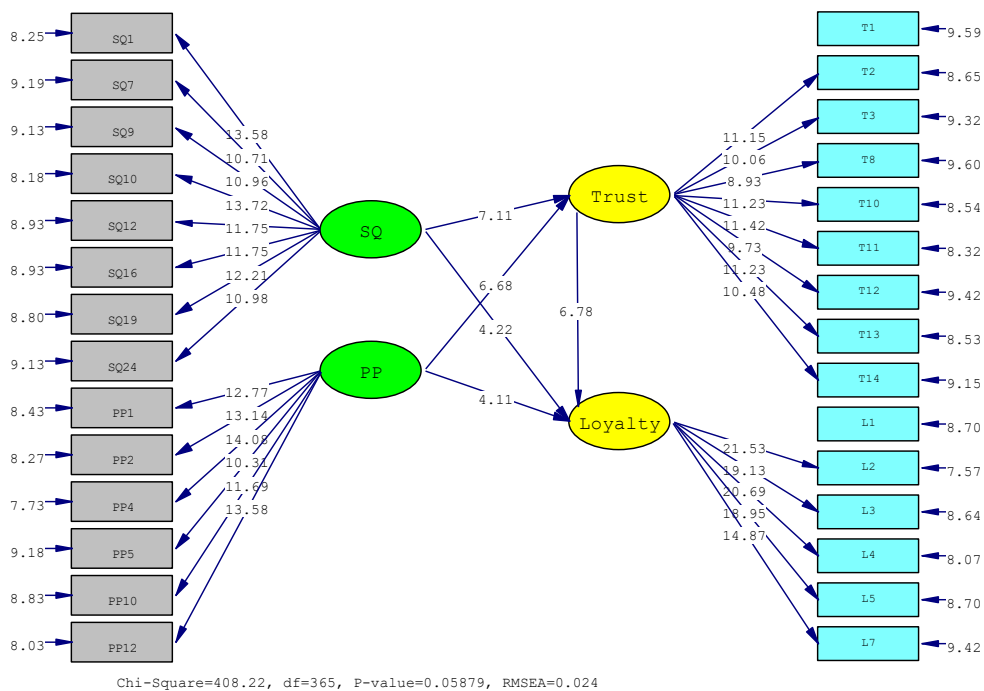


Figure 2 FIT MODEL SEM

The results of the processing of the model were modified again compared to GOF (Goodness of Fit) criteria which showed the following results:

Table 2 Full Model Goodness of Fit Indices

Goodness of Fit Indices	Cut-off Value	Result	Model Evaluation
TLI/NNFI	≤2.00	1,00	FIT
RMSEA	≤0,08	0,024	FIT
GFI	≥0,90	0,95	FIT

RMR	<0,05	0,035	FIT
CFI	≥0,95	1,00	FIT
AGFI	≥0,90	0,95	FIT

From the modification of the model that has been done shows an increase in the level of model fit (fit model) in all aspects and has fulfilled all the requirements so that it can be said the model is fit.

CONCLUSION and SUGESTION

1. H1 states that service quality has an effect of 0.46.
2. H2 states that price perception influences trust by 0.48.
3. H3 service quality has an effect of 0.48 on loyalty. Then the appropriate service quality will make consumers have a good level of service quality.
4. H4 price perception affects the loyalty of 0.53 in Transjakarta. If price perception is good enough, it will affect TransJakarta users.
5. H5 states that trust affects the loyalty of 0.20 on Transjakarta. So if trust in TransJakarta, then TransJakarta users will always trust using the services provided.
6. H6 service quality and price perception have an effect of 0.47 on trust. Then the appropriate service quality will make consumers have a good level of service quality.
7. H7 quality and price perception influence 0.505 on loyalty. Then the appropriate service quality will make consumers have a good level of service quality.

After conducting this research, based on empirical findings obtained, the final part of the writing of this dissertation, the author conveys how many suggestions in the effort to improve and improve service quality, price perception, trust that affect consumer loyalty. Based on the results of research and discussion, suggestion can be found as follow:

Research can also be done on other public transportation and not limited to Transjakarta, because in Jakarta itself there are many other public transportation options such as commuter lines, MRT, Kopaja, mini metro, public transportation.

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