

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Customer interactions with services have evolved due to the rapid advancement of online platforms and technological advances, especially in the delivery and transportation industries. According to Statista (2024), 71% of Indonesian respondents identified ride-hailing services as their most frequently used mode of transportation for short distances. Ride-hailing is a transportation service that provides a flexible and easy substitute for traditional taxi services by enabling users to use a smartphone app to request a ride from a nearby driver (Olayode et al., 2023). The most common ride-hailing platforms in Indonesia include Grab, Gojek, and Maxim. Grab, a technology company based in Southeast Asia, has its headquarters in Singapore. Initially launched as a ride-hailing application in 2012, it has evolved into a "super app," providing an array of services including financial services, food delivery, digital payments, and additional offerings. Grab has operations in several Southeast Asian nations, including the Philippines, Thailand, Vietnam, Malaysia, and Indonesia. It has had a big impact on the digital economy and is among the most well-known tech enterprises in the area.

Understanding customers' intentions to re-use the company's services is crucial for maintaining its competitiveness. "Intention to reuse" denotes a user's anticipated behavior, readiness, and likelihood of persistently utilizing a system, service, or product in the future (Anshori et al., 2022). Reuse intention is important since it affects consumers' decisions in the marketplace according to their personal preferences. There is a high chance to strengthen customer retention in the hopes of benefiting the business if there is a strong intention to reuse. Therefore, businesses must constantly research what motivates consumers to reuse a service or product (Manganti et al., 2024).

Based on data from the Top Brand Index for the years 2020–2024, Grab's brand index has significantly decreased over that time. A brand index is a ranking or score that assesses a brand's strength, popularity, or reputation by examining factors including market performance, customer satisfaction, loyalty, awareness, and perception. Grab maintained a solid position in 2020, as seen by its substantial market presence at the time, with a brand index of 43.50%. However, the company's index fell to 31.60% by 2024, a significant 11.90 percentage point decline. Additionally, according to the report, Grab's brand index is now lower than that of Gojek, one of its main rivals in the ride-hailing and digital services sectors.



Figure 1.1 Grab and Gojek Index 2020-2024

Source: Top Brand Index

According to polling data from the Institute for Development of Economics and Finance (INDEF), only 57% of respondents utilize Grab, in contrast to 82.6% who employ Gojek.

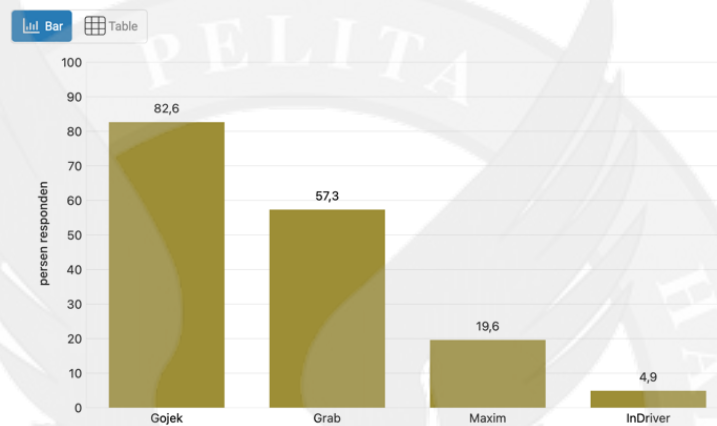


Figure 1.2 Most Used Online Transportation 2022  
Source: Top Brand Index

A pivotal determinant that may influence an individual's propensity to reuse a product or service is customer satisfaction. Customers are considered satisfied when their expectations—no matter how high or low—are fulfilled, as this affects their choices, opinions about the product or service, and future reuse intentions (Zinedine et al., 2023). Customers are encouraged to consider about reusing when they are highly satisfied. However, not living up to consumer expectations can make them less likely to reuse, which will ultimately result in lower revenue. With satisfaction acting as a mediating variable in this relationship, numerous studies have demonstrated that satisfying customers' needs and expectations is a critical component influencing their intention to return to a brand or business (Wang et al., 2020). On a 0–4 scale, Grab's customer satisfaction rating for app usability was just

3.27, whereas Gojek's was higher at 3.39 (Ahdiat, 2022). Furthermore, according to Mulia Wibawa et al. (2022) findings, Grab has a 77.2% customer satisfaction percentage, while Gojek has a marginally higher score of 78.2%.

Many customers have expressed dissatisfaction with Grab's service quality and app performance, as reflected in numerous complaints on the (Google Play Store, 2025). Users have complained about things like the app underperforming because of too many ads, the elimination of necessary functions following updates, and the inability to cancel food orders, which often results in prolonged waiting times. These persistent issues add to consumers' increasing frustration, which in turn lowers their level of satisfaction. If such concerns remain unaddressed, they could lead to a decline in customer loyalty and a reduced intention to reuse the service in the long run.

Bagas H & Unnes K.S (2022) highlights the significance of perceived ease of use in enhancing customer satisfaction and reuse intentions. Perceived ease of use (PEOU) denotes individuals' evaluation of the simplicity involved in learning and utilizing a new technology (Keni, 2020). When individuals perceive new technologies as overly complex and difficult to understand, they often abandon or refuse to utilize them. This perceived complexity can significantly hinder their willingness to use or integrate such technologies into their daily lives.

Grab has a number of operational and technical problems with its app that have a big influence on user satisfaction and experience. These include frequent app glitches or disruptions that are inconvenient for both drivers and passengers, as well as inaccurate location pinpointing on the map that causes discrepancies

between the actual pickup or drop-off locations and the locations displayed in the app, which causes confusion, delays, and frustration. This significantly impacts its perceived ease of use, as incorrect locations and errors make it difficult to use (Seindang & Muslikh, 2024).

Additionally, Pratiwi & Rahmiati (2022) emphasizes the significance perceived usefulness in enhancing satisfaction and encouraging reuse intentions. The term "perceived usefulness" (PU) refers to individuals' assessments of whether new technology will substantially enhance their overall quality of life (Setyo Iriani & Lestari Andjarwati, 2020a). Prospective customers are considerably less likely to adopt the latest innovation if they believe it does not offer substantial enhancements or simplify their daily work, making them neither simpler nor more effective. People may be hesitant or even change their minds about implementing the new technology if they don't see any discernible benefits over their present methods (Keni, 2020).

Grab is also facing issues with the frequent occurrence of fictitious or non-existent orders assigned to drivers. This causes them to waste time and resources since they arrive at locations only to discover that no real customers are waiting, which lowers their profits and interferes with the platform's general functionality. Efendi & Nadia (2023) mentioned that the wait time for a driver to arrive or pick up food is quite long, and there are many technical issues with the application, which can lead to failed orders due to system errors. This significantly impacts perceived usefulness, as long wait times affect efficiency and speed. When these persistent problems are not resolved quickly, they negatively impact the user

experience, causing discontent and potentially prompting users to seek alternative services, which can also affect the company's brand trust.

According to Ni Putu Devighita Tasya Maharani et al. (2024) brand trust have an influence toward the satisfaction and reuse intention. Brand trust is the assurance that a brand is reliable and dependable, built upon consumer confidence that the product will deliver its promised value (Bernarto et al., 2020). Haudi et al. (2022) also mentioned that brand trust is the consumers' confidence and comfort following the use of a company's services or products, which are relied on the achievement of expectations and favourable results.

Based on (Buruhanutheen et al., 2019) findings, Grab has been discovered to have safety problems that impact both drivers and passengers, especially women. For instance, a Grab driver is accused of raping a single mother in June 2017, which raises serious safety concerns about ride-hailing services. On October 23, 2018, another concerning event happened when a male driver purposefully did not arrive at the drop-off location for a female passenger, making the trip that should have lasted 30 minutes instead last an hour and a half. During the ride, the driver reportedly made inappropriate sexual remarks and implied that he should be the first to engage in sexual activity with the victim. The organisation has a zero-tolerance policy for major infractions and crimes committed by drivers, guaranteeing that they would be removed from the platform right away if a victim reports them. However, authorities might not do anything further if victims are too ashamed or hesitant to tell the police about instances. Additionally, in 2020, Grab

put drivers' and passengers' personal information at risk of unauthorized access (Wong, 2020). These will affect Grab's reliability and safety.

Consequently, based on the findings of the study regarding the analyzed variables, this research is titled "Influence of Perceived Ease of Use, Perceived Usefulness, and Brand Trust on Reuse Intentions: The Mediating Role of Satisfaction Among Grab Users in Medan".

## **1.2 Problem Limitation**

Every research project needs to clearly define its limitations or constraints to ensure that the discussion within the appropriate scope. Consequently, this study acknowledges several limitations.

- 1) The variables that will be employed in this research comprise perceived ease of use ( $X_1$ ), perceived usefulness ( $X_2$ ), and brand trust ( $X_3$ ) as independent variables affecting reuse intention ( $Y$ ), with satisfaction ( $Z$ ) acting as a mediator.
- 2) This research solely focuses on Grab users in Medan, and the respondents in this survey will include both male and female customers.
- 3) The data acquired from the questionnaire distribution in Medan will be employed to evaluate the research model.

## **1.3 Problem Formulation**

The study's findings indicate that the problem statement can be further refined for enhanced precision. The recognized problems are as follows:



- 1) Does perceived ease of use influence on the customer satisfaction among Grab users in Medan?
- 2) Does perceived usefulness influence on the customer satisfaction among Grab users in Medan?
- 3) Does brand trust influence on the customer satisfaction among Grab users in Medan?
- 4) Does perceived ease of use influence on the reuse intention among Grab users in Medan?
- 5) Does perceived usefulness influence on the reuse intention among Grab users in Medan?
- 6) Does brand trust influence on the reuse intention among Grab users in Medan?
- 7) Does customer satisfaction influence on the reuse intention among Grab users in Medan?
- 8) Does customer satisfaction mediate the relationship between perceived ease of use and reuse intention among Grab users in Medan?
- 9) Does customer satisfaction mediate the relationship between perceived usefulness and reuse intention among Grab users in Medan?
- 10) Does customer satisfaction mediate the relationship between brand trust and reuse intention among Grab users in Medan?

#### **1.4 Objective of the Research**

Several research objectives formulated to tackle the identified issue:



- 1) To investigate the impact of perceived ease of use on customer satisfaction among Grab users in Medan.
- 2) To investigate the impact of perceived usefulness on customer satisfaction among Grab users in Medan.
- 3) To investigate the impact of brand trust on customer satisfaction among Grab users in Medan.
- 4) To investigate the impact of perceived ease of use on reuse intention among Grab users in Medan.
- 5) To investigate the impact of perceived usefulness on the intention to reuse among Grab users in Medan.
- 6) To investigate the impact of brand trust on the intention to reuse among Grab users in Medan.
- 7) investigate the impact of customer satisfaction on the intention to reuse among Grab users in Medan.
- 8) To investigate whether customer satisfaction mediates the connection among perceived ease of use and reuse intention among Grab users in Medan.
- 9) To investigate whether customer satisfaction mediates the connection among perceived usefulness and reuse intention among Grab users in Medan.
- 10) To investigate whether customer satisfaction mediates the connection among brand trust and reuse intention among Grab users in Medan.

## **1.5 Benefit of the Research**

In accordance with the specified research objectives, the benefits of this investigation can be characterized as follows:

### **1.5.1 Theoretical Benefit**

The study's theoretical benefits are listed below:

1) **For Educational Purposes**

This study attempts to clarify how perceived usefulness, perceived ease of use, and brand trust influence reuse intention via the mediating factor of satisfaction. This involves examining how these theories in question can influence each other. In addition, this study is anticipated to be used as a reference for future studies.

2) **For the Writer**

The writer aims to conduct thorough assessment of real firms and case studies by utilizing the knowledge imparted through lectures. It is also expected that it endeavors will strengthen the researcher's skill and knowledge during the process.

### **1.5.2 Practical Benefit**

Outlined below are the practical advantages of this research:

1) **For the Company**

Grab can use this study as a strategic guide to improve satisfaction and reuse intention by gaining an extensive understanding of the functions of perceived utility, perceived ease of use, and brand trust.

2) **For Other Firms**

Further information and comprehension about the importance of taking into account the factors examined within the retail industry can be obtained from this study. It can be a valuable resource for other firms striving to boost reuse intention.

3) For the Writer

A variety of abilities are needed to carry out this study, including academic writing, data collection, analysis, and research design. These abilities will be valuable for future academic and professional ventures.

