THE ROLE OF SERVICE QUALITY AND CUSTOMER SATISFACTION: A CASE STUDY FOR APPLICATIONS OF GO-FOOD

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ABSTRACT
Current technological developments have made entrepreneurs to facilitate an effort to be known by many people. In the current era of technology, the community is greatly helped by the existence of various kinds of applications that facilitate their business. The desire of the community in obtaining the order is a matter of great concern to a technology company. Various kinds of facilities provided by the company will support Service Quality. This study aims to test whether Service Quality affects customer loyalty directly and indirectly through Customer Satisfaction. In this study, we will survey application users Go-Food by using a structured questionnaire. The sample used as many as 119 Go-food application users participated in this study. In this study revealed that Service Quality has a direct effect on Customer Satisfaction, which then directly affects Loyalty. Go-Food customer loyalty does not guarantee that Go-Food management only increases the quality of service to customers. To achieve Go-Food customer loyalty, Go-Food must ensure satisfaction from its customers, because of the many factors that can affect the satisfaction of Go-Food customers, the management of Go-Food must improve the quality of its services with various promotions or socialization activities. The data analysis method used is Structural Equation Modeling (SEM) by using 119 respondents as the study sample in 2019.

KEY WORDS
Service quality, loyalty, customer satisfaction.

The development of online businesses in Indonesia is very rapid; this indicates the era of utilization of information technology has begun to be recognized. Online business or commonly referred to as *E-Commerce* more and more in Indonesia this is due to the development of the internet and changes in consumer behavior. A change in community behavior in E- Commerce is a challenge for the company to meet the needs and desires of its customers. Consumer trust in online shopping is a problem that is difficult to control because it deals with consumer attitudes and behavior. The services provided by e-commerce companies are very influential on their consumers.

E-Commerce is said to be an information technology system for conducting various business activities such as selling goods or services between two or more organizations or between an organizations with one or more end customers through one or more internet networks (Martin et al, 1999). Consumer behavior in *E-Commerce is* also influenced by satisfaction in conducting online transactions and is the main indication for consumers to like shop products and is the main indication of the desire to reuse so that they become loyal customers. In measuring the use of information technology there are several theories that can be used *such as Theory of reasoned action (TRA)* from Fishbien & Ajzen (1975) stating that a person's behavior is an estimate of intensity and action where someone will use information systems and information technology if it is useful and improve its performance and vice versa that then further developed by (Sidharta & Boy Suzanto, 2015). In applications Go-Food or *E-Commerce* involve features of electronic funds transfer, electronic data interchange, and automated data system. In a marketing perspective, increasing the number of customers using the Go-Food application is inseparable from the presence of loyal go-food application developers. In addition, loyal Go-Food application users will also spread positive news by word of mouth by recommending Go-Food application services to other customers.

Some studies have found that there is consumer satisfaction in conducting online transactions which is indicated to have an influence on consumer trust, which in turn will

influence consumer attitudes in repurchasing and becoming loyal customers (Elvandari, 2011). In this case, understanding customer loyalty in Go-Food application services is important to develop effective strategies to maintain effective strategies to retain customers who use Go-Food services.

LITERATURE REVIEW

Service Quality is an assessment of the customer service delivery process. Thus the *Service Quality* evaluating means evaluating the production process services " (Bates and Hoffman, 1999, p.338). *Service Quality* is an absolute thing that must be owned by companies or agencies that offer services, because with the quality of service to consumers, companies or agencies can measure the level of performance that has been achieved.

There are five dimensions of service quality that can be used to evaluate the quality of services according to Valerie Zeithaml, A. Parasuraman, and Leonard Berry, namely:

- *Tangible* (tangible), which is in the form of appearance of physical facilities, equipment, employees, and material installed. This dimension describes the physical form and service that will be accepted by consumers. For example in restaurant services, the employees wear neat uniforms, a number of dining tables, and complete tableware.

- *Reliability* (reliability), namely the ability to provide promised services reliably and accurately. In a broad sense, reliability means that the company gives its promises about providing, solving problems and pricing.

- *Responsiveness*, namely awareness and desire to help customers and provide services quickly. This dimension emphasizes attention and accuracy when dealing with customer requests, questions and complaints.

- *Assurance* (certainty), namely knowledge, courtesy, and the ability of employees to generate confidence and trust. This dimension may be very important in services that require a high level of trust where customers will feel safe and secure.

- *Empathy* (empathy) that is caring, and personal attention given to customers. The essence of the empathy dimension is showing customers through the services provided that customers are special, and their needs can be understood.

According to Kotler and Keller (2009, p.164), «Satisfaction *reflects a person's judgments of a product's perceived performance (or outcome) in relationship to expectation"* which means satisfaction is a feeling of pleasure or disappointment resulting from a comparison of product performance with their expectations. If the performance fails to meet expectations, the customer becomes dissatisfied. If the performance is in accordance with expectations, the customer is dependent. The cause-effect relationship in this study is to reveal the effect of service quality on Go-Food customer satisfaction. The research approach used in this research is quantitative research methods. According to Sugiyono (2004, p.14), quantitative research methods emphasize the analysis of *numerical* data (numbers) processed by statistical methods. Quantitative approaches are usually carried out on inferential research and rely on conclusions on testing hypotheses.

In general, there are two main streams that define customer loyalty, the main stream defines customer loyalty as actual returns and recommends it to others. (Gede Mahatma Yuda Bakti & Sumaedi, 2013). According to Pearson, 1996, quoted in (Akbar and Parvez, 2009) piki pattern customers who have a positive attitude toward a product committed to reusing and recommend to others. When technology is easy to use, users will feel more comfortable and want to use the system, unlike when the technology is difficult to use, users will feel reluctant to use the system. Someone does shopping because they feel shopping is a fun thing and makes it a loyal customer, in other words, when we feel comfortable with a product, whatever weaknesses the product has we are able to accept it.

HYPOTHESIS DEVELOPMENT

This research model shows that *Service Quality* affects customer *loyalty* directly and indirectly through *Customer Satisfaction. Serivce Quality* and *Customer Satisfaction* is a key driver of customer *loyalty* (Gede Mahatma Yuda Bakti & Sumaedi, 2013).

In a previous study conducted by (Dahiyat, Akroush, and Lail, 2011) stated that the *Service Quality* and *Customer Satisfaction* have a positive effect on customer *loyalty* in various industries. A good and effective way of communication that smoothly takes the business to another level of success. Through proper communication, a convenient and seamless path built between service providers and the consumers (Mirza & Ali, 2017). Customer *loyalty is* seen as an actual act of repurchase and actual recommendation actions (Sancharan, 2011; Lai and Chen, 2010; Clemes et al., 2008; Zeithaml et al., 1996; Fornell, 1992). Empirically, previous research has confirmed that service quality and customer satisfaction have a positive effect on customer loyalty in various industries. (Dahiyat et al., 2011). Then the first hypothesis in this study is:

H1: Service Quality increases the influence on customers Loyalty.

According to research (Gede Mahatma Yuda Bakti & Sumaedi, 2013) found that the *Service Quality* Retained Earnings positively affect the *Customer Satisfaction* in services. Meet consumer demand as a level of customer achievement in providing service. If the level of satisfaction is fulfilled, then consumers feel happy and if the desire is not fulfilled, the consumers will be dissatisfied (Mirza & Ali, 2017). The most important and influential aspects of quality are service quality. With good service and effective communication makes the business more successful. According to research (wet et al, 2005 and lai & Chen, 2010) revealed that service quality has a positive effect on customer satisfaction. Then the second hypothesis in this study is:

H2: Service Quality increases the influence on Customer Satisfaction.

Customer Satisfaction is used as an evaluation after the purchase, where the performance of selected products and services meets or exceeds expectations before consumers buy. If the performance does not meet the consumer will feel dissatisfaction. If the performance meets the food, consumers will feel satisfaction (Mulyana & Prayetno, 2018) *Loyalty* is the final effect consumer purchasing, attitudes and intentions to return later to buy the product and the consumer also will provide recommendations to others (Fraering & Minor, 2013). The main factor in determining *Customer Satisfaction* is the customer's perception of the *Service Quality of* goods or service, and if is in accordance with what is expected by consumers, the service can be said to be good and create *Loyalty* customers. Then the third hypothesis in this study is:

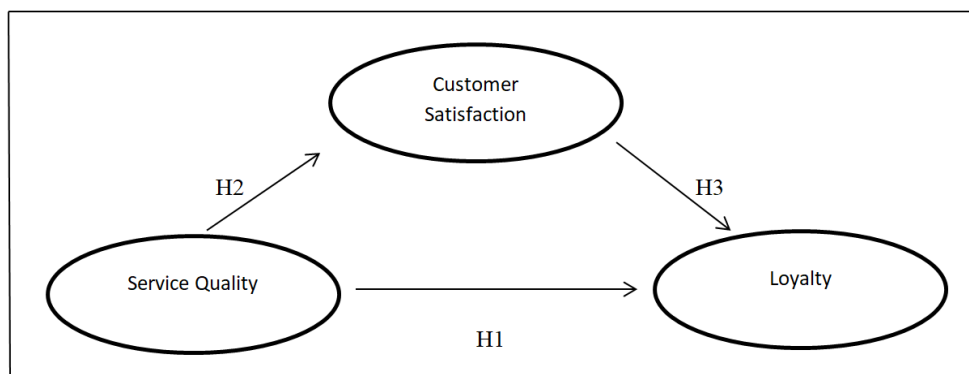H3: *Customer Satisfaction* increases the influence on *Loyalty*.

Figure 1 – Research model

METHODS OF RESEARCH

The study was conducted in January 2019 with the research method being descriptive analysis with a causality model to see the relationships between variables. The method of data analysis in this study uses *Structural Equation Modeling* (SEM) with Lisrel test equipment. The sampling process is done by using the entire population of Go-Food users and the number meets the requirements for the SEM method, which (Ferdinand, 2002) states that the number of representative samples to use SEM analysis techniques is 100-

200. The sampling technique is included in *non-probability sampling* which explains that the researcher takes a sample of a population whose information is unknown. The object of this research is Go-Food application users in the Jabodetabek area with a total population of 119 respondents. Yan g researched aspect is *Service Quality, Customer Satisfaction* and *Loyalty.* The data measurement method uses a *Likert* scale with one to five scale intervals where 1 "strongly disagrees" and 5 "strongly agree".

The Research uses one independent variable is *Service Quality* and two dependent variables namely *Customer Satisfaction* and *Loyalty,* but Quality of service also acts as a moderating *variable* that affects *Loyalty*. Variable which is referred to as the e l variant not observed, cannot be measured directly (Wen et al., 2005). So from that the author uses indicators called as observed variables to represent (Mac Lean and Gray, 1998). Each variable has dimensions to be measured in relation to each other. *Service Quality* variables have three dimensions, namely business services, product services, and service services. *Customer Satisfaction* Variables have four dimensions, namely satisfaction, dissatisfaction, meeting consumers, quality and services. Furthermore, *Loyalty* variables have three dimensions, namely recommendations, repurchases, and periodically. The three variables used in this study used 10 indicators that were modified from (Gede Mahatma Yuda Bakti & Sumaedi, 2013). All variables were measured according to a 5-point Likert scale, which ranged from 1- very disagree to 5- strongly agree. Furthermore, from the dimensions of the measurement displayed in the form of a questionnaire, then tested the validity and reliability test.

Validity test is carried out with *Confirmatory Factor Analysis* by looking at the value of *Kaiser-Meyer-Olkin Measure of Sampling* (KMO) and *Measures of Sampling Adequacy* (MSA). In this test the value obtained must be greater than 0.5, which means that the analysis of factors is appropriate or suitable for use, and can be further processed (Malhotra, 2004). When *Service Quality* consists of 9 questions and 2 of them are invalid so the remaining 7 questions, scale *Customer Satisfaction* envy of 6 questions and all valid and *Loyalty* scale consists of 4 questions and all of them valid. The reliability test of *Cronbach's Alpha* value is greater or equal to 0, 6 which means reliable. The next stage, the data is processed using the SEM analysis method.

RESULTS AND DISCUSSION

Foku's research is *Service Quality*, *Customer Satisfaction* and the influence of both on *Loyalty* and the role of service quality as a mediating variable between service quality and *Loyalty* where the results show that of the three hypotheses proposed, all data support the hypothesis or all hypotheses are accepted, as SEM testing has been done, and can be seen in Figure 2.
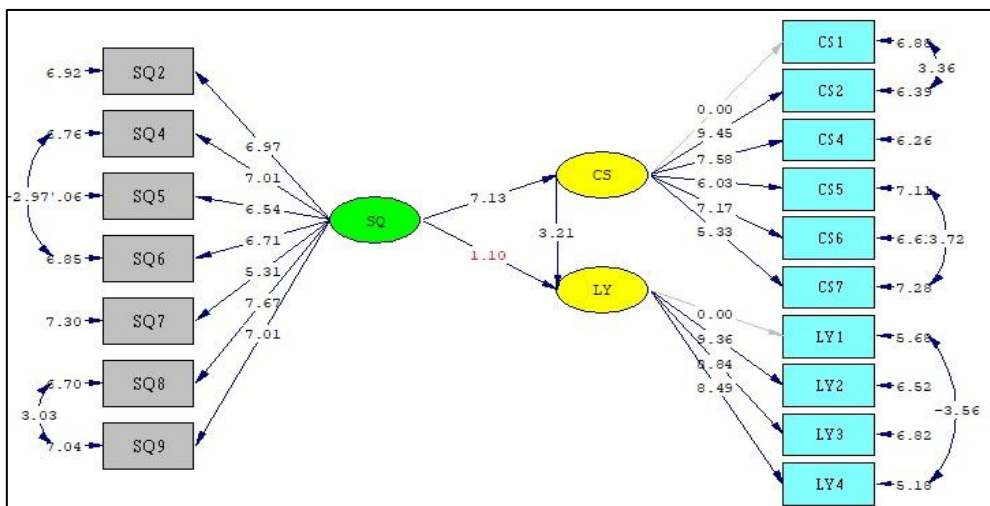

Figure 2 – T-Value Path Diagram

Table 1 – Hypothesis Testing Research Model

Hypothesis	Hypothesis statement	Value T-Value	Information
H₁	Service *Quality* increases the influence of the customer on the customer *Loyalty*	1.10	Data does not support the hypothesis
H₂	*Service Quality* increases the influence of *Customer Satisfaction*	7.13	Data supports the hypothesis
H₃	H3: *Customer Satisfaction* increases the influence on *Loyalty*	3.21	Data supports the hypothesis

DISCUSSION OF RESULTS

Structural model analysis to test between latent variables and conceptual models of research. The results of testing hypothesis 1 found that abalysis did not support. This is because the value of the *T-Value Service Quality* hypothesis increases the effect on *Loyalty*, which is less than 1.96 (< 1.96) which is 1.10. The results of the study revealed that quality services had indirect effects on customer loyalty. The results agreed with previous studies conducted by Gede (2013). Cronin and Taylor (1992) research in four industries (banks, pest control, dry cleaning, and fast food) showed that service quality did not significantly affect customer loyalty. In addition, the study of Ibanez et al. (2006) in the energy industry have also confirmed the same results. This result is also supported by the results of interviews with Go-Food application users who stated that the features contained in the application are still difficult to use and the promos given are also sometimes less attractive. This certainly affects the attitude of the customers to make loyal purchases, there needs to be an update or the latest update of the application features to make it easier to use the application for Go-Food users.

In addition, in testing hypothesis 2 it was found that the results of the analysis supported. This is because the value of the *T- Value* hypothesis *Service Quality* increases the influence of *Customer Satisfaction* is more than 1.96 (> 1.96) which is 7.13. This result supports previous a research also downloaded that affect *Quality Service Customer Satisfaction.* These results support the research conducted by Ajzen (1991) arguing that the resources and abilities possessed by humans can be a control for someone doing something or not doing something. He recognizes human perceptions of resources and the ability to perform certain behaviors as a variable "Behavior Control" (Ajzen, 1991). In the context of this study, customers who have Go-food user service quality are perceived to be high no longer need to come directly to traders because they have the ability / resources to use other service providers, namely internet / applications. In this condition, customers can consider service quality as a basic requirement or a relief factor that cannot be a competitive advantage for Go-Food customers when weather or conditions do not allow them to leave the room.

The results of testing hypothesis 3 found that the analysis supports. This is because the value of the *T- Value* hypothesis *Customer Satisfaction* increases the influence on *Loyalty* is more than 1.96 (> 1.96) which is 3.21. This result is supported by the research of Caruana (2002) in the banking industry found that customer satisfaction is a mediator variable of the relationship between service quality and customer loyalty. This proves that the features and services provided by Go-Food make customers satisfied and cause the desire to reuse and be loyal to be used at any time.

From the results obtained above, the researchers found that good service quality and facilitating customers from other features, promos, and support can influence customers to be satisfied in using the Go-Food application, with satisfaction the customer finally reuses and become a loyal customer.

MANAGERIAL IMPLICATIONS

This study revealed that *Service Quality* affect customer *Loyalty* indirectly through *Customer Satisfaction* in the Go-Food application service. This means that the *loyalty of*

users of the Go-Food application is not guaranteed if the *Service Quality* provided by Go-Food does not result in an increased Go-Food *Customer Satisfaction*. *Customer Satisfaction* does not only depend on *Service Quality*. Therefore, Go-Food management needs to identify other things that can affect the satisfaction of Go-Food users, such as providing various promos, giving cash-back, and giving attractive prizes for every purchase, as well as updating hits.

Go-Food needs to pay attention to these things, because the satisfaction and loyalty of users of an application is important and often considered by application users and customers (Kim, 2003). Then things that need to be improved again for good quality are by minimizing cheating on driver partners, where many cases occur when orders are ordered and not delivered to customers, this is very detrimental to customers, Go-Food must respond quickly to the case and are given sanctions for partners who commit violations.

CONCLUSION

Loyalty is greatly influenced by service quality and customer satisfaction. This study proves that the attitudes and behaviors of consumers in making a purchase through the Go-Food influenced by the quality of service and consumer butterfly on Go-Food. Thus it can be said that both before (At-checkout Satisfaction) and after (After-Delivery Satisfaction) do Online purchases influenced by service quality on the Go-Food application have a significant effect on the attitude and behavior of Go-Food users. Go-Food can succeed optimally, so it is recommended to maintain consumer confidence well and increase the role of the transaction process by constructively making improvements to Go-Food so that Go-Food actors, especially UMKM business players, use technology through Go- Food can increase sales more optimally.

The limitations of the study refer to several weaknesses in this study. Some of the limitations found in this study are:

- This research is only done in the e-commerce industry by taking research objects in the Go-Food food delivery application;
- This study only addresses the influence of customer satisfaction and loyalty to service quality;
- The inconsistency of the respondents' answers in answering the questionnaire (questionnaire) and working conditions which made the respondents not comfortable enough when answering the questionnaire (questionnaire) submitted to them;
- The form of a digital questionnaire, making some respondents over 40 years old quite difficult in the filling process.

Based on the results of this study where the quality of service and customer satisfaction affect loyalty, and the number of loyalty itself affects the level of effectiveness and efficiency of service quality. So it is very important to increase customer satisfaction and loyalty from Go-Food users. In addition, there are a number of researchers' notes, namely:

- The results of the research show especially loyalty from Go-Food customers is not good enough;
- Although the average age of students, but the commitment of employees to service quality has not been built. This should be a note for the Go-Food management;
- Go-Food management is expected to pay more attention to customer satisfaction. it is advisable for future research to add other variables to the development of research. It is expected that the results of this study can be used to provide optimal benefits for the object of subsequent research; this study can also be used as a comparison material in subsequent studies and should take research data on the broader object of research.

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