

THE EFFECT OF PROMOTION, INFORMATION QUALITY AND SERVICE QUALITY ON COSTUMER LOYALTY THROUGH CUSTOMER SATISFACTION ON GRAB USERS IN JAKARTA 2022

Zefanya Bianca Tanasale^{1*}, Nadirah Indah Syamstiati², Marthaleina Ruminda³,

Didit Antony⁴

^{1,2,3,4} Institut Transportasi dan Logistik Trisakti, Jakarta, Indonesia

*✉ zefanyabianca88@gmail.com

Abstract: Customer loyalty to Grab can be influenced by promotion, information quality, service quality, and customer satisfaction. Customer loyalty in the long term is created because of customer satisfaction. This study aims to examine the relationship between promotion, information quality, service quality and consumer satisfaction through customer satisfaction of Grab users in Jakarta. A sampling of 160 respondents was obtained using a random sampling technique. The research used quantitative descriptive method with the research instrument in the form of a questionnaire. Data analysis was done using SEM-PLS with SmartPLS 3 application. From the research that has been done, the results obtained are the relationships between the information quality with customer satisfaction, service quality with customer loyalty, customer satisfaction with customer loyalty, promotion with customer loyalty through customer satisfaction. It also shows a positive and significant effect on service quality with customer loyalty through customer satisfaction. However, a positive but not significant effect is found on promotion with customer satisfaction and information quality with customer loyalty.

Keywords: *customer loyalty, customer satisfaction, information quality, promotion, service quality.*

Introduction

Currently, transportation has developed into application-based online transportation. The existence of application-based online transportation makes people who used to use public transportation now switch to application-based online transportation.



Source: <https://blog.measurable.ai/2022/01/18/ride-hailing-marketshare-in-sotheastasia-indonesia-gojek-versus-grab/>

Figure 1. Indonesia Ride-hailing Market Share by Product

PT Grab Indonesia is one of the companies in Indonesia that sells services. Based on data from Indonesia Ride-hailing Market Share by Product in 2021, Grab's four-wheeled vehicles fell 3%, from 35% to around 32%, while Gojek controlled around 25% of the market share.

When entering an endemic period, many online transportation users turn to public transportation because their carrying capacity returns to normal. This causes online transportation companies not only need to focus on competition between online transportation but also to compete with public transportation.

With the intense competition that occurs, Grab must pay attention to the satisfaction they provide to their customers. Especially when entering the endemic period, many people return to using public transportation for daily mobility. Grab has to know what consumers' order and want. It is hoped that this can make customers loyal.

Loyalty to customers occurs when they dedicate themselves to a brand, seller, or supplier. This can be seen from the positive attitude given by customers, namely through continuous repeat purchases (Tjiptono & Anastasia, 2019). Customer

loyalty can be the basis for adding or reducing product value for customers so the company must be able to provide high quality services. This will then create satisfaction in customers.

The feeling of satisfaction or disappointment that individuals have when they compare the expected results on a product with actual conditions is called satisfaction (Kotler et al., 2016; Sesaria, 2020). Customer satisfaction depends on how a company provides its services. Services need to be supported through employee performance by providing good and quality services in order to maximize the services provided as a strategy to face competition. To create this satisfaction, companies must pay attention to several factors that affect customer satisfaction, including service quality, information quality, and promotion. (Simarmata et al., 2019; Suci et al., 2019).

Service quality is a form of consumer assessment of the service level received in accordance with expectations. (Jargalsaikhan & Ganbaatar, 2019; Suci et al., 2019).

The quality of information also indirectly affects the service quality. Information quality is used to measure the information generated from an information system with the quality that can provide value to certain system users with information characteristics that are in accordance with user needs. (Tulodo & Solichin, 2019). Information quality is produced from information systems in which certain system of users can benefit from quality, and the information's features are in line with the users' needs.

In addition to service quality and information quality, promotion is a factor that affects customer satisfaction. Promotion is a method of communication between sellers and customers that results from accurate information and tries to alter the attitudes and behaviors of consumers who had not previously been aware of the familiar in order for them to become buyers and remember the product. (Laksana, 2020; Naufal; et al., 2018). The Grab company often offers promotions to its consumers in the form of advertisements, product sales

information, discounts, and free promotion to increase the use of Grab's delivery services. In addition, to encourage consumers to use the service and improve the quality of Grab services, customers can receive price discounts through the virtual payment feature that is featured on the Grab-Pay feature.

Method

This research used a quantitative descriptive approach. The study used a questionnaire method aimed at Grab users in the city of Jakarta. The sample size used (Hair, 2017) so that the number of respondents were 160 people. The data analysis technique used SEM-PLS (Structural Equation Model) with SmartPLS software. It was used for determining the effect of promotion, information quality, and service quality on customer loyalty (Indrawan & Andrian, 2021) through customer satisfaction with indirect or direct relations. The method was used to find out the influence that occurs directly or indirectly from promotions, information quality, and also service quality with customer loyalty through customer satisfaction. (Ghozali & Latan, 2014).

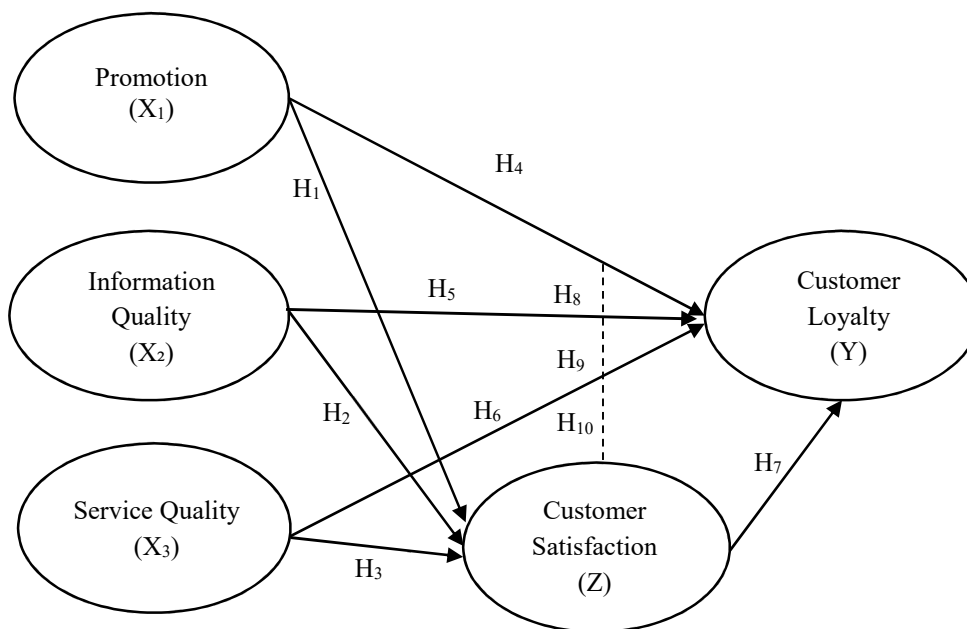


Figure 1. Research Framework

The formulation of the hypotheses based on the framework above is as follows:

H1: Promotion has a positive and significant effect on Grab's customer satisfaction

H2: Information quality has a positive and significant effect on Grab's customer satisfaction

H3: Service quality has a positive and significant effect on Grab's customer satisfaction

H4: Promotion has a positive and significant effect on Grab's customer loyalty

H5: Information quality has a positive and significant effect on Grab's customer loyalty

H6: Service quality has a positive and significant effect on Grab's customer loyalty

H7: Customer satisfaction has a positive and significant effect on Grab's customer loyalty

H8: Promotion has a positive and significant effect through Grab's customer satisfaction on customer loyalty

H9: Information quality has a positive and significant effect through Grab's customer satisfaction on customer loyalty

H10: Service quality has a positive and significant effect through Grab's customer satisfaction on customer loyalty

Discussion and Results

Based on data analysis, the result is the validity test on all questionnaire items, totaling 27 questionnaires derived from the variables of promotion, information quality, service quality, customer satisfaction, and customer loyalty. The Average Variance Extracted (AVE) value is > 0.5 , so that each item from each variable is declared valid and meets the requirements of convergent validity.

Table 1 Reliability Test

RELIABILITY TEST				
Variable	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Promotion	0,907	0,908	0,931	0,729
Information Quality	0,895	0,896	0,923	0,705
Service Quality	0,942	0,945	0,951	0,705
Customer Satisfaction	0,916	0,916	0,941	0,799
Customer Loyalty	0,867	0,877	0,910	0,717

Source: data processed using SEM PLS 3

The data can be said to be reliable if the Cronbach Alpha (CA) and Composite Reliable (CR) values are more than 0.6. In table 1, the results show that each variable meets Composite Reliability, so it can be concluded that all variables including promotion, information quality, service quality and customer satisfaction can be used in this study.

Table 2 R Square

R SQUARE		
Variable	R Square	R Square Adjusted
Customer Satisfaction	0,792	0,788
Customer Loyalty	0,650	0,648

The value of R squared is used to test the Goodness of Fit. In table 2, there is a percentage of the R squared value of 65% for the customer loyalty variable and 79,2% for the customer satisfaction variable.

Table 3 Direct Effect Test Results

Hypotheses		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Value
H1	Promotion → Customer Satisfaction	0,063	0,068	0,079	0,799	0,212
H2	Information Quality → Customer Satisfaction	0,428	0,433	0,079	5,444	0,000
H3	Service Quality → Customer Satisfaction	0,333	0,337	0,086	3,896	0,000
H4	Promotion → Customer Loyalty	0,233	0,234	0,071	3,257	0,001
H5	Information Quality → Customer Loyalty	0,087	0,092	0,09	0,967	0,167
H6	Service Quality → Customer Loyalty	0,283	0,292	0,08	3,534	0,000
H7	Customer Satisfaction → Customer Loyalty	0,309	0,297	0,091	3,388	0,000

Source: data processed using SEM-PLS 3

According to (Haryono, 2016) it is said that the hypothesis can be accepted if the P value < 0.05. In table 3, it can be seen that H2, H3, H4, H5, H6, H7 are acceptable because they have a P value of less than 0.05 but H1 and H5 are not accepted because they have a P value of more than 0.05.

Table 4 Indirect Effect Test Results

Hypotheses		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (	P Value
H8	Promotion → Customer Satisfaction → Customer Loyalty	0.02	0.021	0.026	0.757	0.225
H9	Information Quality → Customer Satisfaction → Customer Loyalty	0.132	0.129	0.047	2.822	0.002
H10	Service Quality → Customer Satisfaction → Customer Loyalty	0.103	0.099	0.038	2.693	0.004

Source: data processed using SEM-PLS 3

According to (Haryono, 2016) it is said that the hypothesis will be accepted if they have the P value less than 0.05. From the results above (table 4), it can be seen that H9 and H10 are acceptable because they have a P value of less than 0.05 but H8 is not accepted because it has P value of more than 0.05.

H1: The effect of promotion on customer satisfaction.

From testing the hypothesis in table 3, the resulting P value is $0.212 > \text{Sig-Level } 0.05$. This means that direct promotion has a positive effect but not significant on customer satisfaction. By showing that there are still some marketing strategies that must be improved, including the advertisements displayed must be able to make customers remember the services offered. (Hamidin et al., 2022). The results of this study support the research.

H2: The effect of information quality on customer satisfaction.

In table 3, the effect of information quality on customer satisfaction produces a positive original sample value= 0.433 and a P value= 0.000. This means that the information quality directly has a positive and significant effect on customer satisfaction. The quality of information that is provided by Grab has been good,

but there are still several factors that must be improved, including the time information displayed in the Grab application must be more detailed. (Vicramaditya, 2021).

H3: The effect of service quality on customer satisfaction.

In table 3, the effect of service quality on customer satisfaction produces a positive original sample value of 0.337 and a P value of 0.000. This means that the service quality directly has a positive and significant effect on customer satisfaction. The quality of services provided by Grab has been good. However, there are still several factors that must be improved, including the completeness of attributes and facilities on vehicles such as neck pads, air fresheners, trash cans, tissues, and hand sanitizers that still need to be considered. (Piri et al., 2021; Simarmata et al., 2019).

H4: The effect of promotions on customer loyalty.

In table 3, the effect of promotion on customer loyalty produces a positive original sample value of 0.234 and a P value of 0.001. This means that direct promotion has a positive and significant effect on customer loyalty. Grab needs to periodically improve promotions to attract customer attention and keep customers loyal to using Grab services. (Fernandes dan Adj, 2018).

H5: The effect of information quality on customer loyalty.

In table 3, the effect of information quality on customer loyalty produces a positive original sample value of 0.092 and P value of 0.167. This means that the effect of information quality on customer loyalty is positive and significant. The quality of information is very important for companies as an evaluation material that can increase customer loyalty. (Anggraini & Budiarti, 2020).

H6: The effect of service quality on customer loyalty.

In table 3, the effect of service quality on customer loyalty produces a positive original sample value = 0.292 and a P value = 0.000. It means that the effect of service quality on customer loyalty is positive and significant. Service quality is

very important for companies as an evaluation material that can increase customer loyalty. (Anggraini & Budiarti, 2020).

H7: The effect of customer satisfaction on customer loyalty.

In table 3, the relationship between customer loyalty and satisfaction results in a positive original sample value of 0.297 and a P value of 0.000. It implies that there is a positive and considerable impact of customer satisfaction on customer loyalty. Satisfied behavior with the services provided by Grab will affect customer loyalty. (Hidayati et al., 2021; Rahayu & Syafe'i, 2022) and (Vicramaditya, 2021).

H8: The effect of promotion on customer loyalty through customer satisfaction.

In table 4, the promotion has an effect on customer loyalty through customer satisfaction by producing a positive original sample value of 0.020 with a P value of 0.225. This means that promotion has a positive but not significant effect on customer loyalty through customer satisfaction. By showing satisfaction with the promotions provided by Grab such as promotional media that are easily accessible and providing other services such as Grab-food, Grab-healthy, Home services, Grab-mart, and others as an effort to expand Grab's online business.

H9: The effect of information quality on customer loyalty through customer satisfaction.

Table 4 shows that the relationship between information quality and customer satisfaction and customer loyalty has a positive original sample value of 0.132 and a P-Value of 0.002. This statement means that information quality indirectly influences customer loyalty in a favorable and meaningful way through customer satisfaction. By showing satisfied behavior with the quality of information provided by Grab, such as the availability of accurate information and delivery on the Grab application, as well as the speed and accuracy of the Grab application in responding to orders from Grab service users.

H10: The effect of service quality on customer loyalty through customer satisfaction.

In table 4, an original sample value of 0.103 and a P value of 0.004 indicate that the effect of service quality on customer loyalty through customer satisfaction is positive. This means that customer satisfaction has a positive and important indirect effect on customer loyalty. By showing satisfied behavior with the quality of services provided by Grab such as the completeness of the attributes and facilities on the vehicle, the cleanliness and tidiness of the vehicle as well as the appearance of the Grab driver, as well as the timeliness of the Grab driver in picking up and dropping off customers from the pick-up point to their destination.

Conclusion:

The conclusion drawn from the data and discussion above is that there is a direct relationship between promotion and customer satisfaction (H1), a relationship that is positive but not significant, meaning the hypothesis is rejected. The hypothesis is supported because there is a direct relationship between the information quality provided to customers and the service quality they receive (H2 and H3). There is a direct effect of promotion on customer loyalty, service quality on customer loyalty, and customer satisfaction on customer loyalty (H4, H6, and H7) which has a positive and significant effect which means the hypothesis is not rejected. However, there is a direct relationship between the information quality and customer loyalty (H5) which has a positive but not significant effect which means the hypothesis is rejected.

Additionally, the indirect effect comes from the customer satisfaction-based promotion of loyalty (H8). The existing theory is rejected since this association has a positive and significant effect. Consumer happiness, which is a byproduct of information quality, indirectly influences customer loyalty. Through customer satisfaction, an indirect relationship between service quality and customer loyalty was also discovered (H9 and H10), and this relationship was both positive and significant. This demonstrates that the premise is true.

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