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Analysis of Services Marketing Mix and Competitive Advantage and Its Effect on Customer Loyalty (Survey on Customer Go-Jek in Bandung)

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Abstract

The purpose of this study is to analyze the influence that services marketing mix and competitive advantage has on customer loyalty either partially or simultaneously. Based on the data collected, the object of this research is customer Go-jek in Bandung. Samples were taken by a cluster random sampling technique with a sample size of 132 people. Data used in this research is primary and secondary data. Primary data were collected through questionnaires, interviews and observation. The research type used was verifikatif with an explanatory survey method. The results of this study prove the influence of both simultaneous and partial services marketing and competitive advantages on customer loyalty.

Keywords: services marketing mix, competitive advantage, customer loyalty Go-jek

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1. Introduction

The growing population alongside the development of community activities has fostered the need for efficient and fast transportation. One type of fast transportation in major cities in Indonesia is the Ojek. At present, Ojek pangkalan in Indonesian cities are rivaled by Go-Jek's new transportation, that introduce services using technology and service standards.

Gojek have many advantages, but there are also disadvantages seen in customer complaints shown in Table 1.

Based on the data in Table 1, the services provided by Gojek still need to be improved to gain a competitive advantage and customer loyalty. Based on this phenomenon, the purpose of this research is to analyze the influence of service marketing mix and competitive advantage on customer loyalty either partially or simultaneously.

TABLE 1: Complaints from Gojek customers. **Source:** Browsing Internet 2016.

No	Complaint Customer Gojek
	Category
1	Application slow respon.
2	Error application failed to booking
3	Cannot find driver but many driver near me
4	Application is fine.. But, It's very unreliable.
5	Good Concept but Poor Service
6	Good idea bad implementation
7	Always cant find the driver, when i'm tracking it... There are driver near me..
8	Bad Educate the Driver
9	My app showed that "We're sorry we cannot find you a driver."

2. Literature Review

2.1. Services marketing concept

Zeithaml, Bitner and Gremler (2009:23) contend that there is a traditional marketing mix with four Ps: Product, Place, Promotion, and Price. An expanded mix includes People, Physical Evidence and Process (7 Ps). Y. Wang, K.L Wang and Yao's (2009: 15) service marketing mix consists of 4 Ss (Scope, Site, Sinergy and System) for a digital online services, utilities and tools product; 4 Cs (Consumer wants and needs, Cost to satisfy, Convenience to buy, and Communication) for content-based products; and 4Ps (Product, Place, Price, and Promotion) for utilities and tools.

2.2. Competitive advantage concept

Cockburn and Henderson (2000) note that competitive advantage is largely determined by factors put in place during the organization's founding, and hold the view that competitive advantage results from a firm's strategic response to changes in the environment or to new information about profit opportunities. Hamish and Elliott (2003) state that core competence is the ability to design, manufacture, and market innovative, stylish, and superior quality products faster than competitors and support the products with a caring and integrity-inspired quality service.

2.3. Customer loyalty concept

Based on expert opinions (Giering, Oliver, Bothe, Griffin, Cahill, Kusik, Pippow, Eifert, Muller, Gunter) customer loyalty is deeply held commitment to rebuy or re-patronise a preferred product or service consistently in future, despite situational influences and marketing effort having the potential to cause switching behavior.

2.4. Hypothesis development

1. Service marketing mix has a significant effect on customer loyalty

2. Competitive advantage has a significant effect on customer loyalty

3. Service marketing mix and competitive advantage have simultaneous and partial effects on customer loyalty.
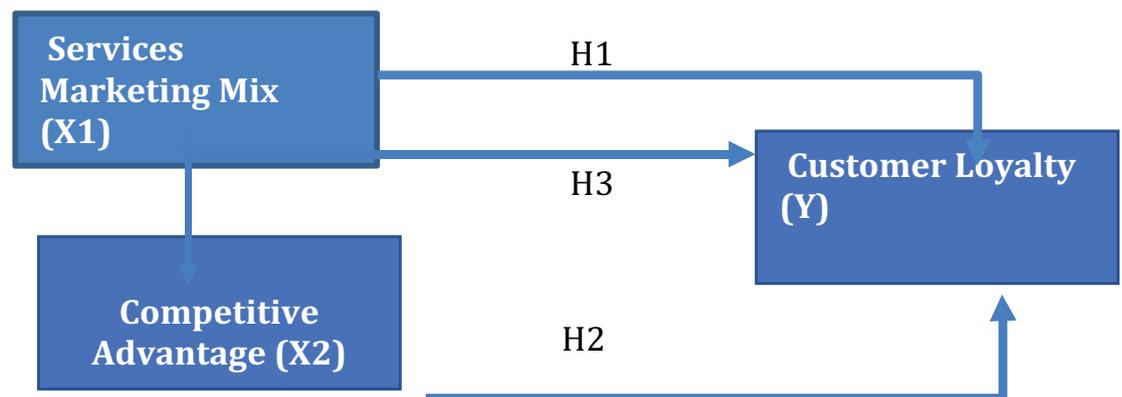
2.5. Research framework

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Services                          H1
Marketing Mix
(X1)
                                  H3              Customer Loyalty
                                                  (Y)
Competitive
Advantage (X2)                    H2
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Figure 1: Research framework.

3. Research Method

The method used in this research is the verifikatif method. Operational variables were used to determine the effect of measurement of research variables, including independent and dependent variables. Independent variable is the variable that causes or increments the dependent variable (bound). As for the independent variables, included in this study are Services marketing mix (X1), consisting of product, price, place, promotion, people, physical evidence, and process. Competitive advantage (X2), consists

of unique service, price, service quality, and customer experience. Dependent variable is the variable that is influenced or becomes the result of the independent variables. In this study the dependent variable is customer loyalty (Y) consisting of repeat order, order others, referring others and giving recommendations.

Data types can be obtained from primary data sources and secondary data. In this study there are 26 indicators, so the number of samples determined is 5 observations per indicator, so the total is 26 x 5 = minimum 130 respondents. Based on the calculation with the aforementioned formulation, it is determined that 132 customers use Go-jek services in the city Bandung. This area of research in Bandung is based on the **Cluster Sampling** method with four areas: North Bandung, South Bandung, West Bandung and East Bandung. The questionnaire to be given has filled the validity and reliability that is equal to 0,5 and 0,80.

4. Results and Discussion

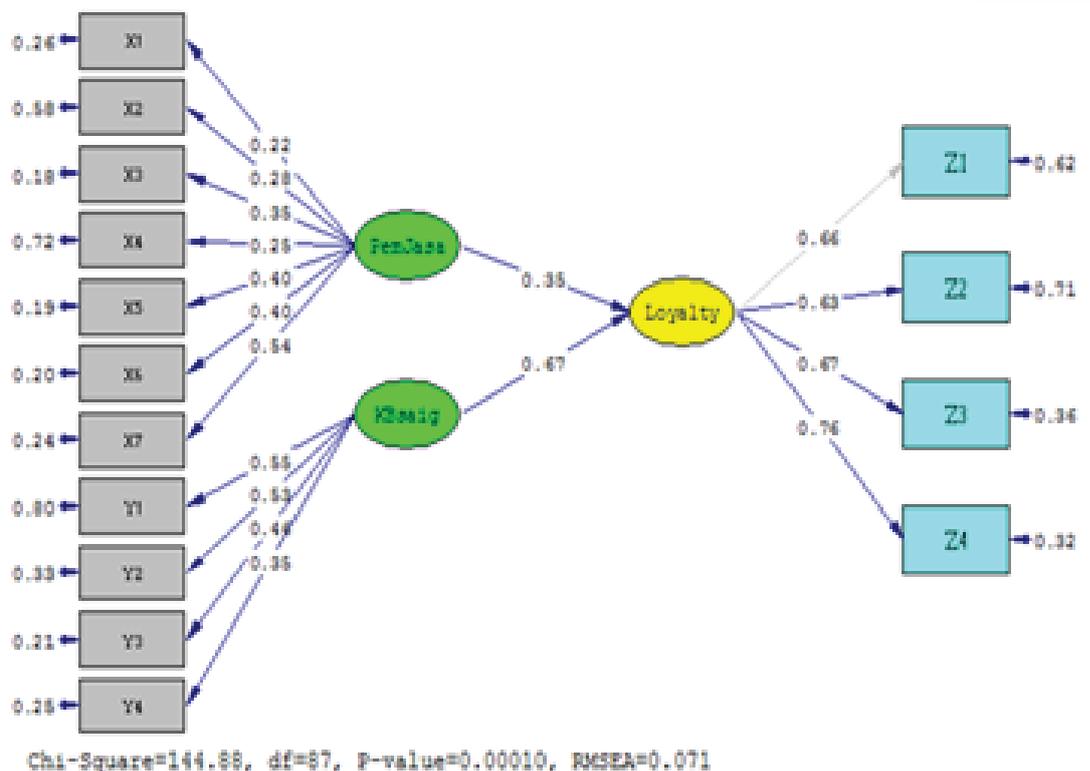## 4.1. The effect of marketing service mix and competitive advantage and its impact on customer loyalty of Gojek

Chi-Square=144.88, df=87, P-value=0.00010, RMSEA=0.071

Figure 2: Structure equation model.

The structural equation model describes the effect of service marketing mix and competitive advantage to customer loyalty is as follows:

Loyalty = 0.347*Services Marketing Mix + 0.668*Competitive advantage, Errorvar. = 0.698, R^2 = 0.570

(0.426) (0.383) (0.259)

0.815 1.745 2.695

The aforementioned formula can explain the effect of the marketing service mix on customer loyalty of 0.347 with a t-count value for the statistical test at 0.815 and the influence of competitive advantage on customer loyalty of 0.668 with t-count value for statistical test of 1.745.

The value of t-count = 0.815 is smaller than the value of t-table = 1.64 so it can be concluded that there is no influence of marketing service mix to customer loyalty. This means that the high level of customer loyalty cannot be explained by the service marketing mix. This is because the new application of marketing mix was implemented by the Gojek company to the Gojek driver, so it is possible that there is a difference of perception that impacts on the satisfaction and dissatisfaction of the customers.

The influence that services marketing mix and competitive advantage have on customer loyalty simulant is 86.3%. This means customer loyalty is significantly influenced by the services marketing mix and competitive advantage because of the better performance of the Gojek driver due to the good relationship between the company with the Gojek driver by providing training regarding safety riding and creating customer satisfaction, which affects the competitive advantage Gojek has.

The influence of the value of external variables on customer loyalty is 13.7%, indicating that the loyalty formed is also the influence of other factors such as the image formed, trust and marketing communications, which are currently often done in smartphones.

Partially, the influence of service marketing mix on customer loyalty is equal to 26.87% and the influence competitive advantage has on customer loyalty is 59.43%. This information can explain the influence of competitive advantage on customer loyalty being greater than the effect of service marketing mix on customer loyalty, because the customers have not been so concerned about what is given from the Gojek driver about the service marketing mix, but many customers respond when the uniqueness is owned by Gojek. Further, when a cheaper price is offered due to the frequently implemented discount rate, this sees a quick response from customers toward services such as Gojek, as it provides comfort and an ease of use.

Directly and indirectly, it can be observed that the influence of service marketing mix on customer loyalty is lower than the competitive advantage to customer loyalty, because the service marketing mix conducted by Gojek still does not meet the customers' expectations thus leaving the loyalty of its customers unaffected. Additionally, the competitive advantage is higher value because of frequent Gojek organizers promoting services, applying a discount in a certain period, and the comfort provided by Gojek drivers. The indirect influence that the service marketing mix has on customer loyalty through competitive advantage has a positive result. It can be interpreted that the existence of the interrelation between variables of the service marketing mix, competitive advantage, and service marketing will increase the effects on customer loyalty. It is necessary to note where this indirect influence also affects customer loyalty.

5. Conclusions

The influence of service marketing mix and competitive advantage on customer loyalty of Gojek is as follows.

Service marketing mix and competitive advantage are simultaneous influences on customer loyalty. The influence of the service marketing mix performance is partially lower than the effect competitive advantage has on customer loyalty. The direct effect of service marketing mix on loyalty is less than the direct influence of competitiveness on customer loyalty. The existence of indirect influence explains the relationship between marketing service mix and customer loyalty through customer relation management, and from competitive advantage to loyalty through the marketing service mix.

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