Trust and Loyalty Level of Online Transportation Users

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Abstract— **Main objectives of this research are to find out the trust level among Bandung citizens and the impact towards online based transportation users loyalty. This research is used combination of descriptives and verificative analysis, and the data came from 400 respondents in 30 districts, which located in Bandung city. Data is collected by utilizing the questionnaire that distributed in proportional systematic random sampling. Moreover, this research used a simple regression analysis performed with the SPSS 17 to test the hypotheses. The result of this research concluded that the trust and loyalty level is high enough, and there is a positive influence of trust to the loyalty level of online based transportation customer in Bandung.**
Keywords—online transportation, trust, loyalty, bandung

I. INTRODUCTION

Recently with the rapid development in the information technology sector, the internet connection that can reach all-region in a country has given an enormous transformation in citizen's life. The citizens got used to communicating by using the internet connection. The internet connection did not only used for social activity to communicate over a long distance but also for business. The used of smartphone that is connected to the internet connection make citizens easier to communicate and to perform buying and selling transaction online. Mobile communication has made an impact towards interaction between people while conducting business either locally or internationally [1].

One of the business models that grow recently is online transportation. This business model enables citizens to order the transportation using their smartphone with high ease and flexibility. Furthermore, the price of this online transportation is cheaper than the offline taxi or ojek. Looking to the future, smartphone applications and more specifically multimodal aggregators, may offer the potential for transportation planners and policymakers to enhance their understanding of multimodal travel behavior, share data, enhance collaboration, and identify opportunities for public-private partnerships [2].

In 2015, there has been a massive change in the transportation service sector. Previously consumers have to wait for a taxi on the edge of the road or they have to order it through the taxi operator office, or even the consumers have to bargain for the price with the taxi driver, and suddenly everything changes since the online transportation service enter the market. In twelve months, Go-jek has developed from the new mobile application to a huge service that afterwards emerges competitor from GrabTaxi with the GrabBike service. The competition becomes fiercer due to the

entry of an American online transportation service to Indonesia in 2014 that called Uber. Entering 2016, the competition between those three start-ups keeps increasing. GrabTaxi change their name to Grab and try to compete with Go-jek on food delivery business by creating GrabFood service. When Go-jek launched Go-pay, Grab respectively launched a similar feature that called GrabPay Credits. In order to compete with GrabBike and Go-jek, Uber generated UberMotor. After Uber launched UberMotor Go-jek create Go-car one week later.

In the beginning, a quite huge contrary came from conventional taxi firms and ojek drivers. Demonstration against online transportation service occurred at Jakarta, Bandung, Surabaya and other big cities in Indonesia. Despite the contrary and demonstration, the existence of online transportation can be accepted by most of the citizens and the acceptance keeps expanding recently.

The total of online transportation users in December 2017 reach approximately 15.73 million users, and market share from Go-Jek, Grab, and Uber is 29.6% of all mobile application users [3].

Apparently, the consumer trust level is quite high, and it showed when consumers decide to change their preferences from conventional transportation to online transportation based. When consumers are considering a service to use, the main influential factor is whether the consumers trust the service or not, and this method also applied to online transportation service. Trust can be defined as confidence that one party has on another because of honesty and reliability of the other partner [4]. Griffin mentions that the thing in the consumer mind when he/she wanted to create a relationship is whether those firms could be trusted [5]. When the costumer trust the company they will tend to reuse or recomended the product to others. Zeithaml dan Bitner state that users loyalty characteristics that based on behavior and attitude dimension are recommending positive things of the firm to another person, carry out more business with firms in the future, considering firms as their first choice in the future [6].

So far, there is no reasearch yet is conducted to measure the trust and loyalty level for the online based transportation user in Indonesia. This research aims: to find out Bandung citizens level of trust towards online transportation method, to find out Bandung citizens loyalty level towards online transportation method, and to find out the effect of trust level towards citizen's loyalty that is using online transportation.

II. METHOD

This research is aimed at investigating the level of costumer trust and loyalty, and also the influence of trust on loyalty. The units of analysis for this research were 400 respondents from 30 region in Bandung city. Samples were taken on May-July 2017. Questionere been drawn by means of proportional systematic simple random sampling. This research used a Simple Regression analysis peformed with the help of SPSS 17 to test the hypotheses.

III. RESULTS AND DISCUSSIONS

A. Respondent Data

The survey is conducted to Bandung citizens who use online transportation service. Samples were taken proportionally based on total citizens of each district with distributionas table 1.

TABLE I. POPULATION AND DISTRIBUTION SAMPLE

No	District	Population Number	n (sample size)
1	Bandung Kulon	143,313	23
2	Babakan Ciparay	148,025	23
3	Bojongloa Kaler	121,165	19
4	Bojongloa Kidul	86,363	14
5	Astanaanyar	68,991	11
6	Regol	81,987	13
7	Lengkong	71,637	11
8	Bandung Kidul	59,331	10
9	Buah Batu	95,356	15
10	Rancasari	75,469	12
11	Gedebage	35,910	6
12	Cibiru	70,370	11
13	Panyileukan	39,339	6
14	Ujungberung	75,477	12
15	Cinambo	24,766	4
16	Arcamanik	68,293	11
17	Antapani	74,557	12
18	Mandalajati	63,147	10
19	Kiaracondong	132,135	21
20	Batununggal	121,076	20
21	Sumur Bandung	35,903	6
22	Andir	97,693	16
23	Cicendo	99,898	16
24	Bandung Wetan	30,939	5
25	Cibeunying Kidul	108,193	17
26	Cibeunying Kaler	71,184	11
27	Coblong	132,002	21
28	Sukajadi	108,512	17
29	Sukasari	82,012	13
30	Cidadap	58,426	9

B. Trust Level

Trust is defined as a belief of one party that other party will be fulfilling their needs and wants. As far as services are concerned, trust is the confidence that customers have on the provider of services to fulfill their needs [7].

Various situation and indications of trust that stated by Mitchell in Egan, as follows: Probity (focus on honesty and integrity); Equity (related to fair-mindedness, benevolence, caring, and sincerity); Reliability (related to trustworthy, accuracy, and consistency from a product or service which

are expected to be related with the guarantee that issued by the firm in several aspects) [9]. Consumers trust level criteria is measure by referring to the table 2

TABLE II. REPONDENT PERCEPTION OF PERCENTAGE SCORE CRITERIA TOWARDS IDEAL SCORE

No	% Total Score	Criteria
1	20.00 – 36.00	Very Low
2	36.01 – 52.00	Low
3	52.01 – 68.00	medium
4	68.01 – 84.00	High
5	84.01 – 100	Very High

Based on the data that processed from 400 respondents in Bandung City is known that probity that was measured by the trust level of online transportation utilisation/use is 70%, online transportation drivers integrity level is 69%, reputation level of online transportation firms is 71%, and online transportation consumers trust level compare to the conventional transportation in Bandung is 73%. Therefore, it could be concluded that the average probity is in the good category with the score of 71%. However, apparently from the integrity side of online transportation driver, the score is almost approach medium category.

Equity or commitment level or justice that measured by the level of online transportation driver's commitment to the consumers and guaranteed level of fair treatment from online transportation are high which obtain 73% and 70% for the score.

Reliability or the service consistency that measured by consistency level in equal good service between different online transportation drivers is 69% and the giving service on time is 70%. Even though those scores still categorize as good but these scores approach medium category.

Based on Fig.1 from the three categories of trust level, the online transportation firms still need to develop the trust level of online transportation users. The reason is in the sector of service trust level which categorises as good might not enough to make consumer become loyal due to the possibility that consumers may shift their preferences to other firms that have higher or extremely high trust level.
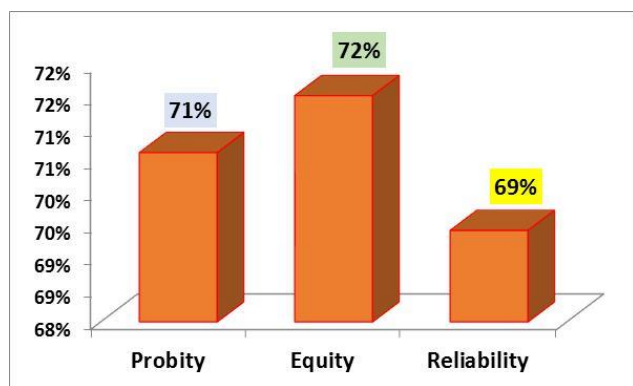
Fig. 1 - Trust Level

C. Loyalty Level

Customer loyalty is defined as promise of buyers to purchase particular products, services and brands of an organization over a consistent period of time, irrespective of competitor's new products and innovations and these customers are not compelled to switching [10]. Griffin indicate loyal users characteristics based on: *makes regular repeat purchases*, *purchases across product and service lines*, *refers other*, *demonstrates immunity to the full of the competition* [5]. Loyal customers are valuable resources for organizations because it is easier to sell to an old customer than a new one [11].

Loyalty level of online transportation users could be measured by four loyal consumers criteria according to the theory that stated by Griffin [5]. Based on the survey result, the desire of online transportation users to continue using online transportation is 74%, the inclination to recommend online transportation to other people is 71%, the desire to utilise online transportation rather than conventional transportation that available is 69%, the rejection level to use convention transportation is 61%.

According to the data as shown on Fig.2, consumers are likely to recommend online transportation to other people, but they still wanted sometime to use conventional/non-online transportation that already exists before based on its importance.
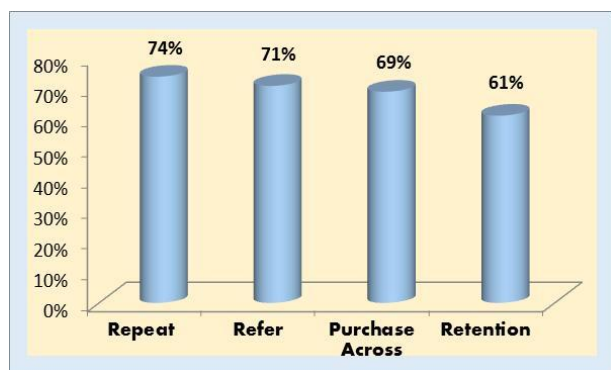

Fig. 2. Costumer Loyalty Level

D. Transportasi Online Relationship between the trust level perception and loyalty level of online transportation users

Analysis to view how much changes that occurred in loyalty level due to the influence of online transportation users trust level is illustrated as follows:

TABLE III.   MODEL SUMMARY BETWEEN TRUST AND LOYALTY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.570ᵃ	.325	.323	.57920	1.886
a. Predictors: (Constant), T					
b. Dependent Variable: L					

According to figure 3, 32.5% information which contained in loyalty level could be explained by the shift that occurred in consumers trust level who use online transportation, while 67.5% is influenced by other variables that were not discussed in this proceeding.

TABLE IV.   COEFFICIENT CORELLATION BETWEEN TRUST AND LOYALTY

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.056	.181		5.852	.000
	T	.692	.050	.570	13.842	.000
a. Dependent Variable: L						

Based on the data in figure 4, the value of measured t is 13.842 bigger than the value of table t with 1.96, which means that statistically trust level positively affects the loyalty level of online transportation users.

The relationship between loyalty and trust level of online transportation users can be illustrated as follows: Loyalty = 1.056 + 0.692 Trust

The result of these researches is similar to the opinion from Koupai et.al. who stated that satisfaction variable is mediator in trust and has a positive and significant influence on establishment of loyalty [11]. Perceived value relates positively to loyalty, and that trust mediates that relationship [12]. There is positive relationship between trust and customer loyalty [13].

Customer trust intervenes as a mediating variable that enhances the impact of corporate identity, corporate image and the reputation of the firm on customer loyalty [6].

IV. CONCLUSION

Consumer's trust and loyalty level of online transportation users might be concluded as follows: Bandung citizens trust level towards the online transportation method in average is good, Bandung citizens' loyalty level to repeatedly use and recommend online transportation to other people is categorised as good, but the retention level and probability to choose other transportation method is quite low. User's trust level influence the consumer loyalty of online transportation users.

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