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Service Quality Its Influence on Customer Loyalty Go-Jek in Denpasar City

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Abstract— *Customer loyalty is an important factor for the success of a company in developing long-term relationships with customers. To maintain customer loyalty, companies must provide services that meet customer expectations. Service quality in this research refers to the Servqual model including reliability, responsiveness, assurance, empathy, and physical evidence. This research aims to find out how much influence the factors of reliability, responsiveness, guarantee, empathy and physical evidence have on Go-jek customer loyalty in the city of Denpasar. This research was conducted on 100 Go-jek customers in the city of Denpasar as a sample. The analysis model used is a multiple linear regression analysis model. This research found that the factors of reliability, responsiveness, guarantee, empathy and physical evidence simultaneously have a significant effect on Go-jek customer loyalty in the city of Denpasar. The contribution of all these factors is 33.766%. This research also found that of the five factors analyzed, the reliability factor had a dominant influence on Go-jek customer loyalty in the city of Denpasar, with a contribution of 39.40%. Other factors that make a significant contribution to customer loyalty are responsiveness, assurance, empathy and physical evidence, with respective contributions of 21.82%, 25.73%, 34.07% and 25.10%. %.*

Keywords— *Service quality (reliability, responsiveness, guarantee, empathy, and physical evidence) and customer loyalty.*

I. INTRODUCTION

Transportation has now become a basic need for all levels of society in various countries, including Indonesia. In Indonesia, two-wheeled transportation has developed that uses applications or is called online transportation. The presence of online transportation is in great demand by the public, because it can reduce the consumption of private vehicles, is low cost and more efficient (Khurshid et al., 2016). One of the online transportation that is currently developing in Indonesia is online motorcycle taxi transportation or called Go-jek. PT. Go-jek Indonesia, which was founded in 2010 by Nadiem Makarim, now operates in ten major cities in Indonesia, including Bali.

Users of the Go-jek online transportation service in Bali are quite large. As a tourist area, Bali has great opportunities to attract tourists. Even though businesses in the public transportation sector in Bali are also growing, such as taxis and public buses, they are still considered unable to meet the demands of tourists on holiday in Bali. The presence of Go-jek can increase destination accessibility, and can even influence tourist preferences (Dewantara, 2019). Tourists tend to be interested in using the Go-jek application because they see its capabilities, speed, mobile friendliness and the feature options provided. Apart from tourists, Gojek service users in Bali are also local people, especially in the city of Denpasar. The activity of people living in Denpasar is relatively high, because the city of Denpasar is the center of education, trade and government in Bali. The problem that often arises in the city of Denpasar is traffic jams. As an online transportation service provider, Go-Jek is a solution to the problem of traffic jams, especially in the city of Denpasar. In the city of Denpasar, Go-jek's services are actively used by 15 million people every week (Tribun Bali.com, 2022).

Seeing the big opportunity in Go-Jek's online transportation service, similar business competitors such as Grab are starting to emerge. Go-Jek and Grab offer a variety of online services in their almost similar applications, so they compete with each other to provide the best service for customers. Based on survey results from the Indonesian Internet Service Providers Association (APJII) for the 2019-2020 period, it was noted that Gojek and Grab were the online transportation application services most frequently used by the public (Bayu, 2020).

Based on the data obtained, the fact is that from 2018-2022 the number of Go-Jek users tends to decrease, while the number of Grab users, although still below Go-Jek, continues to increase from 2018-2022. Seeing this phenomenon, Go-Jek's position as online transportation is indeed threatened because competition is increasingly competitive. The decline in the number of Go-Jek users indicates that the loyalty of Go-Jek users in Denpasar City is decreasing. The decline in Go-Jek customer loyalty in the city of Denpasar is estimated to mean that the services provided by Go-Jek have not met customer expectations.

Parasuraman *et al.* (1998) stated that consumers assess the quality of services provided by companies based on factors of reliability, responsiveness, guarantee, empathy and physical evidence. Mulyati *et al.* (2019) explained their findings that the dimensions of reliability, responsiveness, guarantee, empathy, and physical evidence directly impact consumer perceptions of overall service quality in online transportation. Therefore, online transportation service providers must make sure to evaluate various dimensions of their services.

Based on the description of several empirical studies, as well as phenomena that exist in the Go-Jek company this research examines the influence of service quality consisting of reliability, responsiveness, guarantee, empathy and physical evidence on Go-Jek customer loyalty in the city of Denpasar. Problem Formulation:

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1. What is the influence of reliability, responsiveness, guarantee, empathy, and physical evidence on Go-Jek customer loyalty in the city of Denpasar ?
2. Which factors have the dominant influence on Go-Jek customer loyalty in the city of Denpasar ?

II. Literature Review

Customer Loyalty

Customer loyalty is customer loyalty to a product or service by making repeat purchases continuously (Engel, 2006). Loyal customers are an important asset for the company. According to Griffin (2003) loyal customers have the following characteristics: 1) Make regular repeat purchases, 2) Buying outside product/service lines, 3) Recommend other products (refers other), 4) Demonstrates immunity to the attraction of similar products from competitors. Customer loyalty is determined by several factors. However, Selnes (1993) believes that customer loyalty can be formed if the service received by customers is as expected. If the service perceived by customers does not match expectations, it can have negative consequences, such as poor service quality which will result in losing customers. This means that satisfying needs and gaining customer trust can be done by providing the best service.

Service Quality

Service quality is a form of consumer assessment of the perceived service level (perceived service) with the expected service level (expected value) (Subihaiani, 2001).

A company's success in providing quality services to customers is largely determined by the approach used. One approach to service quality that is often used as a reference in marketing research is the *SERVQUAL* (service quality) model (Zeithmal, Berry, and Parasuraman, 1996). *SERVQUAL* is built on a comparison of two main factors, namely customer perceptions of the actual service they receive (perceived service) with the service actually expected/desired (expected service). If the reality is more than expected, then the service can be said to be quality and vice versa.

There are five main dimensions of service quality that are used by customers to assess service quality. The five dimensions are as follows (Parasuraman *et al.*, 1998):

1. Reliability, is the company's ability to provide services as promised accurately and reliably.
2. Responsiveness, namely a policy to help and provide fast (responsive) and appropriate service to customers by conveying clear information.
3. Assurance, namely the knowledge, politeness and ability of company staff to foster customers' trust in the company.
4. Empathy, namely providing sincere and individual or personal attention to customers by trying to understand the customer's desires.
5. Physical evidence (tangible), is the company's ability to demonstrate its existence to external parties.

Research Hypothesis

A hypothesis is a provisional assumption or a temporary answer to a problem that is presumptive because it still has to be proven true. Based on the background, theoretical basis, previous research results and framework, the following hypotheses can be built:

H1: Reliability, responsiveness, guarantee, empathy and physical evidence have a positive and significant effect on Go-Jek customer loyalty in the city of Denpasar.

H2: Reliability has a dominant influence on Go-Jek customer loyalty in the city of Denpasar.

III. Research Methods

This research was conducted on Go-jek customers in the city of Denpasar. The number of respondents in this research was 100 Go-jek customers in the city of Denpasar. The data collection method uses a questionnaire, where the service quality variables consist of reliability, responsiveness, assurance, empathy and physical evidence, each measured into 5 indicators. Data analysis uses multiple linear regression.

IV. Results And Discussion

This research is aimed at finding out how much influence the variables of reliability, responsiveness, guarantee, empathy and physical evidence have on Go-Jek customer loyalty in the city of Denpasar. The analysis is based on the results of multiple linear regression calculations. In this analysis, it is also known whether the hypothesis proposed in this research is accepted or rejected.

Based on the results of multiple regression calculations, the following multiple linear regression equation is obtained: $Y = 0{,}949 + 0{,}407\ X_1 + 0{,}194\ X_2 + 0{,}274\ X_3 + 0{,}253\ X_4 + 0{,}276\ X_5$.

The magnitude of the influence of the five variables, namely reliability, responsiveness, assurance, empathy and physical evidence, can be known from the magnitude of the coefficient of determination (R2). R2 is 0.6502 or 65.02% . This means that the five variables together give contribution or influence of 65.02% on Go-jek customer loyalty in the city Denpasar while other factors contributed 34.98%.

Based on the F test, it is known that the Fcount value is 33.766 and Ftable is 2.31 with a significance value of 0.000. Fcount turns out to be bigger than Ftable. Thus it can be said that the variables reliability (X1), responsiveness (X2), guarantee (X3), empathy (X4) and physical evidence (X5) together have a significant effect on Go-Jek customer loyalty (Y) in the city of Denpasar .

Based on the results of the t test, it can be seen whether the influence of each independent variable is significant, namely reliability (X1), responsiveness (X2), guarantee (X3), empathy (X4), and physical evidence (X5) on the dependent variable, namely customer loyalty (Y). From this test it can also be proven whether the second hypothesis which states that reliability is the dominant variable influencing Go-Jek customer loyalty in the city of Denpasar, is accepted or rejected.

1) The effect of reliability (X1) on customer loyalty (Y

Based on the results of the t test for the reliability variable (X1), the tcount value was 3.940 and ttable was 1.985 with a significance level of 0.000. This means that the reliability variable has a significant effect on customer loyalty. This is evident from the t count which is greater than t table and the

significance level of 0.000 is smaller than 0.05. The contribution of the reliability variable to customer loyalty is 39.40%.

2) The effect of responsiveness (X2) on customer loyalty.

Based on the results of the t test for the responsiveness variable (X2), the tcount value was 2.182 and the ttable was 1.985 with a significance level of 0.032. This means that responsiveness has a positive and significant effect on customer loyalty. This is evident from the t value which is greater than the t table and the significance level of 0.032 is smaller than 0.05. The contribution of the responsiveness variable to customer loyalty is 21.82%.

3) Effect of Guarantee (X3) on Customer Loyalty

Based on the results of the t test for the collateral variable (X3), the tcount value was 2.573 and the ttable was 1.985 with a significance level of 0.012. This means that guarantees have a positive and significant effect on customer loyalty. This is proven by the calculated t value being greater than t table with a significance level of 0.012 which is smaller than 0.05. The contribution of the guarantee variable to customer loyalty is 25.73%.

4) The Effect of Empathy (X4) on Customer Loyalty

Based on the results of the t test for the empathy variable (X4), the tcount value was 3.407 and the ttable was 1.985 with a significance level of 0.012. This means that empathy has a positive and significant effect on customer loyalty. This is proven by the calculated t value being greater than t table with a significance level of 0.012 which is smaller than 0.05. The contribution of the empathy variable to customer loyalty is 34.07%.

5) The Effect of Physical Evidence (X5) on Customer Loyalty

Based on the results of the t test for the physical evidence variable (X5), the tcount value was 2.510 and ttable was 1.985 with a significance level of 0.014. This means that physical evidence has a positive and significant effect on customer loyalty. This is proven by the calculated t value being greater than t table with a significance level of 0.014 which is smaller than 0.05. The contribution of the physical evidence variable to customer loyalty is 25.10%.

Discussion.

Based on the test results, it is proven that reliability, responsiveness, guarantee, empathy and physical evidence have a significant effect on Go-Jek customer loyalty in the city of Denpasar. This can give an idea to the Go-Jek company, that to maintain customer loyalty, these variables need serious attention. As is known from the test results, all these variables simultaneously contribute 33.766% to Go-Jek customer loyalty in the city of Denpasar.

When these variables are reviewed individually, the variables of reliability, responsiveness, guarantee, empathy and physical evidence have a significant effect on customer loyalty. Reliability turns out to have a dominant influence.

Reliability is a company's ability to provide accurate and trustworthy services. Based on the analysis results, it is known that the reliability variable has a positive and significant effect on customer loyalty. This means that the higher the reliability, the greater the customer loyalty. Seeing the large influence that the reliability factor has on Go-jek customer loyalty in the city of Denpasar shows that Go-jek can provide reliable service for its customers.

The second factor that has a significant influence on Go-Jek customer loyalty in the city of Denpasar is the responsiveness factor. This means that the higher the responsiveness of Go-jek drivers, the greater customer loyalty will be. Seeing the large influence that the responsiveness factor has on Go-Jek customer loyalty in the city of Denpasar shows that Go-Jek has been able to provide responsive service to customers.

Guarantee is the knowledge, ability, politeness and trustworthiness of drivers. Based on the results of the analysis, it was found that guarantees had a positive and significant effect on Go-Jek customer loyalty in Denpasar City. This means that the better the guarantee provided by the Go-Jek company can increase customer loyalty. The large influence that the guarantee variable has on Go-Jek customer loyalty in the city of Denpasar shows that the Go-Jek company has provided guarantees to its customers.

Empathy is providing sincere attention to customers by trying to understand the customer's desires. Based on the results of the analysis, it was found that the empathy factor had a positive and significant effect on Go-jek customer loyalty in Denpasar City. This means that the higher the empathy provided by Go-jek, the greater the customer loyalty. The large influence that the empathy factor has on Go-jek customer loyalty in the city of Denpasar shows that Go-jek in the city of Denpasar cares and understands what customers want and expect.

Physical evidence is the company's ability to demonstrate its existence to external parties. Based on the results of the analysis, it was found that the physical evidence factor had a positive and significant effect on Go-jek customer loyalty in Denpasar City. This means that the better the physical evidence that Go-jek has, the more customer loyalty it will be able to increase.

Based on the results of the analysis, both simultaneously and partially, it was found that the variables of reliability, responsiveness, guarantee, empathy and physical evidence had a positive and significant effect on Go-Jek customer loyalty in the city of Denpasar. This shows that service quality has a positive and significant effect on Go-Jek customer loyalty in the city of Denpasar. This means that the better service provided by Go-Jek will increase customer loyalty. Judging from the factors of reliability, responsiveness, guarantee, empathy and physical evidence, it shows that Go-jek can provide services that meet customer expectations. Through the quality of its service, it shows that Go-jek is able to build customer trust and differentiate itself from its competitors to build long-term customer loyalty.

V. CONCLUSION

1. Gojek online transportation has a very important role not only in the tourism industry in Bali, but also as access to public transportation. Gojek has demonstrated its ability to always fulfill all customer needs and desires as

demonstrated by the various services offered. This means that providing quality service is an important effort in building and increasing Go-Jek customer loyalty in the city of Denpasar.

2. Based on the results of simultaneous testing, it is known that together the factors of reliability, responsiveness, guarantee, empathy and physical evidence have a significant effect on Go-jek customer loyalty in the city of Denpasar. This shows that Go-jek has been able to provide services in accordance with customer expectations. From the test it is known that the contribution of all factors is 3.766%. Thus the first hypothesis proposed in this research is proven.
3. Based on partial test results, it is proven that from the five factors analyzed, it turns out that the reliability factor has a dominant influence on Go-Jek customer loyalty in the city of Denpasar, with a contribution of 39.40% assuming other factors are constant. This shows that Go-jek can provide reliable service, so that customers trust and do not hesitate to use Go-jek's services. Thus, the second hypothesis proposed in this research is proven.
4. Other factors that make a significant contribution to Go-jek customer loyalty in the city of Denpasar are responsiveness, assurance, empathy and physical evidence, with respective contributions of 21.82%, 25.73%, 34, 07%, and 25.10% assuming other factors are constant. This shows that the Go-jek company's attention to factors of responsiveness, guarantee, empathy and physical evidence is quite large and can meet customer expectations. This can encourage the Go-jek company to continue to provide better service so that customers remain loyal.

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