The Factors Affecting Competitive Advantages and Their Implementation on The Consumer Loyalty of Transjakarta Transport Service Users

Prasadja Rcardianto *, MIskul Firdaus, Aang Gunawan

Trisakti Institute of Transportation and Logistics, Jakarta, Indonesia

Abstract

The purpose of this research is to know the interaction between consumer loyalty and competitive advantage. Transjakarta transport service is inseparable from the possibility that consumers will move from one service provider to other service providers for certain reasons. Marketers need to understand the reasons in order to determine the marketing strategy accordingly. The key for a company to stay exist is the company’s ability to retain its customers. This study uses Double’s Part Analysis Method, Path Analysis Method and Linear Regression fully equipped with several statistical test, instrumentation analysis although the calculation are using largely the form of estimation functional’s model. The respondents as many as 240 Transjakarta service users, sampling method in this research uses non probability sampling technique, such as by purposive sampling. The variables studied are service quality, ticket price, customer satisfaction, consumer loyalty, and competitive advantage. Hopefully, the use of the functional model of Competitive Advantage, optimally and maximally, will be more reliable than the use of the classic functional model of consumer loyalty. The producer or service provider of Transjakarta transport service can use this double part analysis method as a means of achieving the company’s financial objectives as well as obtaining the success exceeding the competitors’ ability. The benefit of this study is that Transjakarta can maintain and enhance the long-term occupancy rate of its users.

Keywords: Competitive Advantages; Consumer Loyalty; Customer Satisfaction; Service Quality; Ticket Price; Transjakarta

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* Corresponding author. E-mail address: rcardianto@gmail.com
1. Introduction

The increasing competition in transportation service industry especially in Jakarta area and even in the very huge area of Jabodetabek has forced the marketers of land transport service industry to enhance their customer loyalty. The main reason for land transport service companies to enhance consumer loyalty is to retain their customers so that they do not go to the competitors and keep using their services. Many land transport service companies consider the appropriate measure which does not require much cost, that is by improving the service quality delivered to the users in order to retain them instead of finding new customers.

Customer satisfaction is related to consumer loyalty and will result in profitability. There is a possibility that the customer of Transjakarta transport service will move to another service provider for certain reasons. Marketers need to understand the reasons to be able to define an appropriate marketing strategy. The key for a company to keep existing is its ability to maintain its customers. If the customers go away, then the company’s existence is not necessary anymore. Therefore, the company needs to detect the behaviour of its customers. Previous studies have been done by some researchers, discussing five variables namely service quality, ticket price, customer satisfaction, customer loyalty, and competitive advantage. In term of service quality; planning and methodology implementation are performed to measure and evaluate the effect of bus transport service quality on passengers’ demand (Berežný and Konečný, 2017). In term of ticket price, the scheme of ticket pricing for inner city bus has been designed to reduce the externality caused by traffic (Croci, 2016). Research on customer loyalty shows the significant between consumer loyalty and customer’s dependence. Study on competitive advantage shows a business that has operated to develop the theoretical model with resource-based approach and dynamical ability approach, developing competitive advantage in an entrepreneurial process (Lobacz and Głodek, 2015).

Competitive advantage is created and supported by the company that develops and takes advantage of "strategic" values in effective ways in order to create assets which tend to be intangible, rare, and difficult for others to imitate (Lev, 2017). The novelty of this study is that it tries to find a new research model using the approach of Double Part Analysis Model which has not been studied before. This research is of the extension of Path Analysis Method. And the variables of service quality, ticket price, customer satisfaction, consumer loyalty, and competitive advantage have not been studied simultaneously by the previous researchers. In Bogota, Colombia, with several successful cases worldwide, Bus Rapid Transit (BRT) has reinvented itself as an alternative for cost-effective transportation for the sake of urban mobility. Despite the reinvention of BRT, there is a lack of research examining BRT's ability which can stimulate its development (Targa et al., 2004). Again in Colombia, the research analyzes the situation of Bogotá's current public transportation and seeks to draw lessons for the cities in the developing countries, particularly in Latin America, which try to imitate Bogota’s reforms (Ardila, 2007). Bogotá, Colombia, has become the pioneer in developing an efficient low-cost urban transportation network with its innovative bus rapid transport system. When TransMilenio enters the second decade of its operation, the long-term sustainability of that system has come into question (Bassett and Marpillero, 2013).

The result of research in Jakarta shows that the users of Transjakarta judge the dimension of empathy as the most and quite the reverse they judge the dimension of tangibility as the worst. The data shows that
empathy is the dimension in which service quality “is considered” as highly possible to improve Bus Transjakarta. It seems not yet to be an alternative vehicle for the citizens of capital city to travel faster (Fitriati, 2012). By improving the quality of Transjakarta Busway service, it is expected that people will prefer to use public transportation so that the congestion level in Jakarta city can also be reduced (Ryan and Nawangpalupi, 2012). Another study provides the elements needed for successfully integrating the considerations of road safety into the design and operation of BRT and busway systems in the future (Duduta et al., 2014).

2. Literature Review

2.1. Service quality (X1)

Service quality is one of the five specific dimensions of service which becomes the focus of assessment that reflects customer’s perception. Whereas satisfaction is more inclusive; it is determined by the perception on service quality, product quality, price, situation factors, and personal factors (Zeithmal et al., 1996).

Service quality is the degree of excellence expected by consumers, and the control over that excellence is to fulfill the customer want (Kotler, 2002). Five dimensions of the Service Quality variable frequently used by researchers (multidimensional meaning) are: 1) physical evidence (tangibles), 2) reliability, 3) responsiveness, 4) assurance and 5) empathy (Parasuraman, 2009). The results of research in Hong Kong indicate that the five dimensions of SERVQUAL have a positive influence on customer satisfaction. Tangibility, responsibility, reliability and assurance contribute more significantly to customer satisfaction, while empathy contribute the least significantly (Lau et al., 2013).

Some researchers stated there is a meaningful difference in terms of five determining dimensions in subordinate hypotheses which include factors of sensibility, validity, reliability, responsiveness and sympathy with respect to the quality of services of Servqual model (Sadeghdaghighi and Cheginl, 2016). The findings of research in India, indicate that service seeker and service provider relationship, quality of facilities and the interaction with supporting staff have a positive effect on customer perception (Kondasani and Panda, 2016). The results of research in South Africa show the gaps in some dimensions and a number of attributes identified as having significantly enough influenced the perception on service quality which leads to customer dissatisfaction (Luke and Heyns, 2017).

2.2. Ticket price (X2)

Price is one of important variables in marketing, where it can influence customers in making decisions to buy a product, for various reasons (Ferdinand, 2006). Three dimensions of the ticket price variable are: 1) conformity between the price and the quality of services delivered, 2) conformity between the price and the services received, 3) conformity between the price and the facilities, and 4) conformity between the tariff and the distance to travel (Kotler and Armstrong, 2014).
2.3. Customer satisfaction (Y1)

In terms of customer satisfaction, there is a strong emphasis on the importance of perception on service quality and the correlation between customer satisfaction and service quality (Laroche and Taylor, 1988), (Cronin and Taylor, 1994). Customer satisfaction, as an overall attitude shown by consumers over the goods and services after they obtain and use them (Mowen and Minor, 1998). Customer satisfaction is someone’s feeling of happiness or disappointment as a result of comparing between the perceived performance or product and the expected one (Kotler, 2002). Job satisfaction as an attitude or emotional response to various aspects of one’s work. This definition means that job satisfaction is not a single concept, and one may be relatively satisfied with one of the aspects of his work and made unsatisfied with one or many aspects (Kreitner and Kinicki, 2011). Job satisfaction is the result of employees’ perceptions of how well their work provides the important thing and suggests that there are a number of factors that affect job satisfaction. There are six important dimensions: salary, work itself, promotion opportunity, supervisor, work group and work condition (Luthans, 2011).

The results of research indicate that autonomy and relatedness satisfaction partially mediate the relationship between Human Resource practices and Human Resource Management outcomes (Marescaux et al., 2012). The study in Pakistan show that reinforces the importance of employee job satisfaction which is essential for successful firm in modern current era (Ur Rehman et al., 2012). Jeong stated that a significant positive relationship between structural or psychological empowerment and job satisfaction was found (Jeong, 2013). The result of research that employees have now become one the most important assets of a company; their level of happiness and satisfaction will directly impact their working performance and affect company’s overall performance and sustainability (Chung and Yazdanifard, 2014).

The survey results demonstrated that most employees are satisfied, while improvements are needed in certain areas to provide employees with a more fulfilling work environment (Gilbert et al., 2015). A pleasant emotional state that results from a job assessment or a person’s work experience. It represents how you feel about the job and what you are thinking about your work (Colquit et al., 2015). The results of study in Croatia, shows the existence of a clear link between employees’ job satisfaction and organizational performance in both directions (Bakotić, 2016). The results of the multiple regression analysis indicated that customer satisfaction depends on attention to customer complaints (Kondasani and Panda, 2016). Another result shows the existence of a positive correlation between the dimensions of job satisfaction and performance of employees (Durai, 2017).

Three dimensions of customer satisfaction variable are: 1) Services in accordance with customer expectation, 2) Customer’s willingness to recommend to other people, and 3) Satisfaction over the perceived quality of service.

2.4. Consumer loyalty (Y2)

Loyalty, as a deeply held commitment to repurchase or support the preferred product or service in the future although the influence of situation and marketing efforts has potentials to make customers move to the
competitors (Kotler et al., 2012). The research dimensions of customer loyalty variable \((Y_2)\) in this study referring to the research (Pong and Yee, 2001) are: 1) reuse of service, 2) the embedding of service positively in the customer’s mind, and 3) always becoming customer’s main choice (Lau et al., 2006). Other results confirm how tacit knowledge about customers represents a resource able to promote customer loyalty (Pereira et al., 2016).

The outcomes of the analysis indicate that the ability of an organization to appropriately implement the dimensions of tangibility, reliability, responsiveness, assurance and empathy in executing daily jobs has become important determinants of customer loyalty (Ismail et al., 2016). The results of research in China show that customer loyalty has a positive effect on customer entitlement (Xiaofei et al., 2017). In another result, the findings also reveal that the choice of channel exerts a moderating effect on the different dimensions influencing loyalty and those results vary from one sector to another (Brun et al., 2017).

2.5. Competitive advantage \((Y_3)\)

Competitive advantage variable \((Y_3)\) is the producer’s ability to face the competition according to consumer’s judgement (Smith and Wright, 2004). Four research dimensions used here are: 1) Ability to compete by increasing the number of operational fleets, 2) The breadth of network involved as Operation Partners with some other modes of transport, 3) The enhanced source of fund to present various kinds, models and types of current fleets, and 4) The excellence of current fleet technology which is always shown in various media. The findings of this study in Malaysia indicate that managerial competence is the function of relationship quality and competitive advantage.

In addition, relationship quality is significantly related to competitive advantage and it partially mediates the relationship between relationship quality and competitive advantage (Ismail et al., 2014). The data used for research is analyzed to determine the inimitable resources that enable them to achieve competitive advantages (Huang and Dai, 2015). Bugador also states, that business group advantages have implications on the affiliate-level advantages (Bugador, 2015).

Another Reseacher, stated that how innovation emerges, and under which circumstances innovation can serve as a source for competitive advantage (Brem et al., 2016). Delery and Roumpi argue that Human Resource Management practices can contribute to a firms sustainable competitive advantage not only by enhancing employees ability, and offering motivation and opportunities (Delery and Roumpi, 2017). In Malaysia, researchers stated that, trust affects competitive advantage through commitment and the effect of commitment on export performance is mediated by competitive advantage (Ismail and Alam, 2017).

3. Research methodology

This research use Double’s Part Analysis Method fully equipped with several statistical test, instrumentation analysis although the calculation are using largely the form of estimation functional’s model (Unstandardized Coefficients: Regression’s Model I, Regression’s Model II, Regression’s Model III (Simple Regression) and
The functional model's estimated of both Part Analysis Method (Standardized Coefficients). The Double's Part Analysis Method constitute the pair of the union Part Analysis Method between classical functional's model “consumer's loyalty” (as the origin function) with functional's model “compete superiority” (as the relay function). The empirical result of The Double's Part Analysis Method be able from the utilization two concept data: data with category (the first total) and data with category (the secondly total).

The hopeful that utilization functional's model “compete superiority”, as optimal result in spite of the fact as maximal result are more than reliable to appeal with the classical functional's model “consumer's loyalty” (as the origin function) until to the producer as the supplied of Transjakarta transportation’s services can use this Double's Part Analysis Method as Vision or Mission to achieve the aim financial cooperation along with to obtain the Success the thing which afford to exceed the ability others competitor of Land Transportation’s Services Cooperation.

This study uses 40 indicators, so the sample for this research is as many as 240 respondents. In order to know all the indicators and the average dimension per item of the Variable Dimension which experiences drop condition even those which is unreliable, then multi-linear regressive analysis model is used. The researchers propose service quality and ticket price as the tool aids which can enhance customer loyalty and customer satisfaction.

The following is the conceptual frame of this study:

![Conceptual Frame](image)

**Figure 1.** Conceptual Frame

The use of Path Analysis Method in the previous research is that path analysis is used to explore the correlation among the factors affecting the benefit of manufacture informatics (Chen et al., 2008). Another research focuses on the basics of Path Analysis, how to implement the path model and how to perform a multivariate test of normality (Aarons and Sommerfeld, 2012), (Sinco and Chapman, 2013), (Jeon, 2015). A path analysis model is developed based on several hypotheses. This model's goodness of fit is assessed using both absolute and comparative fit indexes (Ghasemi et al., 2017).
4. Results

4.1. Data quality test

In the data calculation with two categories, for the first data category five observations use five scales (Likert) by analyzing all the existing variables. The second category uses six scales, the variables of Service Quality ($X_1$) and Ticket Price ($X_2$) are not used to examine the hypothesis, because these independent variables are not so influential in the second category. Data of 40 indicators of all research variables or as many as 100% are in Valid condition. Reliability test to examine the reliability of a measurement tool for each variable indicates that all the variables have Alpha Cronbach’s coefficient more than 0.60. Thus, it can be concluded that all the measurement concepts of each variable are reliable. The value of Alpha Cronbach’s coefficient of Customer Satisfaction ($Y_1$) is -15.58 % and it affects the increase of Consumer Loyalty ($Y_2$) just a little with the value of Alpha Cronbach’s coefficient 0.90.

4.2. The hypothesis tests

4.2.1. Hypothesis 1: Direct Influence of Customer Satisfaction variable ($Y_1$) on the Average Competitive Advantage Dimension ($Y_{3v}$)

Based on the hypothetical test, it is indicated that the variable of Customer Satisfaction ($Y_1$) influences the Average Competitive Advantage Dimension ($Y_{3v}$) as an intervening variable, proven by the value of $t_{cal}$ 0.817 at the significance value $\alpha = 0.474$. The result means that if the Customer Satisfaction which is given by Transjakarta transport service is improved or which is received by Transjakarta users enhances, then the Average Competitive Advantage Dimension ($Y_{3v}$) will enhance as well.

4.2.2. Hypothetical Test 2: Direct Influence of Consumer Loyalty variable ($Y_2$) on the Average Competitive Advantage Dimension ($Y_{3v}$)

Based on the hypothetical test, it is indicated that the variable of Consumer Loyalty ($Y_2$) influences the Average Competitive Advantage Dimension ($Y_{3v}$) as an intervening variable, proven by the $t_{cal}$ value of Consumer loyalty variable amounting 0.694 which is significant at $\alpha = 0.537$ or the same as $\alpha = 1.074$. The result means if the Consumer loyalty of Transjakarta users enhances, then the Average Competitive Advantage Dimension ($Y_{3v}$) will enhance as well.

4.2.3. Hypothetical Test 3: Indirect Influence of Customer Satisfaction variable ($Y_1$) on Competitive Advantage variable ($Y_3$) [through the intervening variable of Average Competitive Advantage Dimension ($Y_{3v}$)]

Based on the research on the direct influence of Customer Satisfaction variable ($Y_1$) on the Average Competitive Advantage Dimension ($Y_{3v}$) the value of standardized beta is found to be 0.525, which is significant at $\alpha = 0.474$. The explanation means if the Customer Satisfaction given by Transjakarta transport service is improved or
which is received by Transjakarta users enhances, then it will boost the enhancement of Average Competitive Advantage Dimension ($Y_{3v}$), so that it will give impacts on the increasing value of Competitive Advantage variable ($Y_3$).

4.2.4. Hypothetical Test 4: Indirect Influence of Consumer Loyalty variable ($Y_2$) on the variable of Competitive Advantage ($Y_3$) [through the intervening variable of Average Competitive Advantage Dimension ($Y_{3v}$)]

From the research or test on the direct influence of Consumer Loyalty variable ($Y_2$) on the Average Competitive Advantage Dimension ($Y_{3v}$), the value of standardized beta is found to be 0.446 which is significant at $\alpha = 0.537$. The explanation means if the Consumer loyalty of Transjakarta users enhances, then it will boost the enhancement of Average Competitive Advantage Dimension ($Y_{3v}$), so that it will give impacts on the increasing value of Competitive Advantage variable ($Y_3$) [through the intervening variable of Average Competitive Advantage Dimension ($Y_{3v}$)].

4.2.5. Hypothetical Test 5: Direct Influence of Average Competitive Advantage Dimension ($Y_{3v}$) on the Competitive Advantage variable ($Y_3$)

The result of research indicates that the value of $t_{cal}$ for the Average Competitive Advantage Dimension ($Y_{3v}$) is 1.782 with its significance $0.283 < 0.05$. The Average Competitive Advantage Dimension ($Y_{3v}$) “is not so influential” on the Competitive Advantage variable ($Y_3$). If the Average Competitive Advantage Dimension increases, then the Competitive Advantage variable “does not increase much” (or the customer satisfaction variable is inelastic).

Based on the results of those tests, hypothetical tests can accept the five hypotheses so that the hypothesis which state the notion of the existing influence of Average Competitive Advantage Dimension ($Y_{3v}$) on the variable of Competitive Advantage ($Y_3$) is acceptable.

To know the bound of Model Development and the influences among variables, it can be explained in the conceptual frame (see Figure 2).

5. Discussion

5.1. Correlation among service quality, customer satisfaction and consumer loyalty

The test results mean that if the Customer Satisfaction given by Transjakarta transport service increases, then the Average Competitive Advantage Dimension ($Y_{3v}$) will increase as well. This study is supported by (Wang et al., 2005) who use questionnaire to know the correlation among service quality, customer satisfaction, and consumer loyalty, with its results stating there are positive and significant impacts. This is in accordance with the statement (Parasuraman, 2009) that in order to assess the Service Quality, it can be measured through five factors, namely tangibles, reliability, responsiveness, assurance, and emphaty. The another results show that,
compared with website design quality, service quality has significantly stronger effects on consumers trust and satisfaction (Zhou et al., 2009). The human aspect is more important than the technical one and it is obvious from the service quality that influences customer satisfaction as well as promotes and enhances customer loyalty (Lenka et al., 2009).

Figure 2: Model of Structural Correlation among Variables

The research in Tehran, Iran, shows that customer satisfaction acts as a mediator for the effects of service quality on service loyalty (Mosahab et al., 2010). The result indicated that perceived value and customer satisfaction were two significant variables that mediated the relationships between service quality and customer loyalty (Wu and Chia, 2011). The study by (Karatepe, 2011) adds that customer satisfaction is the mediator for the influences of service environment, quality of interaction, empathy, and reliability on loyalty. The empirical analysis has proved that there is a positive relationship between service quality and customer satisfaction. The quality development of the provided service can become the users’ next focus. In fact, this could resolve many problems (Khurshid et al., 2012). The findings of another research indicate a strong relationship among service quality, customer satisfaction and customer loyalty and also indicate that the relationship between service quality and customer loyalty is partially mediated by customer satisfaction (Chodzaza and Gombachika, 2013). The findings from researchers in Hongkong also reveal that service quality has a positive effect on customer satisfaction and customer loyalty, while customer satisfaction positively affects customer loyalty (Chou et al., 2014). Findings in Pakistan show that there is a positive relation between
service quality and customer satisfaction. It is also analyzed by the results that service quality and customer satisfaction have high impact on the customer perceived value (Zameer et al., 2015). The results from the inferential statistics revealed that the customers are highly influenced by service quality followed by the perceived value in reaching their loyalty towards (Abdelfattah et al., 2015). The results from the inferential statistics revealed that the customers are highly influenced by service quality followed by the perceived value in reaching their loyalty towards (Abdelfattah et al., 2015).

The researchers in Vietnam state that service quality and customer satisfaction are important antecedents of customer loyalty, and that customer satisfaction mediates the effects of service quality on customer loyalty (Vu and Huan, 2016). Based on the results of research in Indonesia, it is known that service quality as well as customer loyalty in Indonesia are in the category of good (Al-Haqam and Hamali, 2016). The study in India has found that customer satisfaction plays an intervening role for the relationship between service quality and customer loyalty (Rajeswari et al., 2017). In Taiwan, the research results indicate that service quality positively influences customer satisfaction and also customer loyalty (Liu et al., 2017). In Malaysia, the study is conducted to measure the relationship between service quality, customer satisfaction and customers loyalty (Ismail et al., 2017).

5.2. Correlation among ticket price, customer satisfaction and consumer loyalty

Price is a number of money charged for a product or service, or the amount of value exchanged by consumers to get the benefit of having or using the product or service (Kotler and Armstrong, 2014). Previous study by (Martín-Consuegra et al., 2007), also indicates that customer satisfaction and consumer loyalty are two important antecedents for price acceptance. The research by (Roy and Akter, 2017) supports this study, with the result that there are correlations among Cost, Customer Satisfaction (employee competence, reliability, product innovation, price, comfort, physical evidence) and Consumer Loyalty.

5.3. Correlation between customer satisfaction and consumer loyalty

Satisfaction is an encouragement of individual want directed to the goal for obtaining satisfaction (Basu, 2000). The findings of the study in Australia support the opinion that there is a strong relationship between customer satisfaction and loyalty (Ganiyu et al., 2012). The findings of research in Malaysia show that two service quality features, i.e., responsiveness and empathy act as important determiners of customer satisfaction in the studied organization (Ismail et al., 2013). This study is supported by the argument of that Customer Satisfaction, in fact, is significant as the determiner of consumer loyalty (Gures et al., 2014). In Pakistan it is found that there is a positive and significant relationship between customer satisfaction and customer loyalty.

Thus, the studies give a positive signal that improving customer satisfaction and trust will enhance customer loyalty (Gul, 2014). The other results reveal that the relationship marketing tactics have significantly affected customer loyalty through customer trust and customer satisfaction (Rizan et al., 2014). The discussion of the other study indicates that there is a significant positive correlation between customer loyalty and customer satisfaction (Daikh, 2015). The result of research indicates how trust and commitment mediate, in partial, the correlation between satisfaction and loyalty; the effect of satisfaction on loyalty is fully mediated by trust and commitment (Schirmer et al., 2016). Another study advances a research in retail, as it is one of the
empirical studies that investigate the role of customers’ willingness to share information in order to boost loyalty and its relationship with the perceived value and satisfaction in the context of retail (Leppäniemi et al., 2017).

Consumers will be loyal to a brand if they are satisfied with that brand. In order to increase customer satisfaction, a company needs to formulate the marketing strategy so that consumers will be interested in the products being offered. If the product give satisfaction to consumers, then the consumer keep loyal using the brand and try to limit the purchase for other products.

6. Conclusion

Based on the results of this study, the model of research on Competitive Advantage using Double Part Analysis Method is a “new model of research” which involves many data: Indicators, dimensions and variables related to the functional model of Path Analysis Method which are made/used in this study. Most of research models applied so far use One Path Analysis Method, that is such a company performance driven from various aspects only in a functional model of Consumer Loyalty or Competitive Advantage.

The use of Competitive Advantage Model (as the estafette function) both in optimal way and maximal way is more reliable (or more accurate) than the use of Consumer Loyalty Model (as the original function), requiring the producer or provider of Transjakarta transport service to improve their managerial ability as well as their operational management maximally in managing numerous fleets (various types or models) as a means of achieving the company's financial objectives as well as obtaining success over the competitors from other land transport companies.

It is expected that the producer gives more emphasis on the variation and implementation of flexibility for upper threshold tariff and lower threshold tariff, meaning that if the ticket prices are more varied then the Passenger Satisfaction will increase as well.

Acknowledgement

This research is part of a research project fully funded by Trisakti Institute of Transportation and Logistics, Jakarta, Indonesia.

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