CHAPTER I INTRODUCTION

1.1   Background of The Study

Transportation helps people with daily tasks like work, school, and travel. Many still rely on public transportation, but this is often not supported by enough capacity. In Indonesia, online transportation developed due to the disorganized system. It provides ease, lower costs, comfort, and better security, leading many to shift from traditional to online options. Large companies like Gojek, Grab, InDriver, Uber, and Maxim are competing in this market.

InDriver aims to compete by focusing on customer satisfaction. Satisfaction is how a customer feels after comparing their experience with their expectations. If the experience is below expectations, they feel dissatisfied. If it meets expectations, they feel satisfied. If it exceeds expectations, they feel very satisfied or happy.

InDriver is an online transportation service in Indonesia that prioritizes customer satisfaction in its marketing. Increasing customer satisfaction requires attention to brand image, customer experience, and trust.

Table 1.1 Data on the Number of InDriver Customers in Medan from 2019-2023

Year	Number Of Customers	% Difference Number Of Customers
2019	73,556	-
2020	82,241	11.81%
2021	86,113	4.71%
2022	77,579	-9.91%
2023	62,518	-19.41%

Source: InDriver, 2024

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The table above shows that the data on the number of InDriver customers in Medan tends to decrease during 2019-2023. This is because customers do not prioritize InDriver as their first choice compared to Grab or Gojek. In addition, many customers still feel that the performance received from the InDriver service does not match the expectations or desires of customers, which causes customers to switch to other online transportation such as Grab and Gojek.

One key to increasing customer satisfaction is brand image. Brand image is how consumers perceive a brand when they think of a product. It represents a brand's reputation and reliability, guiding consumers in their decision to try the product. Brand Image also affects customer satisfaction as seen by the fact that the total number of downloads of online transportation applications by the Indonesian people has increased from 2022-2023. This interest confirms the increasing trend of utilizing services and ordering transportation through digital applications.
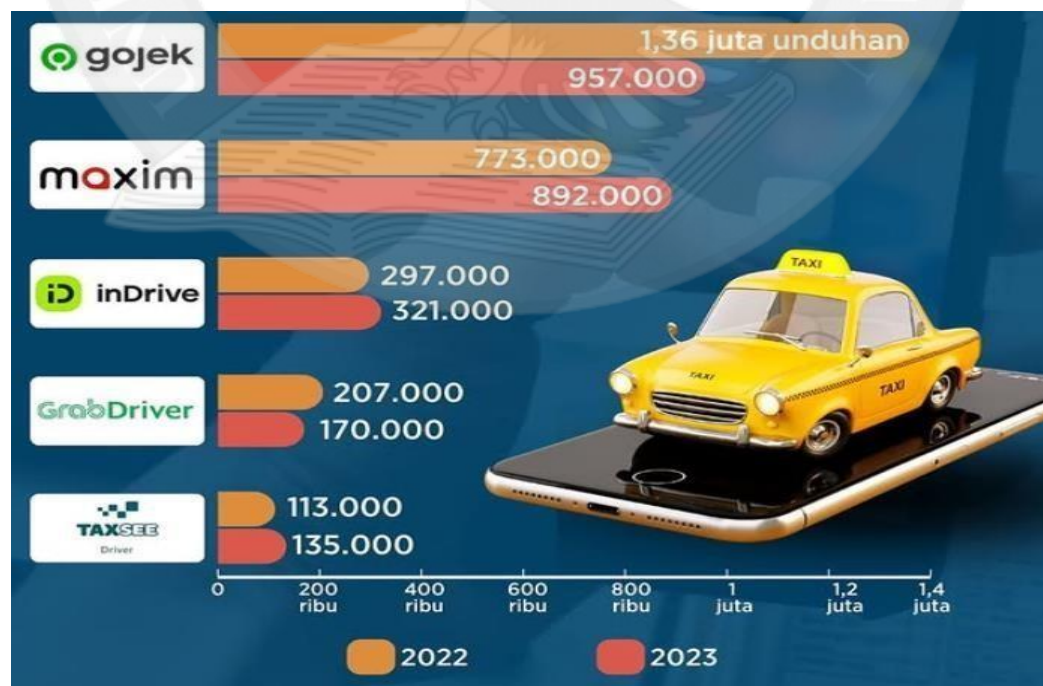

Figure 1.1 Total Data on Online Transportation Application Downloads in 2022-2023
Source: https://www.instagram.com/databoks.id/p/C3Rqe4eSSNS/

The data above shows the fact that InDriver is still ranked third compared to Maxim and Gojek. This is because there are still customers who do not know InDriver Transportation because no one has recommended InDriver Transportation to customers. In addition, customers are not yet sure about using InDriver Transportation because customers feel that there is still a better service InDriver Transportation and to meet transportation needs, customers still do not trust InDriver Transportation.

Customer experience refers to how consumers feel about a company based on their interactions with its services, facilities, and other customers. It involves managing these experiences strategically. This includes all events perceived by customers regarding the product and brand, engaging them on various levels: rationally, emotionally, sensorily, physically, and spiritually.

Figure 1.2 Customer Experience of InDriver customers
Source: InDriver, 2024

The image above illustrates how InDriver transportation customers tell their experiences using online transportation services. As experienced by one customer, the customer felt that the InDriver transportation service offered was not good where the driver's knowledge of the roads in the city of Medan was still low. This made customers feel uncomfortable using online transportation services at that time and might make them reluctant to come back again. However, some InDriver transportation customers have problems with delays in customer pick-ups, where customers often wait a long time to receive an InDriver transportation driver. Trust is another factor that can affect customer satisfaction. Trust as a belief held by customers that they will only get the desired benefits through certain products rather than competing products offered in the market. In this case, the company can build emotional trust if the company can prove that the brand is only for customers and meets their expectations. Brand trust will bring good results to the company. If consumers are comfortable with the brand that has been purchased, then consumers will be satisfied with the brand, therefore consumers feel that they have been given trust about the brand that has been purchased.

In addition to brand image and customer experience issues, it is also known that trust in using InDriver transportation services is still relatively low. This can be seen from the honesty indicator where customers do not yet believe that drivers working at InDriver have not been able to keep their promise not to arrive late according to customer expectations. From the benevolence indicator, customers are not yet convinced that InDriver transportation can provide the best service for old customers according to customer needs, so this makes customers switch to looking for other transportation services. And from the competency indicator, customers feel that

InDriver transportation drivers do not yet have the knowledge and skills to work as drivers.
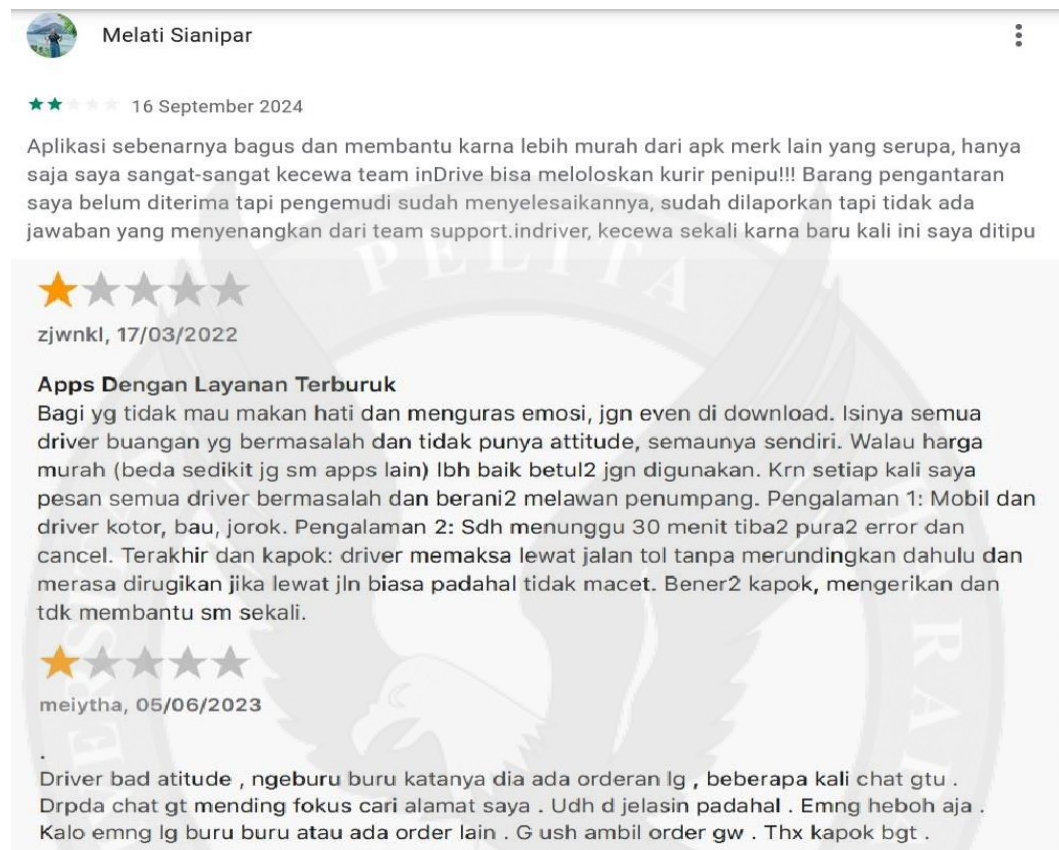

Figure 1.3 Customer Trust of InDriver customers
Source: InDriver, 2024

Based on the background, the writer is interested in conducting research with the title "**The Effect Of Brand Image, Customer Experience And Trust Towards Customer Satisfaction Using The InDriver Transportation**".

1.2   Problem Limitation

The problem limitation technique prevents research from deviating from focus and makes the discussion easier to understand. The writer determines problem limitation on brand image, customer experience and trust as independent variables (X) and customer satisfaction as dependent variable (Y). Indicators of brand image are

recognition, reputation and affinity. Indicators of customer experience area sense, feel, think, act and relate. Indicators of trust are honesty, benevolence and competence. Indicators of customer satisfaction in this study are confirmation of expectations, repurchase interest and willingness to recommend. The research was conducted in InDriver. The population and samples used are company's customers who have made purchases at InDriver transportation.

1.3 Problem Formulation

Based on the above information, the writer can find the following problems:

a. Does brand image has a partial effect towards customer satisfaction using the InDriver transportation?

b. Does customer experience has a partial effect towards customer satisfaction using the InDriver transportation?

c. Does trust has a partial effect towards customer satisfaction using the InDriver transportation?

d. Do brand image, customer experience and trust have a simultaneous effect towards customer satisfaction using the InDriver transportation?

1.4 Objective of the Research

The objectives of the research are as follows:

a. To analyze whether the brand image has a partial effect towards customer satisfaction using the InDriver transportation.

b. To analyze whether the customer experience has a partial effect towards customer satisfaction using the InDriver transportation.

c.   To analyze whether the trust has a partial effect towards customer

satisfaction using the InDriver transportation.

d.   To analyze whether brand image, customer experience and trust have a

simultaneous effect towards customer satisfaction using the InDriver

transportation.

1.5.   Benefit of the Research

This research aims to bring direct and indirect benefits to education, outlined in the

following expected benefits:

1.5.1. Theoretical Benefit

This research aims to enhance understanding for researchers about brand image,

customer experience, and trust impacting customer satisfaction with

InDriver transportation.

1.5.2. Practical Benefit

The practical benefits of this research consist of :

a.   For company, this research can help companies improve customer

satisfaction by enhancing brand image, customer experience, and trust.

b.   For writer, this research enhances understanding of marketing management,

focusing on brand image, customer experience, trust, and satisfaction.

c.   For other researcher, this research can serve as a reference for future studies.