

CHAPTER I INTRODUCTION

A. Research Background

A growing need for quick movement of imported and exported goods, particularly in the goods transport industry, is highlighted by changes in trade dynamics on both a regional and global scale. Global business growth and technological advancements drive changes, influenced by a shift towards online shopping due to lifestyle changes (Risnawati, 2019). This transformation significantly contributes to the exponential growth of the e-commerce market (Comi & Nuzzolo, 2016). In 2022, according to data from Databoks, the market valuation of e-commerce in the country alone has reached 59 billion US Dollars. The close connection between online shopping and shipping services offers a notable opportunity for expedition service businesses. With the convenience of technology allowing consumers to shop from anywhere, freight forwarding services have become essential, aligning with the growing demand for efficiency and fast delivery through existing logistics services (Rotem-Mindali & Weltevreden, 2013).

Transportation services are progressively becoming market-driven, customer-centric components of a competitive supply chain ecosystem because of the expansion of the industry (Muhammad, 2022). Like other service businesses, Expedition Services will rely heavily on customer testimonials. The reason is that expedition service business actors must be able to provide services that follow consumer desires. Consumers expect something fast, easy,

safe, and practical in shipping goods. The quality of service has the most dominant influence on customer satisfaction (Risnawati, 2019). The increasing consumer demand for goods delivery and the expansion of online stores or e-commerce businesses show the market's enthusiasm for goods delivery services. In this context, the credibility of expedition services is at stake. The existence of e-commerce platforms can be beneficial by providing space for sellers or merchants to promote their products online, thus increasing the need for freight forwarders (Annas, 2023).

One of the main functions of freight transportation today is the flow of materials from the producer to the end consumer and how the material arrives safely (Galkin, 2019). Consumers' willingness to use the services of an expedition company is a form of consumer trust. Consumer trust plays a vital role in business because consumers will only trust companies where they are confident in making transactions (Dara, 2018). When consumers already trust the company, they usually not only give positive feedback but also believe that the positive results will continue in the future. Trust positively influences purchasing decisions. This is supported by research (Kim, 2008), which says that a higher consumer's trust in the seller will undoubtedly impact their buying decisions. There is an implication that purchasing decisions are also related to consumer attitudes toward the company (Mahliza, 2020). If consumers already believe, it means that consumers show a positive attitude.

Customers purchase a range of products and services to satisfy their needs. In any economy, they are the most important economic group. Consumers are

at the center of most economic activity. Therefore, the goal of every commercial endeavor must be to satisfy customers. Companies with a healthy customer base are bound to succeed (Hima K, 2016; Indirani & Kumar, Makanyeza & Du Toit, 2015). The protection of consumer rights is the primary concern of consumerism. Consumers' rights must be safeguarded (Hima K, 2016). Consumers must be informed of their right to self-protection. Consumers who understand their rights are less likely to be exploited by firms. Because customers know their rights, they may make informed market judgments and protect themselves from commercial exploitation. Consumers must gain information and skills to make responsible decisions that benefit individuals and society (Barnard, 2015; Hima K, 2016; Larsen & Lawson, 2013; Makanyeza & Du Toit, 2015).

Consumer trust is demonstrated by customers' willingness to employ an excursion company's services. Because customers will only trust businesses they feel comfortable with, consumer trust is crucial to business. (Dara, 2018). When consumers already trust the company, they usually not only give positive feedback but also believe that the positive results will continue in the future. In (Mahliza, 2020) research, there is an implication that purchasing decisions are also related to consumer attitudes toward the company. If consumers already believe, it means that consumers show a positive attitude.

Businesses can establish a mutually beneficial connection with customers without depending exclusively on customer trust. Customers are increasingly conscious of their rights because information is readily available in this

globalized age. Companies need to be made aware of the importance of recognizing their customers' rights, which are a component of consumerism in general. Consumer rights recognition is regarded as a powerful political force in most parts of the world. (Makanyeza, 2021). Consumer rights awareness is now widely championed by people to demand their fundamental rights as consumers and protect them from marketing activities that may harm consumers' health and lives. The company's proactive efforts to recognize consumer rights will certainly affect consumer attitudes toward the company and the decision to buy the company's products. This aligns with previous research (Makanyeza, 2021), which states that consumer rights awareness will affect consumer attitudes and purchasing decisions. Recognizing consumer rights will empower consumers, increase consumer trust and confidence, impact customer satisfaction, and increase sales.

Consumer attitudes and purchase decisions are two things that will determine their satisfaction with using Expedition services. Attitudes are usually associated with consumer habits or lifestyles. Psychological factors refer to cognitive characteristics that influence consumer attitudes and behaviors. Consumers will undoubtedly show different practices, attitudes, and buying decisions in various business sectors. For example, (Sanad, 2016) research shows that consumer attitudes and buying decisions in the textile and clothing business depend heavily on their clothing experience. Feeling the material, then how the clothes fit and fit the body become determinants in consumer satisfaction in buying clothes. Businesses have expanded into

product delivery due to the growing need for freight forwarding (Murti, 2013). These businesses manage storage, distribution, and transportation tasks vital to the global economy's competitiveness and consumer satisfaction.

In contrast, low customer satisfaction can damage a company's reputation and revenues. High customer satisfaction encourages loyalty. Identifying attributes to retain and improve is essential in a competitive market and may be done by evaluating customer attitudes and satisfaction. This study evaluates the effectiveness of applications and ascribes importance in terms of how effectively they satisfy user demands (Khadka, 2017). There appears to be a gap in the research results on the variable consumer attitude and purchase decision in this study. Research conducted by (Warayuanty, 2015) shows no influence between consumer attitude and purchase decisions. Meanwhile, research conducted by (Kusuma, 2021) (Djan, 2020 Maysari, 2020) and (Van Bao, 2023) shows that there is a significant influence between consumer attitude and purchase decisions. (Djan, 2020) Indicates no influence between consumer trust on distributional service and purchase decisions. Meanwhile, research (Muhammad, 2022) shows a significant effect between consumer trust in distributional services and purchase decisions.

PT. Tiki Jalan Nugraha Ekakurir (JNE) is one of the most well-known courier services. This company is a private company that has been established since 1990. PT. JNE Express offers local and international delivery services, including various options such as domestic courier express, logistics, distribution, money remittance, and more. Despite its comprehensive services,

customer complaints persist via the official JNE Twitter account (@JNEcare), citing issues like delivery delays, package retrieval problems, and inaccurate tracking. Table 1.1 shows that the two companies that became the top brands in the express service category from 2018 to 2022 are JNE and J&T. In 2018, JNE's revenue was 45.0%, and J&T's revenue was 13.9%. In 2019, JNE fell to 26.4%, and J&T rose to 20.3%; in 2021, JNE's growth rate will be 27.3%, and J&T will also reach 21.3%, and in 2022, it will increase to 39.3 %, and J&T fell to 23.1%. JNE and J&T have more advantages than other express services. Top Brand Index (TBI) is an award given to the best brands based on research on Indonesian consumers. The Top Brand Index itself is a barometer for measuring the success of a product brand in the market, and a brand that obtains a Top Brand Index of at least 10% and, according to the survey results, is in the top three positions.

Brand	2018		2019		2020		2021		2022	
Jne	45.00%	TOP	26.40%	TOP	27.30%	TOP	33.40%	TOP	39.30%	TOP
J&T	13.90%	TOP	20.30%	TOP	21.30%	TOP	28.00%	TOP	23.10%	TOP
Tiki	13.60%	TOP	12.60%	TOP	10.80%	TOP	11.20%	TOP	11.10%	TOP
Indonesian Post	11.60%		5.40%		7.70%		8.50%		8.50%	
Dhl	3.50%		3.80%		4.10%		6.00%		6.90%	

Figure 1.1 Indonesia's logistics company

Sources: <https://www.topbrand-award.com/>

JNE Express may offer less good of a service, but they have already come a long way in developing a connection with customers. The choice of JNE over J&T Express as the research setting depended on various factors such as specific research objectives, data availability, and research focus. JNE is Indonesia's largest and most comprehensive logistics service provider, known

for its extensive network, effective and efficient systems, and commitment to reliability and customer satisfaction. This research is crucial to prevent mistakes and damage from happening again during package delivery, leading to consumers frequently becoming victims of the package delivery process. This way, the business can be held accountable for how smoothly and legally the goods are delivered and for any damage or loss of goods that may occur (Uzir et al., 2021).

This research is a modification and replication of research conducted by (Makanyeza 2021) and (Djan, 2020). The difference between this research and previous research is modifications by adding variables of customer trust, customer satisfaction, and changing purchase intention into the purchase decision. Researchers want to know and analyze the influence of consumer rights awareness and customer trust in customer satisfaction through attitude and purchase decisions. This research aims to provide more specific information about JNE Express.

B. Research Question

1. Does consumer rights awareness affect consumer attitude?
2. Does consumer rights awareness affect purchasing decisions?
3. Does customer trust affect consumer attitude?
4. Does customer trust affect purchasing decisions?
5. Does consumer attitude affect purchasing decisions?
6. Does purchase decision affect customer satisfaction?
7. Does consumer attitude affect customer satisfaction?

8. Does consumer attitude mediate the influence of consumer rights awareness on customer satisfaction?
9. Does purchase decision mediate the influence of customer trust on customer satisfaction?

C. Research Objectives

Based on the formulation of the problem above, the objectives of this study are:

1. To determine the effect of consumer rights on consumer attitudes.
2. To determine the effect of consumer rights awareness on purchasing decisions.
3. To determine the effect of customer trust on consumer attitude.
4. To determine the effect of customer trust on purchasing decisions.
5. To determine the effect of consumer attitude on purchase decisions.
6. To determine the effect of purchase decisions on customer satisfaction.
7. To determine the effect of consumer attitude on customer satisfaction.
8. To examine the relationship between consumer rights awareness and customer satisfaction in understanding the mediating role of consumer attitudes.
9. To examine the relationship between customer trust and satisfaction, emphasizing purchase decisions' mediating role.

D. Research Benefit

This research is expected to have theoretical and practical benefits as follows:

- a. Theoretical Benefits

The results of this study can be used to broaden the horizons of those interested in the same topic or to strengthen certain theories. Hopefully, this research can help other parties and become a reference for conducting similar research.

b. Practical Benefits

The benefits for the author of this research are expected to be a helpful tool in implementing the author's knowledge about the influence of consumer rights awareness on attitudes, trust, and purchase decisions on customer satisfaction in PT JNE Express in Yogyakarta.