

ACKNOWLEDGEMENT

The author gave praise and gratitude to the Almighty Lord, Jesus Christ Our Lord and Savior for His immense love and blessings throughout the process of making this final paper, and for everything that He had given us.

This final paper entitled “The Effects of Perceived Service Quality, Perceived Benefits of Booking App, Perceived Sales Promotion, Customer Satisfaction and Customer Loyalty as mediating roles towards Customer Repurchase Intention of Ride-Hailing Services in Jakarta” is required to fulfill the requirements to receive the bachelor’s degree in Economics from Pelita Harapan University. Moreover, this final paper also helps the author in implementing the knowledge that he had learned from the university.

The author would also like to thank for the thesis supervisor Mr. Paulus Yokie Radnan, S.E., M.M. for the unwavering support this semester on sharing his knowledge and guiding me to make this final paper. Without his help and kindness, the author would not be able to finish this final paper.

The author also wanted to thank for the support, motivation, knowledge, and guidance from various people that have involved thorough the making of this paper. Therefore, the author would like to mention all the various people in order to thank them, namely to:

- 1. Dra. Gracia Shinta, S. Ugut, M.B.A., Ph.D. as the Dean of Faculty of Economics and Business in Pelita Harapan University**

- 2. Ms. Vina Christina Nugroho, S.E., M.M as the Head of Management Department**
- 3. Ms. Jacquelinnda Sandra Sembel, M.M as the Head of International Business Concentration.**
- 4. Mr. Paulus Yokie Radnan, S.E., M.M. as my thesis supervisor**
- 5. Mr. Radityo Fajar Arianto, S.E., M.B.A as my academic supervisor**
- 6. All lecturers that had educated me and supported me throughout my university years**
- 7. All staffs and employees of the Business School who had assisted me throughout my learning process**
- 8. My beloved father and mother who had supported me endlessly throughout making this final paper**
- 9. My beloved sister and brother who had shared their knowledge, and had motivated me to do this final paper**
- 10. My friend Deotria Cintya, Bella Albesta, Bryan Jonathan Purnama, Dilys Caroline, Bryan Gunawan, Audrey Tirta, Della Aprillia, Casey Thessalonica, Niken Larasati, Andrea Charissa, Raymond Surya, Gabriella Michelle, and Gabriella Inzen who all have supported and motivated me in the making of this final paper.**

Lastly, the author realizes that this final paper is far from perfect and has its limitations. Therefore, any suggestions and critics are very well appreciated to

improve the quality of this paper. Hopefully, this paper will bring useful purposes and benefits for all the readers of this paper.

Karawaci, November 13, 2021

Author



TABLE OF CONTENTS

COVER	
FINAL ASSIGNMENT AND UPLOAD AGREEMENT	
THESIS APPROVAL	III
THESIS DEFENSE COMMITTEE	IV
ABSTRACT	V
ACKNOWLEDGEMENT	VI
TABLE OF CONTENTS	IX
LIST OF FIGURES	XIII
LIST OF TABLES	XIV
LIST OF APPENDICES	XVII
CHAPTER 1	1
INTRODUCTION	1
1.1 Research Background	1
1.2 Research Problem	13
1.3 Research Question	17
1.4 Research Objective	18
1.5 Research Scope	19
1.6 Research Contribution	20
1.7 Research Outline	21
CHAPTER 2	23
THEORETICAL BACKGROUND	23
2.1 Ride-Hailing Services	23
2.1.1 Ride-Hailing Services in Indonesia	26
2.1.2 Grab in Indonesia	28
2.1.3 Gojek in Indonesia	29
2.2 Perceived Service Quality	30
2.2.1 Gap Analysis Service	31
2.2.2 Service Performance Measures	33
2.2.3 Dimensions of Service Quality	34

2.3 Perceived Sales Promotion.....	36
2.4 Perceived Benefit of Booking App	38
2.4.1 Technology Acceptance Model.....	39
2.4.2 Expectation Confirmation Model.....	40
2.5 Consumer Satisfaction	41
2.5.1 Customer expectation towards Customer Satisfaction.....	42
2.5.2 The relationship between Customer Satisfaction and Retention.....	43
2.6 Consumer Loyalty	45
2.6.1 Relative Attitude-Behaviour Relationship	47
2.6.2 Advantages of Brand Loyalty	49
2.7 Customer Repurchase Intention	51
2.7 Literature Review	53
2.8 Linkages between Variables	58
2.9 Perceived Sales Promotion on Customer Satisfaction and Loyalty	58
2.10 Perceived Benefits of Booking App on Customer Satisfaction and Loyalty ..	60
2.11 Perceived service quality on Customer satisfaction and Loyalty.....	62
2.12 Customer Satisfaction and Customer Loyalty.....	63
2.12 Customer Satisfaction and Customer Repurchase Intention.....	65
2.13 Customer Loyalty on Customer Repurchase Intention	66
2.14 Conceptual Framework	67
CHAPTER 3	69
METHODOLOGY.....	69
3.1 Research Paradigm.....	69
3.2 Quantitative Research	72
3.3 Research Design.....	73
3.3 Research Objects	75
3.4 Unit of Analysis	77
3.6 Measurement of Variables	78
3.7 Conceptual and Operational Definition	80
3.8 Measurement of Scale.....	90
3.9 Data Collection Method	94

3.10 Ethics in Data Collection	95
3.11 Sampling	96
3.12 Sample Size.....	99
3.13 Methods in Data Analysis	100
3.14 Descriptive Statistics.....	100
3.15 Inferential Statistics.....	101
3.16 Goodness of the Data	102
3.17 Validity.....	102
3.18 Reliability.....	103
3.19 Structural Equation Modelling (SEM).....	104
3.20 Partial Least Square (PLS).....	105
3.21 Preliminary Test.....	110
3.22 Validity Pre-Test Result.....	110
3.23 Convergent Validity Pre-Test	110
3.24 Discriminant Validity Pre-Test.....	117
3.25 Reliability Pre-Test Result.....	122
CHAPTER 4	124
DATA ANALYSIS AND DISCUSSION.....	124
4.1 Respondent Profile.....	124
4.2 Gender.....	125
4.3 Age.....	126
4.4 Last Formal Education.....	127
4.5 Occupation.....	127
4.6 Ride-Hailing Application that often used.....	128
4.7 Frequency of using ride-hailing application.....	129
4.8 Purpose of last trips with ride-hailing services.....	130
4.9 Actual Test.....	131
4.10 Descriptive Statistics.....	131
4.10.1 Descriptive Statistics Perceived Service Quality.....	133
4.10.2 Descriptive Statistics of Perceived Benefits of Booking App.....	134
4.10.3 Descriptive Statistics of Perceived Sales Promotion.....	136

4.10.4 Descriptive Statistics of Customer Satisfaction	137
4.10.5 Descriptive Statistics of Customer Loyalty.....	138
4.10.6 Descriptive Statistics of Customer Repurchase Intention.....	139
4.11 Inferential Statistics.....	140
4.12 Convergent Validity – Actual Test	141
4.13 Discriminant Validity.....	144
4.14 Outer Model.....	148
4.15 Common Method Biased Test.....	148
4.16 Goodness of Fit	151
4.17 R-Square (R2)	153
4.18 Path Coefficient.....	156
4.19 Specific Indirect Effects	158
4.20 Predictive Relevance.....	160
4.21 Hypotheses Testing	161
4.22 Inner Model.....	169
4.23 Discussion	170
4.22 Comparison Between Previous Research and Present Research	183
CHAPTER V	185
CONCLUSION & RECCOMENDATION.....	185
5.2 Theoretical Implication	189
5.3 Managerial Implications.....	190
5.4 Limitations	193
5.5 Recommendation for Future Research.....	193
REFERENCE	195

LIST OF FIGURES

Figure 1. 1 Different Types of Transportation Modes	2
Figure 1. 2 Taxi Meter Revenue	3
Figure 1. 3 Service Fees of Uber compared to Taxi fares with the 20% tip	5
Figure 1. 4 Grab vs Gojek Market Share in Indonesia.....	7
Figure 1. 5 Jakarta customers’s perception to Ride-Hailing industry.....	9
Figure 2. 1 Dimensions of Service Quality.....	34
Figure 2. 2 Diagram of Relative Attitude-Behavior Relationship	47
Figure 2. 3 Research Conceptual Framework (Extended conceptual framework from (Nguyen-Phuoc et al., 2020)	58
Figure 2. 4 Research Conceptual Framework.....	68
Figure 3. 1 Conceptual Model.....	80
Figure 4. 1 Outer Model.....	148
Figure 4. 2 Inner Model	169

LIST OF TABLES

Table 3. 1 Qualitative Research vs Quantitative Research	71
Table 3. 2 Research Design.....	74
Table 3. 3 Conceptual and Operational Definition of Variables.....	81
Table 3. 4 Types of Measurement Scale	92
Table 3. 5 Likert Scale	94
Table 3. 6 Probability Sampling vs Non-Probability Sampling Methods.....	96
Table 3. 7 Summary of Rule of Thumb for Outer Model and Inner Model	107
Table 3. 8 Model Fit Rule of Thumb	109
Table 3. 9 Convergent Validity Pre-Test Result (Perceived Sales Promotion)	111
Table 3. 10 Convergent Validity Pre-Test Result (Perceived Benefits of Booking App)	112
Table 3. 11 Convergent Validity Pre-Test Result (Perceived Benefits of Booking App)	113
Table 3. 12 Convergent Validity Pre-Test Result (Perceived Service Quality).....	113
Table 3. 13 Convergent Validity Pre-Test Result (Customer Satisfaction)	114
Table 3. 14 Convergent Validity Pre-Test Result (Customer Loyalty)	115
Table 3. 15 Convergent Validity Pre-Test Result (Customer Repurchase Intention)	116
Table 3. 16 Convergent Validity AVE Pre-Test	116
Table 3. 17 Discriminant Validity Pre-Test Result (Perceived Sales Promotion)	117
Table 3. 18 Discriminant Validity Pre-Test Result (Perceived Service Quality)	118
Table 3. 19 Discriminant Validity Pre-Test Result (Perceived Benefits of Booking App)	119
Table 3. 20 Discriminant Validity Pre-Test Result (Customer Satisfaction).....	119
Table 3. 21 Discriminant Validity Pre-Test Result (Customer Loyalty)	120
Table 3. 22 Discriminant Validity Pre-Test Result (Customer Repurchase Intention)	121

Table 3. 23 Discriminant Validity Pre=Test with HTMT.....	121
Table 3. 24 Cronbach Alpha Reliability Test for Pre-Test Result	122
Table 4. 1 Valid and Invalid Questionnaires.....	125
Table 4. 2 Gender Percentage	125
Table 4. 3 Age Percentage	126
Table 4. 4 Formal Education Percentage	127
Table 4. 5 Occupation Percentage.....	128
Table 4. 6 Brands of Ride-Hailing Application Percentage.....	128
Table 4. 7 Frequency of using ride-hailing application percentage	129
Table 4. 8 Purpose of last trips with ride-hailing services percentage.....	130
Table 4. 9 Summary of Descriptive Statistics.....	131
Table 4. 10 Interpretation of the 5-Point Likert Scale	133
Table 4. 11 Descriptive Statistics of Perceived Service Quality.....	133
Table 4. 12 Descriptive Statistics of Perceived Benefits of Booking App	134
Table 4. 13 Descriptive Statistics of Perceived Sales Promotion	136
Table 4. 14 Descriptive Statistics of Customer Satisfaction.....	137
Table 4. 15 Descriptive Statistics of Customer Loyalty	138
Table 4. 16 Descriptive Statistics of Customer Repurchase Intention.....	139
Table 4. 17 Convergent Validity – Factor Loading (Final Iteration).....	142
Table 4. 18 Convergent Validity – AVE of the Actual Test.....	144
Table 4. 19 Discriminant Validity – Cross Loadings.....	144
Table 4. 20 HTMT of all variables.....	146
Table 4. 21 Reliability Testing with Cronbach’s Alpha and Composite Reliability	147
Table 4. 22 Outer VIF Value	149
Table 4. 23 Inner Model VIF	150
Table 4. 24 Goodness of Fit Calculation.....	152
Table 4. 25 SRMR, NFI, and RMSttheta	153
Table 4. 26 R-square Value.....	154
Table 4. 27 R-square Value Adjusted	155

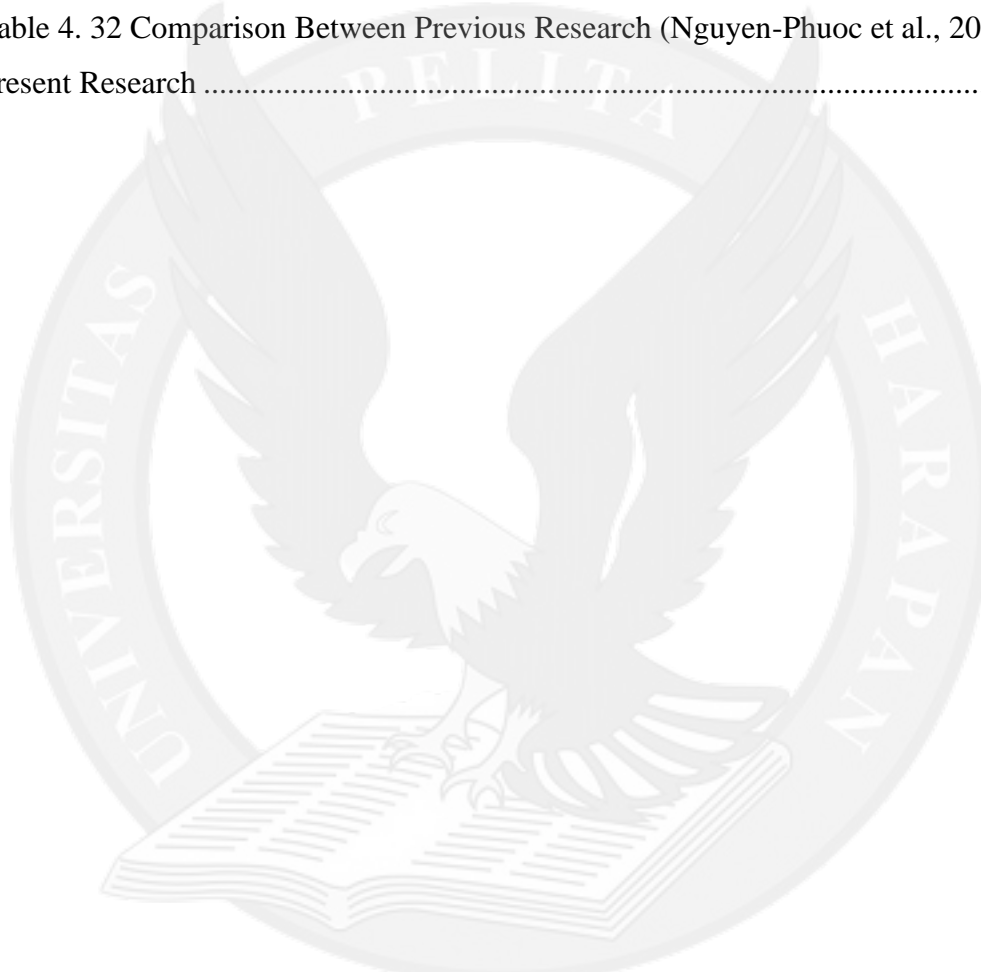
Table 4.28 Path Coefficients.....156

Table 4.29 Specific Indirect Effects.....158

Table 4. 30 Predictive Relevance..... 161

Table 4. 31 Hypotheses Testing..... 162

Table 4. 32 Comparison Between Previous Research (Nguyen-Phuoc et al., 2020) and Present Research 183



LIST OF APPENDICES

APPENDIX A QUESTIONNAIRE.....	206
APPENDIX B PRELIMINARY TEST MODEL	A-213
APPENDIX C PRELIMINARY TEST MEASUREMENT MODEL.....	A-3
APPENDIX D ACTUAL TEST MEASUREMENT MODEL.....	A-4
APPENDIX E ACTUAL TEST STRUCTURAL MODEL	A-5
APPENDIX F ACTUAL TEST PREDICTIVE RELEVANCE.....	A-6

