

## CHAPTER 1

### INTRODUCTION

#### 1.1 Background

In the era of internet growth amid rapid demographic demands, the internet is needed to meet the needs of society. The existence of an application-based online transportation service that uses the internet has a significant impact on the community in all its activities quickly and efficiently ( Rifaldi, et al., 2016). The development of the company in this modern era has overgrown and undergoes continuous change. The example of change is technology and lifestyle, which is now inseparable from globalization's influence. Advances in the transportation system are moving towards a way of life that has been characterized by freedom of movement, flexible exchange of goods and services, high levels of employment, and social mobility. Online transportation is a transportation company that uses the app as a liaison between users and drivers that is very easy to book. The application can also check the fare directly (Agussalim et al., 2018). The expansion of internet users in the community has created opportunities that are in great demand by combining transportation services with the internet. This will be a breakthrough in transportation. The increasingly sophisticated technology in the field of transportation makes business people compete to create the latest innovations. Looking at the phenomenon that occurs in the community can be seen that today the internet dramatically affects people's lives. The increasing number of smartphone users, both Android and iOS, makes people dependent on mobile phones and the internet (Agustin anis, 2017).

Online transportation is one of the latest service innovations in m-commerce (Silalahi, et al., 2017). Alternative transportation services at low prices and able to avoid congestion are motorcycle. Currently, there is an online motorcycle (Go-ride). Go-ride is a social enterprise engaged in using two-wheeled mobility services by utilizing the application in its order (Agustin Anis, 2017). Similar applications such as Grab, Uber, and GO-JEK dominate the online transportation market. GO-JEK is unique because it was co-founded by Indonesians, while Grab and Uber come from different countries (Septiani R, et al., 2017). GO-JEK, Grab, and Uber are the most extensive and competing market shareholders (Pratama, 2016). GO-JEK ranked first as the favorite online transportation service in Indonesia (Tania, 2017).

The fast-growing online transportation company, Go-ride under the auspices of PT. Go-jek Indonesia is a company founded by an Indonesian named Nadiem Makarim and his friend Michael Angelo Moran in March 2014, which aims to reduce unemployment and congestion in Indonesia (Rifaldi, et al., 2016). Go-ride is one types of services available on Go-jek application. People are delighted because online motorcycle takes them on the round trip and delivers food and goods at affordable rates. The price transparency owned the Go-ride application is one of the primary keys that make online motorcycle in demand by the public. GO-JEK users especially Go-ride vary greatly, from young people to adults, school children, and office workers. Therefore, Go-ride can segment consumers from various circles, easy to use and cheaply (Anis Agustin, 2017).

Based on previous research by Nguyen Ngoc Duy Phuong, et al., (2018), The statistical results supported all proposed hypotheses. The study confirmed that electronic service Information Quality system were significant predictors of overall perceived service quality. Additionally, this study reported a significant positive effect of perceived service quality and customer satisfaction on repurchase intention. The study also confirmed the relationships of the three variables representing the electronic service quality on the overall service quality, which directly effects customer satisfaction, considering a more comprehensive model for service in m-commerce context.

So through this study, researchers want to replicate variables from previous studies. Replication research is research that answers the same research problem, which aims to invalidate the theory used in previous studies with a more valid design. The theory that has been aborted is the basis for perfecting it. A researcher conducts homework with precisely the same design (imitation research), perhaps because he thinks the format is valid or does not have enough resources to conduct a study with a better plan. Replication research with a proper design that concludes that the theory is supported (cannot be disproved) is also helpful.

The online transportation chosen at this time is Go-ride. Go-ride was selected because the company is the market leader in online transportation competition, wherefrom the results of a survey conducted by Yayasan Lembaga Konsumen Indoneaia, the survey found that 72.6 percent of respondents chose to use Go-ride by GoJek, followed by Grab, Uber, and My Bluebird, respectively 66.9 percent, 51 percent, and 4.4 percent (YLKI, 2017).

## **1.2 Problem Formulation**

Based on the problems that have been described, the formulation of the issues proposed in this study is as follows:

1. Does E-service quality have a positive significance to overall perceived service quality?
2. Does information quality have a positive significance to overall perceived service quality?
3. Does system quality have a positive significance to overall perceived service quality?

## **1.3 Research Objectives**

From the background of the problem, the objectives of this study are as follows:

1. Analyzing whether a positive effect of E-Service quality on overall perceived service quality
2. Analyzing whether a positive effect of information quality on overall perceived service quality
3. Analyzing whether a positive effect of system quality overall perceived service quality.

## **1.4 Research Benefits**

### **A. Theoretical Benefits**

The results of this study are expected to provide input for companies to improve the quality of electronic services, information quality, and system quality for companies to improve overall service quality perceptions.

## B. Practical Benefits

### 1. For PT. Go-Jek Indonesia

The results of this study are expected to increase the contribution to PT. Go-Jek to continue to improve the overall perceived quality of service to consumers.

### 2. This study provides knowledge about customer desires and complaints against the company, which can be used as material for company evaluation to improve the overall perceived service quality.

### 3. The results of this study are expected to be a medium for apply the theoretical concepts that have been obtained in the lectures and increase scientific insight through various findings in the field that were previously revealed.