



THE EFFECT OF CUSTOMER EXPERIENCE ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION TO USERS OF TRANSPORTATION SERVICES ONLINE IN MEDAN CITY

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Abstract

This study aims to determine and analyze the effect of customer experience on customer loyalty with customer satisfaction as an intervening variable for users of online transportation services in Medan City. The population in this study is the people in Medan City, especially Medan Amplas District who have used Grab, Gojek and Maxim. The sampling technique in this study was non-probability sampling of 180 respondents. The data analysis method uses Structural Equation Modeling-Partial Least Squares (SEM-PLS). The results showed that Customer Experience had a positive and significant effect on Customer Loyalty, Customer Experience had a positive and significant effect on Customer Satisfaction, Customer Satisfaction had a positive and significant effect on Customer Loyalty,

Keywords: *Customer Experience, Customer Satisfaction and Customer Loyalty*

1. INTRODUCTION

Indonesia is a region that has the largest total population and is accompanied by increasingly high and dynamic mobility due to increasingly complex needs and various human activities in carrying out their work. The world today is a boundless space. The flow of goods, services and people can move easily thanks to cheap transportation and information technology (Abadi, 2020). Technology that continues to develop requires people's mindset to think more creatively and make changes. The changes that can be felt the most are changes in the business world. Business people who can see opportunities will take advantage of the existing situation by creating new ideas, one of which is online motorcycle taxi transportation. Ojek is transportation that is used by various groups for pickup and delivery to certain areas. Ojek used to be a conventional ojek, that is, had a base at several points where customers would come to the base to ask the ojek driver to take them to their destination. With the changes made by business people, the concept of conventional motorcycle taxis has been changed to become internet-based motorcycle taxis, or better known as online motorbike taxis (Yanwar, 2021). From We Are Social data (2020) it can be seen how active Indonesian users are when using the ride hailing application to bring in vehicles.

Now the number of Maxim application users has reached 10 million people, Gojek application users have reached 100 million people, and Grab application users are currently up to 100 million users. The following can be seen from the number of Maxim, Gojek and Grab application users seen on the Play store. PT. Indonesian Prime Technology and appeared in Indonesia starting in July 2018. Gojek is a technology company originating from Indonesia, whose job is to serve transportation through motorcycle taxi services. This company was founded in 2010 in Jakarta by Nadiem Makarim. Grab is an on demand service platform in Singapore. Starting with transportation services, the company now has other services, namely food orders and payments that can be accessed via a mobile application (Irawati, 2020). Many Medan people use online transportation, grab, gojek and maxim. After they use the services of each of the transportation they choose, they will create an experience. With the similarity of services offered to fellow

transportation service providers, what makes one online transportation different from other online transportation is the experience that online transportation provides to its customers when conducting business relationships. In other words, a good and unique customer experience will make customers feel happy and customers will be loyal to online transportation, regardless of the service and prices provided by the online transportation.

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The experience felt by each customer will determine whether they will be loyal to the transportation they use. A company is required to find and build a management system that is able to retain its customers in a professional manner, companies are required to be able to grow their competitive advantage through creative, innovative and efficient efforts. Online Transportation as an application-based and internet-based service still often experiences problems with its servers, customers often have difficulty placing orders, or when successfully placing an order they get drivers who are too far away so they wait too long (Septiani, 2020). The company's ability to provide satisfaction to consumers is expected to make purchases repeatedly so that customer loyalty is formed (Septiani, 2020).

2. LITERATURE REVIEW

2.1. Customer Loyalty

Customer loyalty is a deeply held commitment to consistently repurchase the preferred product or service in the future, which leads to purchasing the same brand or series of brands, despite the influence of the situation and marketing efforts (Mulyono, 2018).



Loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future even though situational influences and marketing efforts can cause customer switching (Kotler and Keller, 2016). Customer loyalty is customer behavior where customers make decisions to buy goods or services continuously (Pramita, 2015). Customer loyalty is a customer who not only repurchases goods and services, but also has a commitment and positive attitude towards service companies, for example by recommending others to buy (Minar, 2017).

2.2. Customer Satisfaction

To create profits for a company in establishing customer satisfaction, a quality product or service is needed. The higher the quality of the product or service provided by the company, the higher the satisfaction felt by the customer. The target consumer is the customer's assessment of his experience interacting with a product or service provider to date, which forms the basis for customers to predict the experience they will get when using a product or service offered by the same provider in the future (Innocentius, 2017). Customer satisfaction is a customer's short-term emotional reaction to the performance of a service. The level of satisfaction is a function of the difference between perceived service performance and expectations (Juniwati, 2015).

2.3 Customer Experience

customer experience refers to the perception of the customer itself, and refers to all aspects encountered when interacting or visiting a company or retail (Nana, 2016). Therefore, the customer experience in a company is not only about customers who just want to buy a product but also relates to the atmosphere inside and outside the company or retail, cashiers, and even other customers. Customer experience as the customer journey with the company all the time during the buying cycle at various touchpoints (Lemon, 2016). The increased focus on customer experience comes as customers now interact with companies through multiple touchpoints across multiple channels and media, resulting in more complex customer journeys. Customer Experience is an experience that is felt by a customer as a result of the interaction between the customer and the company during their relationship (Yanuardi, 2016).

3. RESEARCH METHOD

This research is a quantitative research that emphasizes measurable data through several hypothesis testing, classical assumption testing, analyzing the relationship between variables and drawing conclusions. This research was conducted in Medan City with the time of research starting from May 2022. The population of this research is the people in Medan City, especially Medan Amplas District who have used Grab, Gojek and Maxim. In this study, data analysis used the Partial Least Square (PLS) approach. PLS is a component- or variant-based Structural Equation Modeling (SEM) model. According to Ghozali & Latan (2015), PLS is an alternative approach that shifts from a covariance-based SEM approach to a variant-based one.

4. RESULTS AND DISCUSSION

4.1 Descriptive statistics

Based on the results of a survey based on Gender can be seen that respondents with male sex were 30 respondents or 40% and those who were female were 45 respondents or 60%. This shows that the female sex is more dominant than the male. It can be concluded that there are more women who use gojek, grab and maxim in Medan Amplas District than men. This is due to the greater mobility of women so they use online transportation applications more often and many women who cannot use vehicles so they choose to do activities using online transportation. Based on the results of a survey based on Age It is known that respondents aged 17-21 years amounted to 26 respondents or 34.67%, aged 22-26 years amounted to 25 respondents or 33.33% and ages > 27 years amounted to 24 respondents or 32%. Based on this, most of the respondents in this study were aged 17-21 years where at that age many did not have a vehicle so they really needed online

transportation to get around. This is because the age range of 17-21 is a productive age where they prefer to use online transportation rather than driving private vehicles and many people aged 17-21 do not have a vehicle for activities such as going to school or other activities.

Based on survey results based on online transportation users, 25 respondents or 33.33% had the same results in using online transportation.

Table 1. Path Coefficient

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Sig./No Sig.
X -> Y	1934	1989	0.307	6,291	0.000	Sig.
X -> Z	0968	0987	0.004	251,347	0.000	Sig.
Z -> Y	1,001	1,054	0.314	3,189	0.002	Sig.

Source: Research Results (Data Processed by Author, 2023)

Table 2 explains that the influence between customer experience on customer loyalty with P Values 0.000 < 0.05, meaning that there is a positive and significant influence between customer experience and customer loyalty. H1 there is a positive and significant influence of customer experience on customer loyalty. Influence between customer experience on customer satisfaction. with P Values 0.000 < 0.05, it means that there is a positive and significant influence between customer experience and customer satisfaction. H2 there is a positive and significant influence of customer experience on customer satisfaction. The influence of customer satisfaction on customer loyalty with P Values 0.002 < 0.05, means that there is a positive and significant influence between customer satisfaction and customer loyalty.

Table 2. Indirect Effects

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Sig./No Sig.
X -> Z -> Y	0987	1040	0.312	3.162	0.002	Sig.

Source: Research Results (Data Processed by Author, 2023)

Table 3 explains that *customer experience* on customer loyalty through customer satisfaction with an indirect coefficient value of P Values 0.002 > 0.05, which actually shows that customer experience has an effect on customer loyalty through customer satisfaction. H4 there is a significant effect of customer experience on customer loyalty through customer satisfaction.

DISCUSSION

The results of the analysis show that the path coefficient value of Customer Experience is 1.934 and a significant value of 0.000 < 0.05, meaning that the results of the study show that Customer Experience has a positive and significant influence on Customer Loyalty. Thus, the first hypothesis can be accepted. The path coefficient value of the Customer Experience is 0.986 and the significant value is 0.000 < 0.05, meaning that the results of the research show that Customer Experience has a positive and significant influence on Customer Satisfaction. Thus, the second hypothesis can be accepted.

Customer Satisfaction has a positive and significant effect on Customer Loyalty, where the path coefficient value of Customer Satisfaction is 1.001 and a significant value is 0.002 < 0.05,



meaning that the results of the study show that Customer Satisfaction has a positive and significant influence on Customer Loyalty. Thus, the third hypothesis can be accepted. *Customer experience* influence on customer loyalty through customer satisfaction, which means that the fourth hypothesis is accepted, because customer satisfaction is identified as having a sig value. < 0.05 ($0.002 > 0.05$). It can be concluded that customer satisfaction is a mediating variable between customer experience and customer loyalty. The direct effect of customer experience on customer satisfaction is positive and significant, so that the more often the customer experience is applied, the customer satisfaction from online transportation will increase.

5. CONCLUSION

Based on the results of the research above, it can be concluded that customer experience has a positive and significant effect on customer loyalty for users of online transportation services in Medan City. Customer experience has a positive and significant effect on customer satisfaction for users of online transportation services in Medan City. Customer satisfaction has a positive and significant effect on customer loyalty for users of online transportation services in Medan City. Customer experience has a positive and significant effect on customer loyalty through customer satisfaction for users of online transportation services in Medan City.

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