

# The Effect of Online Transportation on Multiple Shopping Habits that Give Loyalty

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## ABSTRACT

To find out the impact of online transportation on millennial spending habits in West Jakarta. Online transportation research is among young people from the age of 18-28 years, residing in West Jakarta, Indonesia. The number of questionnaires was 380 respondents. The quantitative analysis method uses the Wrap PLS (Partial Least Square) analyzer. This study explores online transportation by discussing consumer image theory, satisfaction theory and consumer loyalty theory. Knowing the large image of consumers by online transportation that will have an impact on changes in millennial spending habits, and the impact of online transportation in spoiling millennial shopping habits that provide shopping satisfaction to the loyalty of millennials in shopping using online transportation. The more the use of Consumer Image, the more it increases Consumer Satisfaction. The more the use of Consumer Image, the more it increases Consumer Loyalty through Consumer Satisfaction. The increasing number of uses of Consumer Satisfaction further increases Consumer Loyalty. This research shows the enormous impact of online transportation to change the Millennial shopping habits.

Keywords: consumer image, customer satisfaction, consumer loyalty.

## 1. INTRODUCTION

Technology has pushed for the development of digital society. Today's society can be connected to the internet all the time and in all places<sup>2</sup>. The transportation chosen by the public has now shifted to online and more modern. Innovation is a systematic action that converts a product, idea, information, technology into a high-value resource for the market<sup>9</sup>.

This online-based transportation service is also called the ridesharing application, whose appearance in Indonesia began to bloom in 2014. Starting in 2015, a period of development of services commonly known as online transportation with online transportation applications can order shopping quickly and easily, simply with a smartphone. The cost can be said to be measurable. Online transportation services are indeed attractive. All that's left is to tap on the fingertips, the transportation ordered will come to the customer<sup>21</sup>.

Online transportation is considered as a transportation service because it is more accessible and trusted. Online transportation also not only accepts interpersonal services as its object, it also offers goods delivery services, such as ordering lunch to be delivered or only to pick up items left behind for delivery to service users. The conveniences in the

services offered by these online motorcycle taxis make online transportation users increase every day<sup>1</sup>.

The services offered by online transportation are interesting to study about the impact of changing millennial spending habits, and how big the impact of online transportation in spoiling millennial spending habits that provide consumer satisfaction to the extent of millennial consumer loyalty in shopping by using online transportation.

## 2. LITERATURE REVIEW

### 2.1 Transportation On Line

Current t The development of technology for now has penetrated the online transportation business<sup>13</sup>. The internet has been used in online transportation, this makes it very easy to be able to connect one person to another, also services using Internet-based, will certainly have a drastic reduction in the impact of transaction costs between users and providers<sup>1</sup>.

The selection of a more innovative and automatic system can influence the preferences of transportation service users to prefer transportation on line<sup>4</sup>. Online transportation is an on line ride sharing service that gives rise to new jobs for people in big cities around the world<sup>7</sup>. Online transportation

that offers attractive income offers for those interested in becoming partners in on-line transportation operations<sup>4</sup>.

## 2.2 Image consumers

Creating a strong impression is entirely part of the marketing process. Image is the way people perceive (think about) the company or its products<sup>11</sup>. Impression is one of the determining factors that can give decisions in the occurrence of a trip and the impression of tourists to certain destinations varies depending on market segments<sup>18</sup>. Creating and managing an effective tourist destination image is important for positioning and marketing strategies<sup>6</sup>.

## 2.3 Consumer Satisfaction

Satisfaction is a response to the fulfillment of consumer desires. This is an assessment of the product features and also the service itself<sup>28</sup>. Customer satisfaction is a reaction or response after purchase, this is a result of the comparison between expectations that have been previously determined for the perception of purchase and performance<sup>29</sup>. a performance on a product is below expectations, the customer will feel dissatisfied<sup>18</sup>.

## 2.4 Consumer Loyalty

Customer loyalty will increase when customers feel satisfied after making a purchase. Customer satisfaction is one important indicator in determining customer loyalty<sup>12</sup>. Loyalty is a situation where tourists have a positive outlook for the brand of a product and there is confidence and of course has the intention to continue to make purchases in the future<sup>24</sup>. The company's success in establishing good relationships with tourists to form good loyalty is the goal of a company<sup>28</sup>.

## 3. HYPOTHESIS

Users of the online transportation service, only need to download the application on the Smartphone and can order something. Users can also find out the identity of a driver by using the application. Geo location technology can be used to find out the distance and address, and can find the location of users and drivers<sup>3</sup>.

Online transportation (Go-Jek) in Indonesia is booming and has become a new alternative for the community and has brand awareness in the community<sup>26</sup>. There is a positive influence of consumer image of product quality on customer satisfaction and customer loyalty<sup>21</sup>.

Online transportation services rely heavily on GPS, which functions to estimate costs, find the nearest driver, notify passengers and the location of the driver<sup>19</sup>. An internet network if unstable, the GPS used will definitely not be accurate in checking a location<sup>28</sup>. We can evaluate the performance of a driver and customer satisfaction. A service application for online transportation can provide a ranking display and also comments. Using a rating system, an active user will be able to share real experiences in the form of reviews and ratings<sup>14</sup>.

The ease of using the application for online transportation, this cannot be separated from the use of an applied communication technology<sup>5</sup>. Various services and features will be offered by online transportation service providers for consumers and drivers generally providing convenience and safety in transportation services<sup>8</sup>. For an online transportation that uses the internet, this will certainly make it easy for people to connect with one another and Internet-based services provide a drastic reduction in transaction costs between users and providers<sup>22</sup>.

This discussion can be divided into three specific hypotheses:

H1. Image Consumer has a positive relationship with consumer satisfaction.

H2. Image Consumer has a positive relationship with customer loyalty giving consumer satisfaction.

H3. Consumer satisfaction has a positive relationship with customer loyalty

## 4. METHODS

### 4.1 Research Design

This research will use a survey method. The survey is research conducted to obtain facts about the symptoms of problems that arise<sup>25</sup>. This survey was conducted by distributing questionnaires. This study uses a quantitative method to analyze hypotheses as well as to analyze questionnaires and tabulated using Wrap PLS analysis tools<sup>23</sup>.

### 4.2 Questionnaire

For this study will use closed questionnaires or questions for which answers have been provided by researchers. Distribution of questionnaires in research to millennials who have spent using online transportation who can answer the questionnaire Variable measurements are carried out using a Likert scale of 1-5 consisting of positive and negative statements with 5 categories of answers<sup>19</sup>.

### 4.3 Population

Millennials among young people aged 18-30 years, residing in West Jakarta, Indonesia as respondents who have shopped using online transportation

### 4.4 Samples

This research uses proportional sampling in West Jakarta. The collected data will be tabulated and analyzed by 380 respondents

## 5. RESEARCH RESULT

### 5.1 Convergent Validity Test

Table 1 Loading And Cros And Loading Indicators

Indikator	Original sample Estimate	Type as (defined)	P value
X1 (Consumer Image)			
X1.1	0.733	Reflective	< 0.001
X1.2	0.754	Reflective	< 0.001
X1.3	0.749	Reflective	< 0.001
X1.4	0.758	Reflective	< 0.001
X1.5	0.806	Reflective	< 0.001
X1.6	0.764	Reflective	< 0.001
Y1 (Consumer Satisfaction)			
Y1.1	0.746	Reflective	< 0.001
Y1.2	0.772	Reflective	< 0.001
Y1.3	0.715	Reflective	< 0.001
Y1.4	0.741	Reflective	< 0.001
Y1.5	0.776	Reflective	< 0.001
Y1.6	0.772	Reflective	< 0.001
Y1.7	0.754	Reflective	< 0.001
Y2 (Consumer Loyalty)			
Y2.1	0.734	Reflective	< 0.001
Y2.2	0.875	Reflective	< 0.001
Y2.3	0.838	Reflective	< 0.001
Y2.4	0.838	Reflective	< 0.001

Table 1 shows the results of the convergent validity test that shows for the impression variable (X3), for all questions having an outer loading value > 0.5 and p-value < 0.001, it can be said that the Impression variable measurement (X3) meets the convergent validity requirements. Table 1 can also be seen that the Tourist Satisfaction Variable (Y1), for all questions having an outer loading value > 0.5 and the p-value < 0.001, it can be said that the measurement of the Tourist Satisfaction variable (Y1) meets the convergent validity requirements. Tourist Loyalty Variable (Y2), for all questions having an outer loading value > 0.5 and p-value <

0.001, it can be said that the measurement of Tourist loyalty variable (Y2) meets the convergent validity requirements.

### 5.2 Reliability Test

Table 2. Consistent reliability and composite internal (cronbach's alpha)

No	Variable	Composite Reliability Coefficient	Cronbach's Alpha Coefficient
1	X1	0.892	0.854
2	Y1	0.902	0.873
3	Y2	0.893	0.840

Table 2 shows the values of the variables X1, Y1, Y2 for Composite reliability greater than 0.70, so it can be said that the research instrument can be said to be reliable, also for the Internal consistency reliability at X1, Y1, Y2 values greater than 0.60, so the research instruments for all variables meet the consistency internal reliability.

### 5.3 AVE and Correlation Coefisieien

Table 3. Ave root and correlation coefficient

Variabel	X1	Y1	Y2
X1 (Consumer Image)	<b>0.761</b>	0.702	0.549
Y1 (Consumer Satisfaction)	0.702	<b>0.754</b>	0.636
Y2 (Consumer Loyalty)	0.549	0.636	<b>0.823</b>

Table 3 shows that each AVE root of each variable is greater than the correlation of the respective variable, so it can be said that each variable has fulfilled discriminant validity.

### 5.4 Outer Loading Variabel

Table 4. Outer loading

No	Variable	Indikator	Loading Factor	Skor
1	X1 (CI)	X1.5	0.806	3,9
2	Y1 (CS)	Y1.7	0.670	3.81
3	Y2 (CL)	Y2.4	0.730	3.97

**1) Outer Loading Variable Consumers Image (X1)**

For indicator X1.5 (Drivers of on-line transportation can be between goods) is the most important indicator and has the biggest loading factor (0.806) with good conditions (average score of 3.90).

**2) Outer Loading for Consumer Satisfaction (Y1)**

Indicator Y1.7 (consumers feel comfortable shopping with online transportation) is an indicator that has the greatest influence on customer satisfaction variables (Y1) and has the

highest loading factor value (0.670) and also with good conditions (average score of 3.81).

**3) Outer Loading Consumer Loyalty (Y2)**

Indicator Y2.4 (Consumers are willing to invite others to shop with online transportation in West Jakarta) is the indicator that has the strongest influence on the variable consumer loyalty (Y2) which has the biggest loading factor (0.730) and the conditions are good (average) average score 3.97).

**5.5 Hypothesis testing**

Table 5. HYPOTHESIS TESTING

No	Relations between variables (Explanatory variable → Response Variable)		Coefficient of Path	p-value	Info
1	<b>X1</b>	<b>Y1</b>	0.502	p < 0.01	Highly Sig
3	<b>Y1</b>	<b>Y2</b>	0.466	p < 0.01	Highly Sig

Test results to determine the effect of each variable and obtained the results of hypothesis testing:

**Hypothesis 1**, the increasing X1 (Consumer Image), the more influential towards Y1 (Consumer Satisfaction) the coefficient 0.502 is positive and p < 0.01, it can be said that p is p has a very significant level, then for hypothesis 1 said to be acceptable and very significant, this means there is an increase in the use of X1 (Consumer Image), will increase the influence of Y1 (Consumer Satisfaction).

**Hypothesis 3** which is written is that the increasing Satisfaction (Y1) will be more has an effect on Y2 (Consumer Loyalty) with a path coefficient of 0.466 that is positive and a value of p < 0.01, with p less than 0.01, this can be said to be very significant, so it is said that hypothesis 3 is very significant and acceptable, this has the effect of increasing Y1 (Consumer Satisfaction) as well will increasingly affect Y2 (Consumer Loyalty).

TABLE 6. HYPOTHESIS TESTING RESULT

No	Relations between variables (Explan variable --→ Response Variable)			Coefficient of Path	p-value	Info
	Exp Variable	Mediation Variable	Koeff Response Variable.	Indirect Influence Path		
2	X1	Y1	Y2	0.234	<0.001	Mediation

Hypothesis 2: Increasing X1 (Consumer Image) towards Y2 (Consumer of Loyalty) through Y1 (Consumer Satisfaction), the more influential towards Y2 (Consumer Loyalty) through the path coefficient of 0.234 the path coefficient of 0.234 is positive and p < 0.01, bearing in mind that p is less than 0.01, it can be said to be very significant. so for hypothesis 2 it is said to be acceptable and very significant, that is more increasing the X1 (Consumer Image) will influence the Y2 (Consumer Loyalty) through Y1 (Consumer Satisfaction).

**5.6 Analysis of the Model in the Structural Path**

Research using PLS Wrap analysis, this tool can be used to examine path analysis and also to test models on hypotheses. The sample analyzed 380 respondents. The results obtained are shown in Figure 2

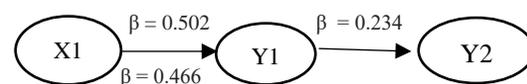


Figure 2 : Structural model results

## 6. DISCUSSION

This study aims to determine the relationship between consumer image, customer satisfaction and customer loyalty. This relationship can change shopping habits among millennials by using on-line transportation in West Jakarta, Indonesia. This study also wants to expand the literature by examining its impact. The results prove: The impact is obtained positively and also significantly from the image of the consumer and can give feed to customer satisfaction. The findings obtained for this study can be said to be in line with research<sup>18,22</sup>. The results of this study prove that there is a positive and significant impact on the relationship of consumer image on customer loyalty through customer satisfaction, this is also supported by previous research<sup>16,9,7</sup>. The result has a positive and significant impact on customer satisfaction on customer loyalty. The findings of this study are in line with research conducted<sup>10,19</sup>.

## 7. RESEARCH IMPLICATIONS

### 7.1 Theoretical Implications

This research has theoretical implications:

1. Research provides value implications to complement marketing management theory and provides new knowledge regarding the development of online marketing marketing strategies.
2. The study provides additional theories and models of relationships between consumer image, consumer satisfaction, consumer loyalty.
3. Research gives positive results in the relationship of consumer image by influencing consumer satisfaction and consumer loyalty

### 7.2 Practical Implications

1. This study provides additional models in the development theory regarding online transportation, especially changes in ways of spending among millennials.
2. This research provides additional knowledge for researchers and marketing online transportation
3. This research expands insights to private parties managing online transportation, also to online entrepreneurs and to the government in managing online businesses in order to increase consumer satisfaction and consumer loyalty.

## 8. CONCLUSION

The analysis that has been done in this research can explain some of the problems and findings, so that several conclusions can be drawn:

1. This research shows for a good consumer image to users of online transportation among millennials in the city of West Jakarta
2. Online transportation can provide increased customer satisfaction and customer loyalty and will encourage consumers to invite other people to use online transportation services.

## 9. RESEARCH LIMITATIONS

This research is inseparable from the limitations that can provide opportunities for researchers for further research. Limitations in this study:

1. The results of this study only cover the millennium and do not include all other communities in the environment as users of online transportation.
2. This study only covers 3 variables of consumer image, customer satisfaction and customer loyalty. Other researchers can provide additional variables of product quality, digital marketing, service quality.

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