# THE INFLUENCE OF CUSTOMER EXPERIENCE, CUSTOMER SATISFACTION & CUSTOMER LOYALTY TOWARDS BRAND POWER (STUDY ON GO-RIDE SERVICE BY GOJEK IN BANDAR LAMPUNG)

(Undergraduate Thesis)

By:

Muhammad Ryan Syauqi



FACULTY OF ECONOMIC AND BUSINESS UNIVERSITY OF LAMPUNG BANDAR LAMPUNG 2023

### ABSTRACT

# THE INFLEUNCE OF CUSTOMER EXPERIENCE, CUSTOMER SATISFACTION & CUSTOMER LOYALTY TOWARDS BRAND POWER (Case Study On Go-Ride Service By Gojek In Bandar Lampung)

## By

# Muhammad Ryan Syauqi

In the middle of ride-hailing industry rivalry which is gone tighter and more difficult, only long term competitive advantage could make a company survive. Many experts suggest the way on how to be a company with competitive advantage is to focus on the customers by fulfilling and satisfying their needs better and faster compare to the competitors.

This research aims to analyze the influence of customer experience, customer satisfaction and customer loyalty towards brand power of Go-Ride service by Gojek. The sample in this study questionnaire was developed and data was collected from 177 customers of Gojek. Data collection techniques using questionnaires that have been tested for validity and reliability.

Results reveal that customer experience has significant influence towards customer satisfaction, customer satisfaction has positive influence on brand power, customer satisfaction also has influence on customer loyalty, and customer loyalty has influence on brand power. Meanwhile statistical results didn't support a positive influence of customer experience on brand power and customer experience on customer loyalty.

**Keywords :** Customer Experience, Customer Satisfaction, Customer Loyalty, Brand Power, Go-Ride, Gojek

### ABSTRAK

# THE INFLEUNCE OF CUSTOMER EXPERIENCE, CUSTOMER SATISFACTION & CUSTOMER LOYALTY TOWARDS BRAND POWER (Case Study On Go-Ride Service By Gojek In Bandar Lampung)

## Oleh

# Muhammad Ryan Syauqi

Di tengah persaingan industri *ride-hailing* yang semakin ketat dan sulit, hanya keunggulan kompetitif jangka panjang yang bisa membuat sebuah perusahaan bisa bertahan. Banyak ahli yang menyarankan cara menjadi perusahaan yang memiliki keunggulan kompetitif adalah dengan fokus pada pelanggan dengan memenuhi dan memuaskan kebutuhan mereka dengan lebih baik dan lebih cepat dibandingkan pesaing.

Penelitian ini bertujuan untuk menganalisis pengaruh pengalaman pelanggan, kepuasan pelanggan dan loyalitas pelanggan terhadap kekuatan merek layanan Go-Ride oleh Gojek. Sampel dalam penelitian ini kuesioner dikembangkan dan data dikumpulkan dari 177 pelanggan Gojek. Teknik pengumpulan data menggunakan kuesioner yang telah diuji validitas dan reliabilitasnya.

Hasil penelitian menunjukkan bahwa *customer experience* berpengaruh signifikan terhadap *customer satisfaction*, *customer satisfaction* berpengaruh positif terhadap *brand power*, *customer satisfaction* juga berpengaruh terhadap *customer loyalty*, dan *customer loyalty* berpengaruh terhadap *brand power*. Sementara hasil statistik tidak mendukung pengaruh positif *customer experience* terhadap *brand power* dan *customer experience* terhadap *customer loyalty*.

Kata Kunci : Customer Experience, Customer Satisfaction, Customer Loyalty, Brand Power, Go-Ride, Gojek

# THE INFLEUNCE OF CUSTOMER EXPERIENCE, CUSTOMER SATISFACTION & CUSTOMER LOYALTY TOWARDS BRAND POWER (STUDY ON GO-RIDE SERVICE BY GOJEK IN BANDAR LAMPUNG)

Researcher

# MUHAMMAD RYAN SYAUQI

**Undergraduate Thesis** 

As One of Requirement to Achieve

# **BACHELOR OF MANAGEMENT**

In

Management Department Faculty of Economics and Business University of Lampung



FACULTY OF ECONOMIC AND BUSINESS UNIVERSITY OF LAMPUNG BANDAR LAMPUNG 2023

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# THE INFLUENCE OF CUSTOMER EXPERIENCE, CUSTOMER SATISFACTION & CUSTOMER LOYALTY TOWARDS BRAND POWER (STUDY ON GO-RIDE SERVICE BY GOJEK IN BANDAR LAMPUNG

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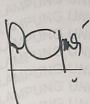
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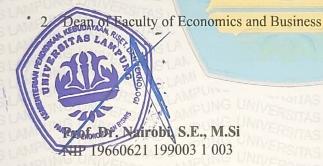
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Thesis Examination Passing Date: 3 November 2023

## PLAGIARISM-FREE STATEMENT

The undersign below:

Name : Muhammad Ryan Syauqi Student ID : 1811011056

Hereby declare that the thesis entitled — "The Influence Of Customer Experience, Customer Satisfaction & Customer Loyalty Towards Brand Power (Study On Go-Ride Service By Gojek In Bandar Lampung)" is true to my work. In this thesis, there is no whole or part of the writing that I took by copying or imitating in the form of a series of sentences or symbols that indicate the ideas or opinions, or thoughts of other writers, which I acknowledge as my writing, other than that or what I took from the writings of others without giving recognition of the original author. If in the future it is proven that my statement is not true, then I am ready to receive sanctions following applicable regulations.

Bandar Lampung, October 24th 2023

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Muhammad Ryan Syauqi

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The researcher was born in Pekalongan, Center of Java on 7th November 2000 to a beloved family Ruknuddin and Ida Yunialis. Researcher is the 1st son and has a younger sister and brothers named Nabila Ayu Zahra, Bagus Ivan Maulana and Alvin Harris Maulana. Researcher started formal school from TK Aisyiyah Kedaton, continuing to MSI 15 Medono, MTs Al-Hikmah and graduated from SMKN 1 Bandar Lampung in 2018.

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While study the researcher achieved several rewards by winning competitions in Business Plan, Graphic Design and English Speech. The researcher also has high interest in graphic design, UIUX design and digital marketing, he participated in several internship programs; as Graphic Designer in Siger Innovation Hub Lampung, as Creative Designer in Nodeflux Technology Jakarta and lastly as Creative Designer in Vertical Institute Singapore.

The high interest of researcher in design leads him to actively contributing in community called UXID Lampung that often conduct events or programs in educating society especially youth in UIUX design. Besides he also became speakers to talk and share about design in several opportunities.

# ΜΟΤΤΟ

"Indeed, Allah will not change the condition of a people until they change the condition of themselves"

# (QS Ar Rad: 11)

"Dream as high as the sky. If you fall, you will fall among the stars"

(Ir. Soekarno)

"You can't connect the dots by looking forward, you can only connect them looking backwards"

# (Steve Jobs)

"Dream big, start small, do something today for better tomorrow"

(Muhammad Ryan Syauqi)

# **DEDICATION**

## Alhamdulillahirobbilalamin

Praise to Allah SWT. who has given His mercy and grace so that the writing of this thesis can be completed. Shalawat and greetings are always offered to the Prophet Muhammad sallallaahu 'alaihi wasallam.

I dedicate this thesis as a sign of sincere love and affection to:

My beloved parents, father Ruknuddin and mother Ida Yunialis, who have given all their love, affection, advice, prayers and endless support for the writer's success. Thank you to my father and mother for caring for, raising and educating the author tirelessly. May Allah always provide protection in this world and the hereafter, Aamiin.

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During completing this undergraduate thesis, the researcher realized that she could not have done it without the help of a number of people who were eager to provide direction, assistance, and motivation. As a result, the researcher wishes to convey her gratitude to:

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The author realizes that in writing this undergraduate thesis, it is still far from being perfect, therefore criticism and suggestions are very much needed. I hope this undergraduate thesis can be useful for readers.

Bandar Lampung, October 24<sup>th</sup> 2023 Author

Muhammad Ryan Syauqi

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# I. INTRODUCTION

# 1.1. Background

Currently the development in the transportation industry is growing very rapidly. Every year there is an increase in the number of vehicles, both passenger cars, buses, goods cars, and motorcycles. Of the four modes of transportation, the increase in the number of motorcycles from year to year is the highest. The increase in the number of vehicles is certainly in line with the increase in traffic congestion in Indonesia, especially in big cities. So that to be able to support the high mobility of the community, it is very necessary for an effective mode of transportation to be able to avoid or reduce traffic congestion. Urban transportation problems generally include traffic congestion, parking, public transportation, pollution and traffic order problems (Munawar, 2007).

According to Munawar (2007) traffic congestion will always have a negative impact, both on the driver himself and in terms of the economy and the environment. For vehicle drivers, congestion will cause tension (stress). In addition, it will also have a negative impact from an economic point of view in the form of lost time due to long travel times and increased vehicle operating costs (gasoline, engine maintenance) due to frequent vehicle stops. In addition, there are also negative impacts on the environment in the form of increased air pollution due to CO toxic gas and increased vehicle noise (noise). The brake pedal and gas alternately used will cause additional air pollution and noise due to the roar of the vehicle. Then to relieve stress, drivers will use the horn more often, causing noise.

Another urban transportation problem is the parking problem. The increase in urban growth is accompanied by the growth in private vehicle ownership. With an explosive growth in the number of automobiles, the demand for parking escalates which results in footpaths and available open spaces being swallowed by informal and formal parking lots. In several big cities the parking charge rate is expensive enough with per-hour cost system.

Data sourced from the Central Agency of Statistics explains that the increase in the number of motorcycles from 2019 to 2022 is 19,783,380 units (Central Agency of Statistics, 2022). Below is a table of the development of the number of vehicles for the period 2019 to 2022.

| Туре          | 2019        | 2020        | 2021        | 2022        |
|---------------|-------------|-------------|-------------|-------------|
| Passenger car | 15.592.419  | 15.797.746  | 16.413.348  | 19.177.264  |
| Bus           | 231.569     | 233.261     | 237.566     | 213.788     |
| Freight car   | 5.021.888   | 5.083.405   | 5.299.361   | 5.700.000   |
| Motorcycle    | 112.771.136 | 115.023.039 | 120.042.298 | 127.976.339 |
| Total         | 133.617.012 | 136.137.451 | 141.992.572 | 153.400.392 |

Table 1.1 The Number of Vehicles for the period 2019 to 2022

Source : Central Agency of Statistics, (2023)

Several companies answering the needs of society by providing online transportation applications. According to Wahyusetyawati (2017) transportation is a commonly used means to transport goods or people from one place to another. Online transportation is one example of the development of application-based technology which was quite well received at the beginning of its emergence because it is considered one of the best innovations today.

Online transportation services are already well-known and well accepted in developed countries such as USA and Europe countries. In Indonesia, this type of service is now getting popular and many international companies were already started to expand their market in Indonesia. Some studies use the term ride sharing to define online transportation services. It is called ride sharing due to the cars/vehicle used is owned by individual (private cars) which is then 'shared' with other (the customer) when delivering the services (Wallsten, 2015). Watanabe et al.

(2016) explained that ride sharing is an on-demand services connecting passengers and vehicle owners (drivers) in real time using mobile technology. Online transportation service or ride sharing is now becoming a common means for people to fulfill their commuting needs.

Online transportation service is a part of m-commerce services which is defined as transaction performed in mobile networks. In m-commerce, customers or users can put order of products or services through internet without using PC (personal computer). As the technology of mobile phone is getting more advanced, more people are using m-commerce and consequently more commercial services are provided by business people. Mobile commerce is attractive due to its unique characteristics. Clarke and Flaherty (2003) defines three characteristics of m-commerce which are ubiquity, convenience, localization and personalization. Xiaojun et al. (2004) add one more characteristic, which is accessibility, due to its power to be accessed anywhere, anytime. These characteristics apply to online transportation service as well which is one of varieties of m-commerce products. With its uniqueness, it is important to study the quality of service of online transportation.

By the end of 2014, even though Uber and GrabTaxi had entered the Indonesian market, there was hardly any sign that online motorcycle taxi services would become something big this year. The on-demand transportation business has indeed become known, partly because of the controversy over Uber's presence in Indonesia. However, the term online motorcycle taxi was not well known at that time.

A year later, by the presence of the Gojek application in January 2015, online motorcycle taxis immediately became one of the most popular startup businesses in Indonesia. In the span of twelve months, Gojek developed from a new mobile application for Go-Ride service, which was then followed by the GrabTaxi company with the GrabBike service.

Entering 2016, the competition is getting fiercer. Gojek is expanding its food delivery business by creating a Go-Food service. Gojek is also present with Go-Car services. Realizing that payment methods often hinder users from using their services, in 2016 Gojek also launched the Go-Pay payment method. Now Go-Pay balances can be top-up in various ways, from bank transfers to giving money directly to Gojek drivers. As if to strengthen Go-Pay's position as their payment method, Go-Jek also acquired a payment service called PonselPay in 2016. It didn't stop there, Gojek also strengthened their old services, such as Go-Send. They also work with marketplaces Tokopedia and Bukalapak to deliver ordered goods from sellers to buyers.

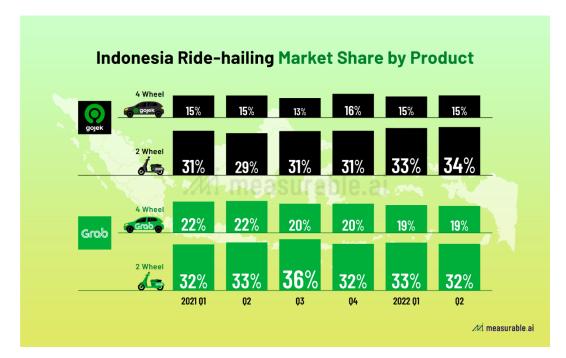
Unlike its competitors, Gojek is a startup that provides the most services. After creating services such as Go-Clean and Go-Massage, they again present new services in the form of Go-Auto vehicle repair and washing services, Go-Pulsa top-up services, and Go-Med drug delivery services. Gojek also helped expand their reach to new cities. Gojek is the most agile service with a presence in many cities in Indonesia.

At the beginning of March 2017, Gojek was present in the city of Bandar Lampung and was very enthusiastically welcomed by the people of Bandar Lampung, as evidenced by the large number of Gojek drivers starting to operate on the streets, and the increasing number of downloads of the Gojek application on the Playstore. Interestingly, the costumes used by Gojek drivers became added value for consumers who use Gojek in Bandar Lampung because public transportation previously consumers would feel embarrassed when using conventional transportation but not online transportation or Gojek, consumers feel happy with the presence of Gojek in Bandar Lampung.

We must admit that this online-based transportation business is a new breakthrough in the transportation sector. Although it reaps a lot of controversy, the rapid development of technology cannot be restrained so that inevitably every new technology can be applied in daily life, apart from these problems, the Indonesian people really need a means of transportation that is comfortable, safe, timely and inexpensive. Therefore, this online transportation business must be welcomed and continue to be developed.

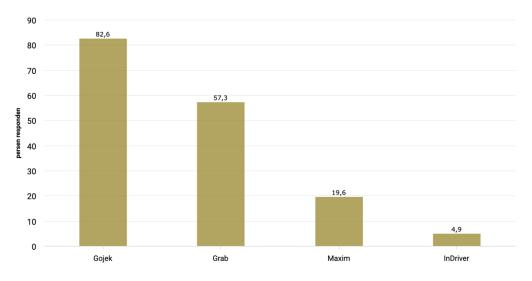
Slow but sure, Gojek has started to help and solve economic problems by providing job vacancies for low-middle income class people. In 2019, Gojek has more than 2.5 million drivers, 400 thousand merchants (restaurant and small-medium enterprises) and has contributed about US\$500 Million annually to the Indonesian economy through the income of driver partners (Dessyanawaty & Yen, 2020).

Gojek and Grab are called the two most influential online transportation startup companies today. It is said to be a startup because they run their core business by using technological innovations and solving problems in society. So that it has a disruptive nature in an existing market/industry or even creates a new industry. These two companies compete quite fiercely especially on the ride and car services in terms of marketshare, seen from the data below.



**Figure 1.1 Indonesia Ride-hailing Market Share by Product by Quarter** Source : Measureable.ai, (2023)

Over the past five years, the competition in the ride-hailing and delivery service industry has been fiercely contested between two major players: Gojek and Grab. The Top Brand Award, a reputable source for brand recognition and excellence, has consistently recognized Gojek as the victor in this head-to-head brand comparison. This consistent triumph over Grab underscores Gojek's remarkable ability to resonate with consumers and establish itself as a trusted and preferred brand. Gojek's consecutive wins not only highlight its commitment to delivering exceptional services but also reflect its innovative approach and dedication to meeting the evolving needs of its customers. As the ride-hailing and delivery market continues to evolve, it will be fascinating to see how these two giants continue to vie for the top spot and how their brand strategies evolve in response to changing consumer preferences and market dynamics.



**Figure 1.2 Indonesia Ride-hailing Market Share All Products** Source : Katadata.co.id, (2023)

Gojek's sustained success in the Top Brand Award's brand comparison for the past five years is a testament to the company's resilience and its unwavering commitment to excellence. This achievement is not just a recognition of Gojek's brand Power but also an acknowledgment of its ability to adapt to the ever-changing landscape of the on-demand service industry. It's a reflection of the trust and loyalty that customers place in Gojek, which has allowed the brand to maintain its leadership position. This consistency also speaks to Gojek's ability to innovate and diversify its services, expanding beyond ride-hailing to offer a wide range of ondemand services, including food delivery, payments, and more. As Gojek and Grab continue to compete for dominance in the Southeast Asian market, consumers can expect to see even more exciting developments in the services and features offered by these two brands, making it an exciting time for customers seeking convenience and reliability in the region's digital ecosystem.



## **Figure 1.3 Brand Comparison Results**

Source : Top Brand Award, (2023)

The data above indicates an increasingly competitive business situation. The high demand for the online transportation service requires the company to choose the right strategy to win the market. One strategy that can be used is to create a strong brand.

Creating and building brand power is an investment aimed at creating intangible assets and, consequently, ensuring future success. Investing in a strong brand does not provide faster access, but also provides the company with development and long term in a more profitable way (Kotler and Pfoertsch, 2006). Through logical appeal to customers, a strong brand can define many touch points between itself and the customer. The combination of these two concepts allows brands to create a position for themselves (Keller, 2008). In fact, from the buyer's point of view, multiple connections to a brand are seen as a sign of loyalty (Xie Heung, 2012).

The results of research conducted by Nobar and Rastamzadeh (2017) show that the Customer Experience variable has a positive effect on the Customer Satisfaction variable, the Customer Loyalty variable and the Brand Power variable. Furthermore, the Customer Satisfaction variable has a positive effect on the Customer Loyalty variable and the Brand Power variable. Finally, the Customer Loyalty variable has a positive effect on the Brand Power variable. Consumer loyalty occurs when there is an influence of satisfaction on a brand and there is a perception of product quality from the brand (Boulding 2008). consumer goals are evaluations between perceptions of the selected product or service or exceed expectations after buying the product or service. When the perception of performance, products or services cannot meet expectations, it will produce consumers and vice versa (Tjiptono, 2014). Lemke, Clark and Wilson (2011) state that experience is defined as the customer perceives quality as a clear superiority or greatness, and the customer's subjective reaction to the perceived experience with the company. For brands in service companies, experience is an important variable. In today's competitive atmosphere in service businesses, customer experience management is considered an important topic (Garg, Rahman, Qureshi, and Kumar, 2012).



#### ★★★★★ March 19, 2023

Gojek is an amazing all-in-one app that offers a wide range of services, including ride-hailing, food delivery, shopping, and payment solutions. I love how convenient and easy it is to use, and the app's user-friendly interface makes it easy to navigate and access the services I need. The drivers are reliable and friendly, and the food delivery service is always quick and efficient.



:

#### ★★★★★ May 27, 2021

Updated my review. Previously, I gave it a 3/5 rating for the lack of having a cancel button. Now, it seemed they added it for the 10 to 60 seconds of the order. A good compromise, and at least it solves the problem of accidentally ordering multiple time. Nice job, GoJek!

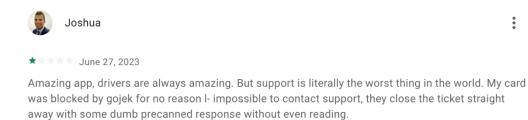


#### :

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#### ★★★★★ November 9, 2021

Have been using this app for a long time. Very user-friendly (very important for me, the not-so-techsavvy) 🖕 I have seen & experienced updates & upgrades of the app & all are good & useful. Last but not least, I'm very happy with the customer service. I've asked for a refund of a mixed up subscription & it took only 1 or 2 days & I got the refund, yay 🎉





★ 📩 📩 📩 August 31, 2023

Worst services by drivers i experienced. Software also shows 8 mins and car will reach in 20-25 mins. If we cancel they deduct 4 dollars from us. If we book from some busy area, driver cancels and no taxi later after we wait 2-5 mins.



Prices are higher than Grab. Also Immediately it's a lot of problems signing in and creating an account requiring a matching phone number and email address I can't even use the app to book anything

# Figure 1.4 Gojek's User Reviews

Source : Google Play, (2023)

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The first three user reviews sourced from Google Play for the Gojek app paint a vivid picture of the high level of satisfaction among its users. These reviews repeatedly emphasize the convenience and ease of use that the app offers, highlighting its effectiveness in solving everyday problems. Users describe their interactions with Gojek as a great experience, showcasing the app's ability to streamline various services seamlessly. These keywords, such as "convenient," "easy to use," and "solving problems," not only affirm the app's success in meeting user needs but also underscore its reputation as a reliable and indispensable tool in the realm of ride-hailing and on-demand services.

In contrast to the glowing feedback from satisfied users, the additional three screenshots of reviews from Google Play present a different perspective on the Gojek app. These reviews express dissatisfaction with certain aspects of the service, notably pointing out the lack of contact support as a significant drawback. Users also raise concerns about the competence of some drivers and mention instances where they found Gojek's pricing to be higher than that of its competitors. These critical keywords shed light on areas where Gojek may need to focus its attention to address user concerns and maintain its competitive edge in the ever-evolving ride-hailing and on-demand service industry. Balancing both positive and negative user feedback is essential for any service to continually improve and cater to a diverse range of customer needs.

In the middle of industrial rivalry which is gone tighter and more difficult, only long term competitive advantage could make a company survive. Many experts suggest the way on how to be a company with competitive advantage is to focus on the customers by fulfilling and satisfying their needs better and faster compare to the competitors (Kotler and Keller, 2016).

The behavior of young age customers in today's dynamic market presents a captivating and distinctive aspect of consumer interaction. These individuals, primarily encompassing teenagers and young adults, exhibit a distinctive pattern of

choices, preferences, and expectations when it comes to services and brands. Their tech-savvy nature, coupled with an inherent desire for convenience and innovation, distinguishes their consumer behavior from other age groups. The young age demographic's proclivity for embracing novel technologies and their heightened expectations of seamless experiences have made them a pivotal focus of interest in contemporary consumer research.

From data obtained from Katadata.co.id, it was found that the majority of respondents in the study were male at 51.6%, while female respondents contributed 48.4%. Interestingly, the majority of participants were in the 20-30 year age range at 54.16%, followed by the 30-49 year age group at 43.2%. This demographic information shows that the dominance of online transportation users comes from youth age group.

Within this context, my research interest gravitates toward unraveling the intricacies of young age customer behavior in the context of the Go-Ride service by Gojek in Bandar Lampung. This demographic's prominence in the user base of ride-sharing services underscores the significance of understanding their distinct preferences, expectations, and loyalty drivers. By delving into their consumer journey and the factors influencing their choices, I aim to shed light on how Gojek, as a prominent player in the ride-sharing industry, can adapt and tailor its services to cater to this unique customer segment effectively.

Within the research development, the researcher have found the measurement for customer experience specifically for the industry. Lemke et al., (2006) are the example of who measure customer experiences in B2C market and formed 8 factors (accessibility, competence, customer recognition, helpfulness, personalization, problem solving, promise fulfillment and value for time). Researches on the customer experience that have been well publicated either within or outside the country all of this time mostly discuss things for the e-commerce, hospitality, telecommunication and banking industry. However, there are still few publicated

research for customer experience in the online transportation industry especially Gojek itself.

To find out the influence of customer experience, customer satisfaction and customer loyalty towards brand power, the researcher is interested in conducting research on "The Influence of Customer Experience, Customer Satisfaction and Customer Loyalty Towards Brand Power at Go-Ride Service by Gojek in Bandar Lampung".

# **1.2. Formulation Of Problems**

From the background explanation about the data that has been obtained, the formulation of problems can be identified as follows:

- 1. Does customer experience has influence on customer satisfaction?
- 2. Does customer satisfaction has influence on brand power?
- 3. Does customer experience has influence on brand power?
- 4. Does customer satisfaction has influence on customer loyalty?
- 5. Does customer experience has influence on customer loyalty?
- 6. Does customer loyalty has influence on brand power?

### **1.3. Research Objectives**

Based on the formulation of the problems above, the objectives of this research are as follows:

- 1. To determine that customer experience has influence on customer satisfaction.
- 2. To determine that customer satisfaction has influence on brand power.
- 3. To determine that customer experience has influence on brand power.
- 4. To determine that customer satisfaction has influence on customer loyalty.
- 5. To determine that customer experience has influence on customer loyalty.
- 6. To determine that customer loyalty has influence on brand power.

# 1.4. Use of Research

- 1. For authors: This research is expected to increase the knowledge and insight of the author about the influence of customer experience, customer satisfaction and customer loyalty towards brand power at Go-Ride service by Gojek in Bandar Lampung, as an implementation of the theory that has been obtained during studying in University of Lampung and as a comparative study between theoretical knowledge and practical in the field.
- For companies: This research expected to be useful to add empirical evidence about the influence of customer experience towards customer loyalty mediated by customer satisfaction, as a planning and development material for company in overcoming problems and increasing customer loyalty.
- 3. For academic: Contribute to science to be used as learning material and for the advancement of education, especially for students of the University of Lampung. This research is expected to be a reference material for studying issues related to customers experience, customer satisfaction, customer loyalty and brand power, and as a reference for other researchers who wish to examine similar problems.
- 4. For readers: As scientific rich that can add insight and knowledge, especially in the field of marketing and as a reference to conduct further research.

# II. LITERATURE REVIEW

### 2.1. Management

These are the definition of Management based on the experts: Robbins, Stephen and Coulter, Mary (2012) according to them in the book "Management", management consists of coordinating and overseeing the activities of others in purpose to make it done efficiently and effectively.

George R. Terry in a book entitled "Principles of Management" provides a definition: "Management is a process that distinguishes the planning, organizing, mobilizing the implementation and supervision, using both science and art, in order to complete the goals set before" So base on desinitions above, we can conclude that management is the process of planning, organising, leading and controlling using the resources (human) to complete the goals.

Robbins, Stephen P; Coulter (2012) also defined 4 functions of management :

1. Planning

A manager is responsible to create a plan to reach a specific goal and to manage the people so they can work toward the goal.

2. Organizing

It is a manager responsibility to determine that the company needs, what to be done and how it will be done and who is to do it.

3. Leading

Direction and motivation are the key factors in directing. A manager should give orders and clear working instruction so the employees now exactly what needs to be done.

4. Controlling

Verifying whether everything is going according to plan and make sure that they are accomplished as planned

## 2.2. Marketing Management

(Kotler & Keller, 2009) define "marketing management" as the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value". Marketing management is what informs a firm's marketing plan through the utilisation of accurate market knowledge. This is usually obtained by means of research and surveys in a systematic approach. Being thoroughly aware of a company's current market, setting realistic goals and targets, developing new market-penetration strategies as well as implementing effective marketing plans within budget are all part of marketing management.

In a nutshell, marketing management is a business function which that makes and develops an institution's marketing strategy. Marketing management uses tools from economics as well as competitive strategy in order to analyse the industry context in which the company operates. These are, among others, Porter's Five Forces, the analysis of strategic groups of competitors as well as value chain analysis.

# 2.3. Customer Experience

Customer Experience is defined as the interaction which the customers perceive throughout their entire journey (Veroef et al., 2009). It is not only the cumulative customer perception which is created during the learning process but also the feelings and emotions which the customer goes through while interacting with the firm's products and services. Berry et al., (2002) assert customer experience as clues composed of three components i.e. functional clue (i.e. technical quality of the offerings); mechanical clue (i.e. sensory presentation of offerings) and humanic clue (i.e. behavior and appearance of offerings).

Customer experience is a holistic concept which involves interactions among the customers, companies and company's offer (Schmitt et al., 2014). It includes customer's sensory, social, emotional, cognitive, affective, spiritual and physical

responses to all the interactions with the companies (Gentile et al., 2007). A memorable and long lasting customer experience will develop positive emotional value for the customers which will help in enhancing customer satisfaction (Chahal and Dutta, 2014; Mulyono and Situmorang, 2018). Building positive customer experience has become important for the marketers so as to expand customer base, increase their business profitability and create a deeper relationship with their customers (Veroef et a., 2009).

Lemke et al., (2006) measure customer experiences in B2C market and found eight factors has the most important aspects of customer experience are as follows:

- 1. Accessibility, namely the convenience of consumers in interacting and accessing product/service. The extent to which the customer finds it easy to access an appropriate person and/or facility (e.g., mobile application, store). Some companies make it easy for customers to access the appropriate person and/or facility (high ease of access), while other companies make it difficult for customers to access their people or facilities (difficult to access).
- 2. Competence, namely the competence possessed by the product/service provider. The extent to which the customer feels that staff know what they are doing and they are competent in doing their job. Some staff inspire confidence in customers that they know what they are doing and are able to do their job properly (competent), while others appear to be inept and are not able to perform their job in a way that is required of them (incompetent).
- 3. Customer Recognition, namely the consumer's feeling that his presence is known and recognized by the product/service provider. The extent to which customers feel they are recognised and acknowledged when they initiate contact. Some companies appear to recognize and acknowledge customers when they initiate contact with the company (recognize customer), while others do not appear to notice or acknowledge the customer (do not notice the customer).
- 4. Helpfulness, namely the consumer's feeling about how easy it is for him to ask for help. The extent to which the staff of the company are helpful. Some companies have staff for whom nothing seems too much trouble in helping the

customer (helpful), while other companies' staff seem unwilling to help the customer (not helpful).

- 5. Personalization, namely the consumer's feeling that he receives treatment or facilities that make him comfortable as an individual. The extent to which the customer feels treated in a personalised way. Some companies appear to know the customer as an individual and personalise the service delivery (personalised treatment of customer), while others seem to treat the customer anonymously (anonymous treatment of customer).
- 6. Problem solving, namely the consumer's feeling that the problem is solved by the product/service provider. The extent to which customers feel that the staff try to resolve their problems. Some companies' staff appear to take ownership of the problem and try to help to find a solution for the customer (try to resolve customer problem), while others do not seem to be interested in the customers' problems (are not interested in customer problem).
- 7. Promise fulfillment, namely the fulfillment of promises by the product/service provider. The extent to which the company keeps promises they have made to the customer. Some companies always keep promises they have made (keep promises), while others fail to keep their promises (do not keep promises).
- 8. Value for Time, namely the consumer's feeling that his time is valued by the product/service provider. The extent to which the company demonstrates that they value, and attempt to make efficient use of the customer's time (for example, by shortening waiting times and delivering services efficiently). Some companies appear to do everything in their power to use the customer's time efficiently (company respects and makes efficient use of customer's time), while other companies do not appear to care about using the customer's time efficiently (company does not seem to care about customer's time).

# 2.4. Customer Satisfaction

The word satisfaction comes from latin of "satis" which means quite good or sufficient and "facio" which means to create or to do. Merriam-Webster Dictionary (2016) describes satisfaction as the act of providing what is needed or desired"; "the act of satisfying a need or desire"; "a result that deals with a problem or complaint in an acceptable way" and so on. Kotler (2016:153) stated that satisfaction is a feeling of happiness or disappointment appears after comparing perception with product performance. Although this description looks simple, once it is linked with consumers' behaviors, hence, this particular description becomes complex.

Customer satisfaction is a feeling or emotional judgment from customers on the use of a product or service where their expectations and needs are met (Fajarwati & Moriko, 2004). Satisfaction is related to a person's feeling of pleasure or disappointment that arises after comparing the perceived performance of the product or service provided with expectations. If the performance of the product or service does not match expectations, there will be dissatisfaction (Kotler & Keller, 2012). This confirms that without customer satisfaction, the company will find it difficult to survive in the face of competitive competition. (Anderson & Srinivasan, 2003) explained that there is a relationship between e-satisfaction and e-loyalty.

According to Azizah (2012), customer satisfaction indicators includes:

- 1. Pleasure, it shows the extent to which these customers are happy with the transaction experience while dealing with the company.
- 2. The right choice, which is measured by the feelings that arise from customers in choosing a company as a business partner, whether the company is right or not.
- 3. Conformance of expectations, it measured by the customer's feelings arising from the company's ability to meet all expectations.

## 2.5. Customer Loyalty

Oliver (1997) defined customer loyalty as a sincere commitment towards buying a particular brand of product or service repeatedly in a near future, despite of the marketing efforts and situational factors which have the potential to change the customer's switching behavior. There are three levels of loyalty: cognitive, affective, and action. When Oliver's three levels are applied to online transportation

service customers behaviour on a mobile application, customers develop a preference cognitive phase for alternative application and may develop a positive attitude, affective phase toward the application. On a cognitive level, consumers are expected to return to the application and find the most desired service available, but they are not expected to engage in using service behaviour. Finally, the highest level of loyalty occurs during the action phase, when customers are prepared to return to the application and using the service.



Figure 2.1 The Loyality Pyramid

Source : (Aaker, 1996)

Aaker (1996) identified five levels of brand loyalty as shown in the brand loyalty pyramid above. The bottom loyalty level includes switchers, who are not loyal to the brand. These consumers may constantly look for variety, or are sensitive to price and buy the brand on sale. The second loyalty level is habitual buyers, who tend to continue to buy the brand not seeking alternative brands. The third level is satisfied buyers with switching costs. They are unwilling to change to a substitute brand, due to switching costs in time, money, and performance risk. The fourth level consists of buyers who like the brand, due to emotional attachment. These consumers shape a friendship with the brand, based on a positive long-term relationship. The top loyalty level is committed buyers. They will continue to purchase the brand regardless of price or change, because they are more closely tied to possessing or using the brand than buyers who only like the brand.

It is termed as the measure of achievement of the supplier in maintaining and retaining long last mutual relationships with the customers (Alhaio et al., 2012; Oumar et al., 2017). Customers are loyal with those companies who provide better high end services, quality customer support, convenient and trusted privacy policies (Leverin and Liljander, 2006).

Customer loyalty tends to generate more profit to the organization (Khan and Khawaja, 2013) as it costs less to retain existing customers than to acquire a new customer. Customer became loyal because of the experience they gained from their transactions with their companies. Loyal customers provide positive word-of-mouth by recommending their banks products/services to their friends and relatives (Mulyono and Situmorang, 2018). Customer loyalty is an outcome of trust and commitment. The higher the trust and commitment towards a particular product/service or a brand, the higher is the customer loyalty (Sudhahar et al., 2006; Maroofi et al, 2012).

According to Yen & Lu (2008), customer loyalty indicators are:

- Recommendation, customer recommend the product/service to someone who seeks for advice.
- Positive comments, customer say positive things about product/service to other people.
- Repurchase, customer use the product/service regularly.

#### 2.6. Brand Power

According to Stanton (2012) brand power is a term, name, symbol or special design or some combination of these elements designed to identify goods or services offered by companies to consumers that are differentiating with the aim of creating value and providing resilience when The company is experiencing a difficult economy. The definition of brand power has similarities with the definition of brand equity which has been put forward by several experts. According to Susanto and Wijarkono (2004) Brand equity is a set of brand assets and liabilities related to a brand, its name and symbol, which increase or decrease the value provided by an item or service to a company or customer.

Creating and building a powerful brand is an investment that its goal is creating intangible assets and consequently, ensuring the success of the company in the future. Investing on powerful brand not only provides faster access, but it also provides the company with long term development and growth on a more profitable way (Kottler & Pfoertsch, 2006). Therefore, one of the needs of senior management of each organization is creating powerful brands which beside operation to promises and commitments, he or she improves his or her power and abilities over time. Powerful brands are able to improve business performance. What makes a brand powerful? The investigations established by Ogilvy showed that world's powerful brands have few simple attributes. Understanding and getting to know these attributes are important lessons for business officials.

According to Nobar, Rostamzadeh (2018), Brand power indicators are:

- Affinity/Sense of belonging and closeness: this brand name is belonged to me.
- Challenging: a brand name which challenges common and traditional behaviors and rules, and changes the society.
- Fame: the most famous brand name in a product category.
- Price: a brand name which offers a good value to the consumer due to the consumer payments.

Through creating a logical attraction for customers, a powerful brand can define multiple touch points among itself and customers. The combination of these two concepts allows the brands to create a significant position for themselves (Keller, 2008).

# 2.7. Previous Researches

| No          | Authors/Year   | Research Title  | Research Result   |
|-------------|--|---|---|
| <b>No</b> 1 | Authors/Year<br>(Nobar &<br>Rostamzadeh, 2018)<br>• Vol 19 No 2<br>(2018)<br>• Scopus Q1<br>Accredited | Research Title<br>The Impact of Customer<br>Satisfaction, Customer<br>Experience and Customer<br>Loyalty on Brand Power:<br>Empirical Evidence from<br>Hotel Industry | Brand power is highly and<br>positively influenced by<br>customer satisfaction,<br>customer satisfaction<br>influences customer loyalty<br>significantly and positively,<br>with the correspondence<br>between customer loyalty<br>and customer experience, |
|             |  |   | customer experience and<br>consumer satisfaction have<br>critical impact on client<br>loyalty which leads to<br>ascend in brand power.  |
| 2           | (Syahnur et al., 2020)   | Customer Experience<br>Factor Analysis towards  | All variables of customer experience have a significant   |
|             | • Vol. 18 No. 2  | Customer Satisfaction   | effect on satisfaction in   |
|             | (2020)   | Online Shopping   | doing online shopping.  |
|             | • Sinta 3 Accredited   |   |   |
| 3           | (Klaus & Maklan,<br>2013)  | Towards A Better<br>Measure Of Customer<br>Experience   | Customer experience have a<br>large influence on customer<br>satisfaction, customer   |
|             | • Vol. 55, Issue 2   |   | experience have significant   |
|             | • Scopus Accredited  |   | impact on loyalty intentions,<br>customer experience have<br>positive influence on WOM<br>behavior, customer<br>satisfaction influence<br>significantly loyalty<br>intentions and WOM   |
| 4           | (Nurjannah et al.,   | The Impact of E-CRM   | behavior.<br>Customer experience did not  |
| +           | (Nurjannan et al.,<br>2022)  | And Customer Experience<br>on E-Commerce  | affect customer satisfaction,<br>and also customer  |
|             | • Vol. 12, No. 3   | Consumer Loyalty  | experience did not affect   |
|             | (2022)   | through Satisfaction in   | customer loyalty through  |
|             | • Sinta 2 Accredited   | Indonesia   | customer satisfaction.<br>Meanwhile, customer<br>satisfaction assisted effect E-<br>CRM on customer loyalty.  |

**Table 2.1 Previous Researches** 

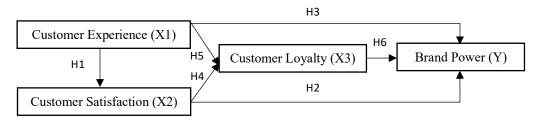
| 5 | (Franky & Tantri,     | The Effect of Customer    | Brand power positively          |
|---|-----------------------|---------------------------|---------------------------------|
|   | 2023)                 | Experience, Customer      | impacts the willingness to      |
|   |                       | Satisfaction, and         | pay a price premium for         |
|   | • Vol. 4, No. 3, 2023 | Customer Loyalty on       | Apple products in Indonesia.    |
|   | Sinta 3 Accredited    | Brand Power and           |                                 |
|   |                       | Willingness To Pay A      |                                 |
|   |                       | Price Premium             |                                 |
| 6 | (Mulyono &            | E-CRM and Loyalty: A      | Customer experience fully       |
|   | Situmorang, 2018)     | Mediation Effect of       | mediated relationship           |
|   |                       | Customer Experience and   | between eCRM, customer          |
|   | • Vol. 4, No. 3,      | Satisfaction in Online    | satisfaction, and Loyalty.      |
|   | September 2018        | Transportation of         | The mediating effect            |
|   | Scopus Accredited     | Indonesia                 | customer experience             |
|   |                       |                           | between eCRM and                |
|   |                       |                           | satisfaction has a positive     |
|   |                       |                           | and significant.                |
| 7 | (Evo & Felicia, 2022) | Linking Customer          | Customer experience and         |
|   |                       | Experience, Satisfaction, | satisfaction are significant in |
|   | • Vol. 18 2022        | And Loyalty To Brand      | increasing customer loyalty     |
|   | • JIC Accredited      | Power And                 | and developing brand            |
|   |                       | Performance In            | reputation and performance      |
|   |                       | International Hotels      | in the hotel industry.          |
| 7 | - Durana d Data 202   |                           |                                 |

Table 2.1 Previous Researches (Continued)

Source : Processed Data, 2022

# 2.8. Framework

Based on the literature review above, a framework can be presented to describe the relationship of the independent variables.



**Figure 2.2 Framework** 

Source : (Nobar & Rostamzadeh, 2018)

#### **2.9.** Hypothesis Development

Based on the problem and literature review above, then the hypothesis proposed in this study is the customer experience that consist of accessibility, competence, customer recognition, helpfulness, personalization, problem solving, promise fulfilment, and value for time is supposed to influence the customer loyalty mediated by customer satisfaction on Go-Ride service by Gojek in Bandar Lampung, the hypothesises are :

### 1. The influence of customer experience on customer satisfaction.

According to electronic communications and transactions (ECT), consumers typically collect and assess product information from mass media or friends and then form their own expectations, before making purchasing decisions. In other words, the expectation is pre-acceptance and thus is unrelated to customer experience levels. By contrast, the post-purchase perceived performance is influenced by first-hand experience, which always varies depending on the customer experience level. This issue is relatively insignificant for experience products, because such products are usually used only once and for a short period of time. Exploring the relationship between customer experience levels and perceived performance is more meaningful for durable products because consumers usually use these products frequently and for a longer period of time (Wang, Du, Chiu, & Li, 2018). Accordingly, the first hypothesis has been formulated as follows: **H1 : Customer experience is positively influence customer satisfaction.** 

### 2. The influence of customer satisfaction on brand power.

In a study, Huang and Cai (2015) successfully showed that distributive justice results in higher recovery satisfaction than low equity brands, and brand equity balances the relationship between satisfaction and service recover. It was said that associations of the favorable and strong quality with high strong brands help customers characterize the service failure as unstable and temporary, which results in lower dissatisfaction. Brady, Cronin and Brand (2002) similarly said that behavioral intentions and customer satisfaction, without considering the connection of equity and the brand, rely on the recovery efforts' evaluation. By these mixed

findings it is clear that there is a need to work more to evaluate the role of brand reputation in customer reactions to service failure. Therefore, next hypothesis is:

#### H2: Customer satisfaction is positively influence brand power.

### 3. The influence of customer experience on brand power.

The power of customer experience is usually underestimate by business leaders. Brand management firm Prophet released a State of the Market study in 2011 showing that only 13 percent of executives believe the purchase experience is the most critical driver of future brand equity, whereas 36 percent said product and service quality would be the top driver. Even though marketing executives think about customer experience, but they also acknowledge that their companies don't value it as a critical component of the brand experience and develop it as a core competency (Huang & Cai, 2015). Hence our third hypothesis will be:

H3: Customer experience is positively influence brand power.

#### 4. The influence of customer satisfaction on customer loyalty.

Many scholars have supported the idea that customer satisfaction is a significant determinant of customer loyalty (Loureiro, 2010). Chitty, Ward and Chua (2007) postulated that satisfaction with the services provided may result in loyal customers. Kao, Huang and Wu (2008) also tested and confirmed the significant impact of customer satisfaction on customer loyalty in theme parks. Many researches showed that customer satisfaction and loyalty have meaningful and positive relation with each other and they impact the company's performance. Therefore, the next hypothesize is as following:

### H4: Customer satisfaction is positively impact customer loyalty.

### 5. The influence of customer experience on customer loyalty.

Kim (2008) empirically tested that experiences which are memorable, more probably impact a person's future behavior and he also made a scale to measure memorable experiences and proved that it highly and positively influenced the future behavioral intentions. Yeng and Mat (2013) empirically tested the antecedents of loyalty in Malaysian retail and found that while promotion activity, store atmosphere, product quality, and service quality strongly impact the attitudinal/cognitive loyalty, affective (attitudinal) loyalty is directly influenced by retailer brand equity, loyalty programs, and satisfaction. Therefore, we can summarize that:

# H5: Customer experience is positively influence customer loyalty.

# 6. The influence of customer loyalty on brand power.

A strong brand name can help consumers to convey and distinguish the quality of a product (Aaker, 1996). Previous study stressed the positive relation between customer loyalty and brand equity. Therefore, the following hypothesis formulated as:

#### H6: Customer loyalty is positively influence brand power.

## III. RESEARCH METHOD

# 3.1. Type of Research

Based on the problem and variables raised, the type of this research is descriptive quantitative research. Sugiyono (2018) states that the descriptive research is research conducted to determine the value of independent variables, either one or more (independent) variables without making comparisons, or connecting with other variables. Therefore quantitative research is a research method based on positivistic (concrete data), research data in the form of numbers to be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion. The object used in this research is Gojek that the respondents are customers of Go-Ride Service by Gojek in Bandar Lampung who use the services.

# 3.2. Sources of Data

In collecting data to this research, the researcher obtains information, data, and other supporting materials by using several data sources, namely:

# 1. Primary Data

Data obtained directly from the source or object of the research. The data obtained by using questionnaire, there are questions given to respondents with guide to be filled. The measurement for the questionnaire is using likert scale, the answers are scored as follows:

| Choice            | Score |
|-------------------|-------|
| Strongly Disagree | 1     |
| Disagree          | 2     |
| Neutral           | 3     |
| Agree             | 4     |
| Strongly Agree    | 5     |

Table 3.1 Likert Scale

Source : (Joshi et al., 2015)

## 2. Secondary Data

Secondary data obtained not directly from the object or the respondents, rather than party or other media and has been processed. This data is derived from documents held by organizations such as universities, educational institutions, surveys. In addition, secondary data can also be obtained from literature such as books, print and electronic media, internet and others.

#### **3.3.** Population and Sample

#### 1. Population

According to Arikunto (2016) population is the data that concern in a scope and time that we set. According to Sugiyono (2014) population is generalization region consisting of the objects / subjects that have certain qualities and characteristics defined by the study to learn and then be deducted. The population in this research is the customers of Go-Ride service by Gojek in Bandar Lampung.

### 2. Sample

According to Sugiyono (2014) sample is part of the number and characteristics possessed by the population. In determining the number of samples used method of determination of sample nonprobability sampling. Nonprobability sampling is the sampling method that does not give equal opportunity for each element or member of the population to be selected into sample. One sampling technique in nonprobability sampling method is purposive sampling technique. Purposive sampling is a sampling technique with special considerations that deserve to be sampled. Purposive sampling technique is conduct by taking people who are actually elected by the researcher according to the specific characteristics possessed by the sample. Selection of sample is based on the population of the customers of the object in this study, that is Go-Ride service by Gojek.

According to Hair et al (2010) if the sample size is too large it will be difficult to obtain a suitable model, and it is recommended that an appropriate sample size be between 100-200 respondents so that estimation interpretation can be used with the Structural Equation Model (SEM). For this reason, the number of samples will be determined based on the results of the minimum sample calculation. Determination of the minimum sample size for SEM according to Hair et al (2010) is: (number of indicators + number of latent variables) x (5 to 10 times) Based on these guidelines, the number of samples for this study are:

Number of samples =  $19 \times (5-10 \text{ range}) = 95-150 \text{ respondents}$ .

The criteria determined by the researcher for this research based on purposive sampling technique are:

- a. Customers of Gojek that ever use their Go-Ride services at least 1 time a week.
- b. Live in Bandar Lampung city.

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c. Age 16-25 years.

### 3.4. Operational Definition

| Table 3.2 | Operational | Definition | Table |
|-----------|-------------|------------|-------|
|-----------|-------------|------------|-------|

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| Variables            | Indicators    | Items                       | Scale  |
|----------------------|---------------|-----------------------------|--------|
| Customer experience  | Accessibility | I can access Go-Ride        | Likert |
| (Lemke et al., 2006) |               | service anytime and         |        |
|                      |               | anywhere I need             |        |
|                      | Competence    | I get various features on   | Likert |
|                      |               | Go-Ride service by Gojek    |        |
|                      | Customer      | I can easily login to Gojek | Likert |
|                      | recognition   | application                 |        |

|                       | Helpfulness                                      | Go-Ride service makes it<br>easy to ask for help if     | Likert      |
|-----------------------|--|---|-------------|
|                       |  | needed  |             |
|                       | Personalization                                  | Features on the Go-Ride                                 | Likert      |
|                       |  | service that I use suits my                             |             |
|                       |  | needs   |             |
|                       | Problem solving                                  | Gojek provides fast                                     | Likert      |
|                       |  | responses regarding the                                 |             |
|                       |  | handling of my complaints                               |             |
|                       | Promise fulfilment                               | The service that I use on                               | Likert      |
|                       |  | Go-Ride service match the                               |             |
|                       |  | service I receive                                       |             |
|                       | Value for time                                   | The waiting time of the Go-                             | Likert      |
|                       |  | Ride service is worth it                                |             |
|                       |  | according to what I paid for                            |             |
| Customer satisfaction | Pleasure   | I feel happy after using Go-                            | Likert      |
| (Azizah, 2012)        |  | Ride service by Gojek                                   |             |
| (111111, 2012)        | Right Choice                                     | I feel Go-Ride service is the                           | Likert      |
|                       |  | right choice  | Lincit      |
|                       | Conformity of                                    | Overall, I feel satisfied                               | Likert      |
|                       | Expectations                                     | using Go-Ride service                                   | Liken       |
| Customer loyalty      | Recommendation                                   | I recommend Go-Ride                                     | Likert      |
| (Yen & Lu, 2008)      | Recommendation                                   | service to someone who                                  | LIKCIT      |
| (1 cli & Lu, 2008)    |  | seeks my advice   |             |
|                       | Positive comments                                |   | Likert      |
|                       | rositive comments                                | I say positive things about<br>Go-Ride service to other | LIKelt      |
|                       |  |   |             |
|                       | Tutov 14, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, | people  | Likert      |
|                       | Intend to be loyal                               | I will choose Go-Ride                                   | Likert      |
|                       | <b>D</b> 1                                       | service at the first place                              | T 11        |
|                       | Repurchase                                       | I will use Go-Ride more in                              | Likert      |
|                       |  | the futures   | <b>T</b> 11 |
| Brand power           | Affinity   | I love Go-Ride service by                               | Likert      |
| (Nobar &              |  | Gojek and it becomes part                               |             |
| Rostamzadeh, 2018)    |  | of my everyday life needs                               |             |
|                       | Challenge  | The name of "Gojek"                                     | Likert      |
|                       |  | represent a local wisdom of                             |             |
|                       |  | Indonesian culture                                      |             |
|                       | Fame   | Go-Ride service by Gojek                                | Likert      |
|                       |  | is very well-known in the                               |             |
|                       |  | industry among competitors                              |             |
|                       | Price  | The price offered by Go-                                | Likert      |
|                       |  | Ride service is affordable                              |             |

Table 3.2 Operational Definition Table (Continued)

#### 3.5. Data Analysis Methods

#### 1. Partial Least Square-Structural Equation Modeling (PLS-SEM)

PLS is a component or variant-based structural equation modeling (SEM). SEM-PLS is more of a predictive model and is not based on many assumptions. PLS can be used to confirm theory, explain whether there is a relationship between latent variables and analyze constructs formed with reflective and formative indicators.

Analysis with PLS has three models of analysis, namely the inner model which describes the relationship between latent variables, the outer model which describes the relationship between latent variables and indicator variables and hypothesis testing.

PLS is an analytical method that is soft modeling because it does not assume that data must be measured at a certain scale, which means that the number of samples can be small or below 100 (Ghozali, 2011). PLS is a data analysis technique to analyze the relationship between a set of blocks of variables. This is based on the allegation that the relationship between the specified blocks refers to and takes into account a clear knowledge base (theory). Each block of variables is assumed to represent theoretical concepts represented in the form of latent variables (Yamin & Kurniawan, 2011).

In this study, (PLS) was used to test the Partial Least Squares hypothesis using the SmartPLS program, version 3.2.9. A multivariate statistical technique called Partial Least Squares compares several exogenous variables and many endogenous variables. When there are problems with the data, including limited research samples, missing data, or multicollinearity, the partial least squares (PLS) statistical technique is used to solve multiple regression (Hartono & Abdillah, 2011, p. 11).

# 2. Outer Model

The outer model is commonly referred to as an outer relation or measurement model. Evaluation of the measurement model was carried out by testing convergent validity, discriminant validity and composite reliability.

- Convergent validity is used to measure the magnitude of the correlation between latent variables and indicator variables in a reflective measurement model. This evaluation is assessed based on the correlation between the item value (component score) and the construct score. A correlation is said to meet the requirements of convergent validity if the outer loading value is 0.6 or greater Imam Ghozali (2015). Another method that can be used to assess convergent validity is to look at the average variance extracted (AVE) value. Convergent validity is said to be achieved if the AVE value is greater than 0.5. An AVE value greater than 0.5 indicates that, on average, the construct explains more than half of the indicator's variance.
- Discriminant validity can be calculated based on the cross loading value of the indicator variables for each of the latent variables. Discriminant validity implies that the construct is unique and describes phenomena that are not represented by other constructs in the model. To assess discriminant validity is to examine the cross loading of the indicator variables on each of the latent variables. The related construct's cross loading value must be greater than all the other construct's cross loading values.
- Composite reliability is used to evaluate internal consistency. There are two kinds of size indicators in composite reliability, which are based on composite reliability values and Cronbach's alpha values. A construct is said to be reliable if it has a composite reliability value and a Cronbach's alpha value and a Cronbach's alpha value above 0.7.

## 3. Inner Model

The following are the inner model measurement parameters in PLS:

• R-Square (R2)

R2 is a value that is only owned by the dependent (endogenous) variable. R2 is a value that shows how big variable X (Exogenous) affects Y (Endogen). According to Hair et al., (2021, p. 123) there are several categories in the value of R2 starting from value 0.25, 0.50, and 0.75 with sequential categories namely weak, moderate, and substantial.

• Path Coefficient (Path Coefficient)

Path coefficient is a value that shows the direction of the variable relationship whether the hypotheses in the study have a positive or negative direction. According to Hair et al., (2021, p. 117-118) coefficient the path is in the value range - 1 to 1. If the value is 0 to 1 it is a directly proportional (positive) relationship. Otherwise the value is in the range 0 to 1 - considered as inversely (negative). Relationships with direct proportional values greater than 0.1 are also considered important. On the contrary. as an inversely proportional value, anything below -0.1 is considered significant.

T-Statistics

T-Statistics is used to show the significance level of Hypothesis test. Tstatistic > t-table > t-statistical significance (t-table significance 5% = 1.96). T-test significance level => 5%, indicating t-score => 1.96 (Hair et al., 2021, p. 96)

# V. CONCLUSION AND SUGGESTION

## 5.1. Conclusion

After conducting discussion and research on the data obtained conclusions from the research results "The Influence of Customer Experience, Customer Satisfaction and Customer Loyalty on Brand Power (Case study on Go-Ride services by Gojek in Bandar Lampung) as follows:

- The first hypothesis was accepted regarding the influence of Customer Experience on Customer Satisfaction. Based on this research the quality of customer experience plays a pivotal role in shaping customer satisfaction. Users of the Go-Ride service by Gojek in Bandar Lampung often find themselves strongly agreeing with various indicators of Customer Experience, such as Accessibility, Competence, and Personalization. These aspects contribute significantly to their overall satisfaction, highlighting the importance of a seamless and customer-centric experience.
- 2) The second hypothesis was accepted regarding the influence of Customer Satisfaction on Brand Power. The link between Customer Satisfaction and Brand Power is undeniable. As customers' satisfaction levels increase, so does their perception of the brand's power. Positive experiences and satisfaction with the service contribute to a favorable view of the brand. This underscores the importance of consistently meeting customer expectations and delivering exceptional service to enhance Brand Power.
- 3) The third hypothesis was rejected regarding the influence of Customer Experience on Brand Power. Interestingly, this research reveals that while Customer Experience indicators receive positive feedback, they do not necessarily translate into a substantial enhancement of Brand Power. This

intriguing finding suggests that the relationship between Customer Experience and Brand Power may be more nuanced than expected. Further exploration is needed to uncover the factors that truly influence brand perception among customers.

- 4) The fourth hypothesis was accpeted regarding the influence of Customer Satisfaction on Customer Loyalty. Customer Satisfaction emerges as a key driver of long-term customer loyalty. Satisfied customers are more likely to remain loyal to the Go-Ride service. Their intent to be loyal and willingness to recommend the service to others reflects the enduring bond they share with the brand. This underscores the importance of consistently exceeding customer expectations to foster loyalty.
- 5) The fifth hypothesis was rejected regarding the influence of Customer Experience on Customer Loyalty. Contrary to our expectations, this research does not support a statistically significant influence of Customer Experience on Customer Loyalty in this specific context. Despite the positive sentiments expressed by users regarding various aspects of the customer experience, such as accessibility, competence, and personalization, these factors do not translate into a strong influence on customer loyalty. This intriguing result prompts us to delve deeper into the intricacies of customer behavior and loyalty within the ride-sharing industry.
- 6) The sixth hypothesis was accpeted regarding the influence of Customer Loyalty on Brand Power. Lastly, this research reveals compelling evidence supporting the sixth hypothesis that Customer Loyalty plays a pivotal role in shaping Brand Power. Customers who exhibit strong loyalty toward the Go-Ride service are instrumental in bolstering the brand's power. Their loyalty is reflected in their intent to repurchase, recommend the service to others, and their overall positive comments. These loyal customers become advocates, amplifying the brand's reach and impact within the market.

# 5.2. Suggestions

After conducted research, here are several valuable suggestions emerge to enhance the Go-Ride service by Gojek in Bandar Lampung:

- Improving responsiveness: to address the lower rating for "Gojek provides a fast response regarding services," the company should focus on optimizing response times. Implementing a robust and efficient customer service system to address customer queries and concerns promptly can significantly improve this aspect of customer experience. Gojek can ensure customer support teams are well-trained and accessible.
- Enhancing help accessibility: for "The Go-Ride service makes it easy to ask for help," Gojek can provide clear and accessible channels for customers to seek assistance. This can involve improving in-app help features, providing a dedicated helpline, or chat support accessible directly from the app. Ensuring that customers can easily reach out for assistance during their ride experiences will enhance their overall satisfaction.
- Managing waiting time: to address "The waiting time for the Go-Ride service is worth it according to what I paid for," Gojek should work on optimizing service efficiency. This can be achieved through data-driven route optimization algorithms and real-time traffic updates. By minimizing waiting times and ensuring that customers feel their wait is justified by the quality of service they receive, Gojek can boost customer satisfaction.

These suggestions aim to further elevate the Go-Ride service, enhance customer satisfaction, and fortify Gojek's position in the ride-sharing industry in Bandar Lampung. Implementation of these recommendations can contribute to a more robust and customer-centric service, ultimately benefiting both Gojek and its valued customers.

### 5.3. Limitations of Research

This research while examines relationships between Customer Experience, Customer Satisfaction, Customer Loyalty, and Brand Power within the context of the Go-Ride service by Gojek in Bandar Lampung, acknowledges certain limitations that should be considered when interpreting the findings. Firstly, the study primarily focused on a specific demographic group, primarily young adults. This limited sample might not fully represent the entire spectrum of Gojek users, which could lead to potential biases in the results. Future research could benefit from a more diverse sample to provide a comprehensive understanding of the broader customer base.

Furthermore, the study focused on a specific geographical location, Bandar Lampung, and might not capture regional or cultural variations that could influence customer perceptions differently. A broader geographic scope might be required to gain a more holistic understanding of the dynamics between Customer Experience, Customer Satisfaction, Customer Loyalty, and Brand Power.

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