

CHAPTER I

INTRODUCTION

1.1 Background of The Study

Transportation, as the foundation of daily mobility, plays an important role in supporting daily human activities and therefore needs to be prepared carefully to ensure efficiency and safety. Among the various modes of transportation in Indonesia, such as land, sea, and air, land transportation has received significant attention from the public because of its affordable prices and ability to meet the need for sending goods to separate locations. In this context, land transportation, especially online motorcycle taxi services, is the main choice sought by the majority of the Indonesian population. Indah (2021)

Rapid progress in the online transportation services industry is reflected in the adoption of more integrated, efficient, and responsive systems, driven by information technology breakthroughs that accelerate the evolution of this industry. This change shows a fundamental transformation in the business processes of the online transportation industry, especially driven by developments in information technology, especially internet access, in changing the traditional paradigm. The Minister of Communication and Information firmly emphasized on the kominfo.go.id page that online motorcycle taxi service applications, such as Maxim, provide significant benefits for various levels of society, including drivers and passengers. presence of online transportation service entities such as

Gojek, Grab, and Maxim, as well as other online transportation services in Indonesia, show substantial penetration into meeting the daily mobility needs of the Indonesian people. (Kominfo, 2019)

Based on the results of a survey conducted by the Institute for Development of Economics and Finance (Indef), online transportation such as Gojek has succeeded in establishing its dominance as the online motorcycle taxi service of choice for Indonesian people. The survey found that as many as 82% of the total respondents chose to use services owned by PT GoTo Gojek Tokopedia Tbk., although some of them also have other similar applications. Meanwhile, Grabis in second place with 57.3% respondents using its services, followed by Maxim with 19.60% and InDrive, which is only interested in 4.90% of consumers. (dataindonesia.id, 2023)

Therefore, this sector has contributed to the gross merchandise value (GMV) of Indonesia's digital economy, the transportation sector, and online food delivery services, especially taxis and online motorcycle taxis (ojol), by reaching a GMV of US\$7 billion in mid-2023. In line with this, the online media sector projects an increase in the GMV of US\$7 billion, registering an increase of 5% from the previous year. Indonesia will remain the digital economy GMV leader in the Southeast Asia region in 2023, with Thailand and Vietnam ranking below it, with GMVs of US\$36 billion and US\$30 billion, respectively. (databoks.katadata, 2023)

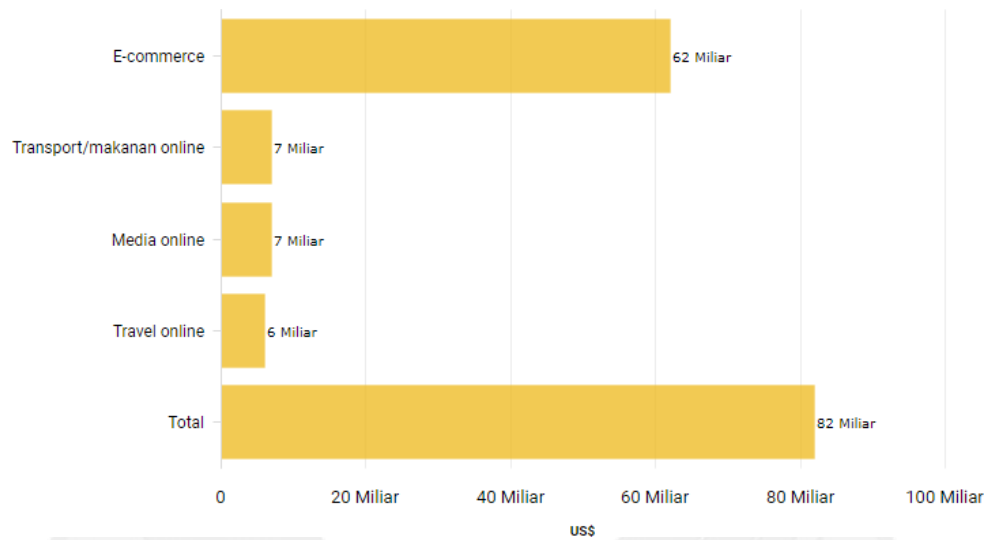


Figure 1.1 Projection of Gross Transaction Value/GMV for Indonesia's Digital Economy by Sector (2023)

Source: databoks.katadata.co.id, 2023

With increasing urbanization and changing consumer preferences, on-demand services such as ride-hailing and food delivery services have gained immense popularity. These services have not only revolutionized the way people travel but have also changed the business of the food industry. One of the key players in this digital revolution is the Maxim application, a leading platform that offers transportation, motorbike, and food delivery services in Indonesia. The Maxim app has emerged as a dominant force, providing users with a seamless interface to access a variety of services, from ordering food to booking a ride, all in one app. As competition in the Indonesian market becomes increasingly fierce, understanding the factors that influence customer satisfaction with the Maxim application becomes very important for its continued success. (Purba and Madiawati, 2021).

In the competitive landscape between online transportation companies, maintaining service quality that results in customer satisfaction is crucial. The definition of customer satisfaction, according to Fandy Tjiptono (2019), refers to the comparison between the customer's initial expectations before purchasing and the impression they obtain after purchasing. However, the concept of customer satisfaction is abstract and varies from individual to individual, involving aspects of individual expectations of the products or services provided by the company. Realization of customer satisfaction often depends on real-life experience in transactions, where satisfaction can be felt after the customer tries and feels fairness in the transaction process. Understanding customer satisfaction is not only limited to the initial transaction but also includes factors such as long-term loyalty to the company, willingness to try new products, minimal attention to competing brands, and price sensitivity.

Customer satisfaction is the cornerstone of any successful service-oriented business. The Maxim application, which serves transportation, courier, and food delivery needs, already has a large user base in Indonesia. Users now rely on the convenience, speed, and reliability offered by the app for their daily transportation and food consumption needs. The app's ability to meet and exceed customer expectations has played a vital role in its presence in the market. However, as user expectations continue to evolve, it is important to investigate the complex factors that support customer satisfaction in Maxim's application space so that trust in the brand can increase.

Brand trust stands as a fundamental pillar in the success of any service-based business. In the context of the Maxim application, brand trust reflects the users' confidence in the platform's ability to consistently deliver on its promises. As users rely on the application for their transportation, delivery, and culinary needs, the level of trust they place in the brand profoundly influences their decision-making processes. Factors such as the application's reputation, transparency, and perceived reliability all contribute to the establishment and maintenance of brand trust among its user base. (Purba and Madiawati, 2021)

The ease of use of a mobile application plays a pivotal role in shaping user experiences and perceptions. Navigating through the various features and services within the Maxim application should be intuitive and user-friendly. A seamless and efficient user interface can significantly impact user satisfaction. If the application is complex, confusing, or requires excessive effort to use, it can lead to frustration and dissatisfaction among users. Therefore, understanding the elements that contribute to the application's ease of use is crucial in enhancing overall customer satisfaction. (Kusumo and Rosyadi, 2023)

Service quality is a multidimensional concept encompassing various aspects such as reliability, responsiveness, assurance, empathy, and tangibles. In the context of the Maxim application, service quality extends beyond the physical transportation or delivery process. It also involves timely responses to queries, courteous interactions with drivers and delivery personnel, and the overall quality of the user experience. Consistently delivering high quality service is vital for

customer retention and positive word-of-mouth recommendations. (Setyawati, 2023).

The research was conducted on Maxim application users. Maxim is a ride-hailing and delivery app primarily operating in Eastern Europe and Central Asia, but is also available in a few Southeast Asian countries, including Indonesia. Maxim is a technology company that operates a platform for ride-hailing, delivery, and other on-demand services. Their core business model involves connecting users with drivers and delivery personnel to fulfill their needs for transportation, food, groceries, and more. They earn revenue through commissions on bookings and additional fees for certain services. Maxim first operated in Indonesia in July 2018 under PT. Teknologi Perdana Indonesia. When it initially began operations, Maxim only provided transportation and motorcycle booking services through the Taxsee Driver mobile application and the website id.taximaxim.com. Currently, Maxim is present in 70 major cities such as Jakarta, Bandung, Bali, Banda Aceh, Surabaya, Makassar, Bandar Lampung, Banjarmasin, Batam, Pontianak, Samarinda, Singkawan, Surakarta, Solo, Yogyakarta, Medan, Semarang, Palembang, and Balikpapan, with a total of over 500,000 driver partners.

The researcher undertakes research into the behaviors, perceptions, and experiences of users within the context of the Maxim application. Number of complaints to users of the Maxim application with competitors during January 2023 - May 2023 at Kecamatan Medan Kota can be seen as follows:

Table 1.1 The Number of Complaints of Users of the Maxim Application and Competitor.

Month	Maxim	Grab	Gojek
January 2023	15	5	18
February 2023	18	7	17
March 2023	25	5	15
April 2023	27	8	17
May 2023	40	10	15

Source: Users of the Maxim Application, Grab and Gojek. (2023)

Users of the Maxim application have shared different problems they face while using it. These complaints include things like services being late, not up to the expected quality, the app being hard to use, and sometimes not working correctly. People have also talked about drivers or delivery people not always being helpful, which makes them unsure about using the app. There are worries about the app keeping their personal information safe as well. These complaints show where the app needs to get better, so the company can fix these problems and make users happier with their experience.

Despite the immense potential and convenience offered by the Maxim application, several challenges persist. Users may encounter issues related to delayed deliveries, unsatisfactory service quality, or technical glitches within the application. These challenges have the potential to erode brand trust, hinder ease of use, and ultimately lead to lower customer satisfaction levels. Understanding the specific pain points users face and their perceptions of these challenges is vital for implementing effective improvements and ensuring a positive user experience across all services offered by the Maxim application. Addressing these challenges can lead to enhanced brand loyalty, increased user retention, and ultimately, sustained business growth.

The problem of brand trust can be seen as follows:

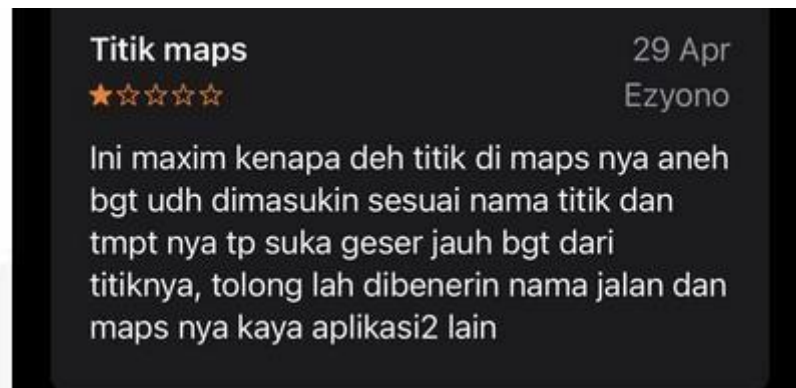


Figure 1.2. Brand Trust Problem in Maxim Application.

Source: Users of Maxim Applications. (2023).

The issue with brand trust for the Maxim Transportation online application stems from users experiencing inconsistencies and inaccuracies in the mapping system. Complaints highlight the frustration of inputting location details correctly, only to have the application display the location far from its designated point. Users expressed dissatisfaction with the application's failure to accurately represent street names and maps, comparing it unfavorably to other navigation applications. These discrepancies in mapping functionality not only undermine user confidence in the reliability of Maxim Transportation's online platform but also raise concerns about the overall effectiveness and quality of the service provided. Addressing and rectifying these issues is crucial for the brand to regain and maintain trust among its user base.

The maxim application has some problems with ease of use that can be seen as follows:

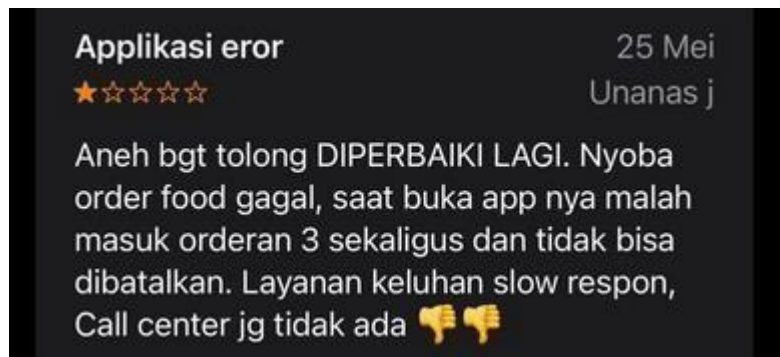


Figure 1.2. Ease of Use Problem in Maxim Application.

Source: Users of Maxim Applications. (2023).

The user faced difficulties while attempting to order food, encountering a failure where opening the app resulted in the initiation of three simultaneous orders that couldn't be canceled. Furthermore, the complaint highlights the inadequacies in customer support, citing slow response times for issue resolution and the absence of a functional call center. These challenges collectively contribute to a frustrating user experience, emphasizing the need for significant improvements in the application's functionality and customer service responsiveness.

The company should maintain the service quality. The problem of service quality can be seen as follows:

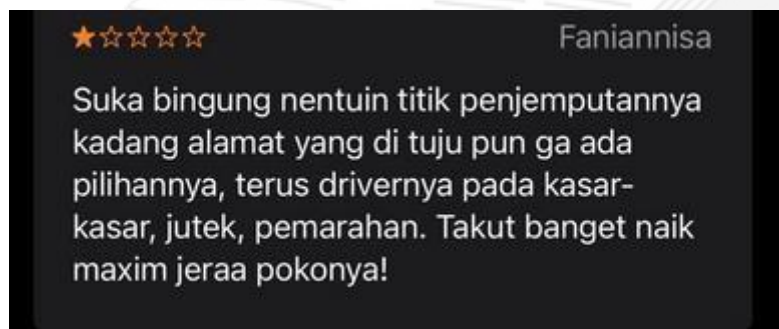


Figure 1.4. Service Quality Problem at Maxim Application.

Source: Users of Maxim Applications. (2023).

The service quality issue with the Maxim Transportation online application is characterized by several concerns raised by users that the customer often gets confused determining the pick-up point; sometimes the destination address is not even listed. Moreover, the drivers exhibit rough, unfriendly, and irritable behavior. It creates a significant sense of apprehension and reluctance to use Maxim due to these negative experiences, reflecting an overarching issue with the overall service quality, including both the app's usability and the behavior of the drivers associated with the platform.

The company has some complaints about the customer satisfaction from the company's service that can be seen as follows:

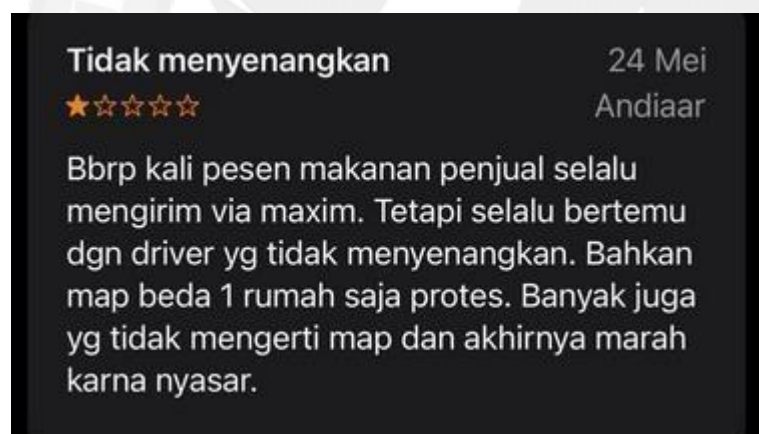


Figure 1.5. Customer Satisfaction Problem in Maxim Application.

Source: Users of Maxim Applications. (2023).

The customer satisfaction issue with Maxim Transportation's online application revolves around recurring problems encountered by users who frequently order food through the platform. Customers have reported consistent dissatisfaction with the behavior of the delivery drivers provided by Maxim. Instances include drivers expressing displeasure even when the destination is just

one house away from the indicated location on the map, leading to unnecessary protests. Moreover, a significant number of drivers seem to lack a proper understanding of maps, resulting in instances where they get lost, causing frustration and anger among customers who have to deal with delayed or misguided deliveries. These issues collectively contribute to a decline in overall customer satisfaction with Maxim Transportation's online food delivery service.

The success of any digital application should be considered customer satisfaction. With the rise of the Maxim application and its increasing user base, understanding the factors that contribute to user satisfaction becomes crucial. The researcher will conduct the research on key components of brand trust, ease of use, and service quality to the customer satisfaction of Maxim application users. Based on the background information, the researcher wants to conduct the research with the title "**The Effect of Brand Trust, Ease of Use, and Service Quality on Customer Satisfaction of Maxim Application Users**".

1.2 Problem Limitation

By considering the limitations of time and writer's ability, the writer determines the focus of research on brand trust, ease of use and service quality as independent variable and customer satisfaction as dependent variable and due to the author's limitations, this research could only be carried out in the Medan area. This scope could involve an examination of Maxim Applications such as ride-hailing or transportation applications. This scope would involve segmenting the user base of

Maxim Application based in Medan. This scope would limit the research to 2023.

This could involve tracking user behavior and satisfaction levels at 2023.

1.3 Problem Formulation

Based on the background study, the problem identification is as follows :

1. Does brand trust have a partial effect on customer satisfaction of Maxim Application users?
2. Does the ease of use have a partial effect on customer satisfaction of Maxim Application users?
3. Does service quality have a partial effect on customer satisfaction of Maxim Application users?
4. Do the brand trust, ease of use and the service quality have an effect on customer satisfaction for Maxim Application users simultaneously?

1.4 Objective of the Research

The purposes of writing are as follows:

1. To know the effect of brand trust on customer satisfaction of Maxim Application users partially.
2. To know the effect of ease of use on customer satisfaction of Maxim Application users.
3. To know the effect of service quality on customer satisfaction of Maxim Application users partially.

4. To understand the effect of brand trust, ease of use and service quality on customersatisfaction of Maxim Applications users simultaneously.

1.5 Benefits of the Research

1.5.1 Theoretical Benefits

- a. This research contributes to the theoretical understanding of the relationships between brand trust, ease of use, service quality, and customer satisfaction.
- b. An understanding of the factors influencing customer satisfaction can contribute to creating a more positive and satisfying user experience.

1.5.2 Practical Benefits

The benefits of this study are as follows :

- a. As a writer, this study is expected to increase knowledge in hospitality, especially service recovery, complaint handling, perceived value and customer loyalty.
- b. For the company, the research findings offer valuable insights for companies, especially those in the mobile application sector, to understand the critical factors driving customer satisfaction..
- c. For other researchers, this research contributes to academics about brand trust, ease of use, service quality and customer satisfaction, and for researchers to delve deeper into research about customer satisfaction.

- d. For Universitas Pelita Harapan, this research contributes to adding knowledge and experience for students to maintain customer satisfaction at hotels.

