CHAPTER I
INTRODUCTION

1.1   Background

The domestic delivery service business in recent years has grown quite rapidly with the presence of various companies in the field of shipping which has become tough competitors for other shipping companies. Changes in technology have brought changes to the style of life and the business world. According to Warayuanti and Suyanto in Chrystiantari (2020), with the use of internet technology, a new phenomenon emerged, namely online shopping (e-commerce). So many people use online shopping sites to buy the things they need. Through online shopping, it is believed that buyers can save time, money, and effort. Currently, the community has accustomed to doing shopping transactions done online to provide greater space for package delivery service companies to expand their business.

In this era of globalization, it is undeniable that goods delivery services are needed, be it individuals or by organizations/companies. Delivery of goods (raw materials, semi-finished materials, or finished goods) that is not on time can cause delays in the delivery of goods. This is what causes consumers to be less satisfied in the service of the service delivery package. This resulted in high demand for services means the delivery of goods/packages such, with so marketing services delivery/package also increased. Along with the increasing needs of the community will be various forms of delivery are lightweight to heavy then the kind of delivery of goods/packages that offer increasingly growing.

The tight competition in the business world, especially delivery services, has made many companies and entrepreneurs are competing to innovate their products and services to survive. J&T Express is a company engaged in the delivery of goods in Indonesia. J&T Express itself serves delivery throughout the interior of the city and outside the city and abroad. Not only that, but J&T Express also provides pick-up and delivery services quickly to consumers, at the same

time. In 2019, J&T received the Top Brand award in the Courier Service Category. This award is given for the success of J&T as a shipping company whose services are most in-demand by the public.

Figure 1.1 Top Brand Survey Data
Source: *rilispedia.com*

The survey method carried out to measure the strength of a brand was held in April − May 2019 simultaneously in 15 major cities involving 12,000 respondents with significant results, with the survey results obtained by J&T Express last year, which increased from 13.9% up to 20.3%. From the various information provided by J&T Express above, it can be seen that illustrates that J&T Express provides excellent Service Quality good and is quite satisfactory for customers in the form of service. Previous study conducted by Darmawati (2021) regarding the comparison between customer satisfaction on service quality at J&T and JNE, The results of the research that has been done show that the level of customer satisfaction with the service quality of package delivery at JNE is 3.13% with a satisfied category and J&T customers 3.18 with a satisfied category. Broadly speaking, it can be concluded that there are differences in customer satisfaction with the service quality of package delivery at JNE and J&T Bengkalis. This shows that consumers in Bengkalis are more dominant and satisfied with J&T delivery services.

Consumer behavior, especially in the service sector, is strongly influenced by the services provided. Orientation to consumers through good service is very

effective in attracting consumers. Information, criticism, and suggestions from consumers must be responded to quickly so that customers do not glance at the services of competing companies. Loyalty is an important factor for a company in order to continue to survive in the increasingly fierce business competition. There are several factors that influence customers to be loyal, one of them is perceived value. According to Moliner et al. in Lee at al. (2011), perceived value is an important main factor in marketing activities. This means that the perceived value has a meaning to the extent to which consumers get the benefits and usefulness of the transactions that have been carried out Ha and Janda in Lee et al. (2011). Strategies to reach consumers can be built by managing the best service quality so that under these conditions will lead to customer satisfaction. Thus, it can be said that the value perceived by customers can be considered by customers to make repurchase intentions (loyalty), in this case through the J&T application.

In addition to perceived value, which can affect customer loyalty are customer trust. Customer trust is important for companies because companies cannot build relationships without trust Kurniasari and Ernawati (2012). Customer trust that is built, including trusting someone will lead to high customer trust and their abilities and desires. Customer trust is a very powerful weapon in building relationships because of the high customer trust in a company, making the company strong in fostering relationships with customers Jasfar (2012). This is in line with the theory Nugroho et al. (2013) that the relationship between trust and customer loyalty is, the higher the customer trust in a product, the higher the level of customer loyalty to a brand. Customer commitment to the product is a belief in using a product which includes recommendations and trust.

The theories related to this research include the value of customer perception, customer trust and customer loyalty. According to Howard and Isnan (2013), consumer satisfaction is the buyer's cognitive situation related to the equivalence or discrepancy between the results obtained and the sacrifices made. The main factor that determines customer satisfaction is the customer's perception of service quality. Customer satisfaction has in turn a direct impact on customer loyalty Sofi (2015). Although customer loyalty is affected by many other factors

depending on the industry and type of product, customer satisfaction has the most direct impact on loyalty. The results further found that if a business has to enhance its performance, it must have to realize the importance of customer value, customer satisfaction, and customer loyalty. The products that have little difference in terms of features, quality, and variety, customer satisfaction, and customer loyalty will play a vital role in increasing the rating of the firm. In Supertini et al. (2020), that customer trust and satisfaction have a positive and significant effect on customer loyalty, customer trust has a positive and significant effect on customer loyalty and customer satisfaction has a positive and significant effect on customer loyalty. Meanwhile, according to Tirtayani in Suryani (2016) marketers will create products that are following the needs and desires of consumers, so that consumers will feel the value they get when consuming products from the company.

Consumer loyalty is not only centered on the satisfaction and price of a product but the value obtained and the quality that is considered by consumers to place a brand in their minds, business actors are often more inclined to emphasize prices to make them look cheap by lowering the quality of their products. Things like this make customers usually disappointed and give up not wanting to consume a product again. This study wants to show that the value contained in the product, as well as the high quality of a product, is more important than the things mentioned above. Therefore, the author will research " **The Influence Of Customer Perceived Value And Customer Trust On Customer Loyalty In J&T Delivery Services Bengkalis** ".

1.2 Formulation of the Problem

Based on the background above, the authors formulate the problems that arise are :

1. Does the customer perceived value have a partially significant and positive effect on customer loyalty in J&T delivery services Bengkalis.
2. Does the customer trust have a partially significant and positive effect on customer loyalty in J&T delivery services Bengkalis.

3. Does the customer perceived value and customer trust have a simultaneously significant effect on customer loyalty in J&T delivery services Bengkalis.

1.3 Purpose of the Study

Based on the problems above, the purpose of the study entitled " The Influence Of Customer Perceived Value On Customer Loyalty On J&T Services In Bengkalis " are as follows :

1. To find out the influence of customer perceived value on customer loyalty in J&T delivery services Bengkalis.
2. To find out the influence of customer trust on customer loyalty in J&T delivery services Bengkalis.
3. To find out the influence of customer perceived value and customer trust on customer loyalty in J&T delivery services Bengkalis.

1.4 Significance of the Study

The benefits to be achieved in the research entitled " The Influence Of Customer Perceived Value On Customer Loyalty On J&T Services In Bengkalis " are as follows :

1. Theoretical Aspect

   This research is expected to provide theoretical benefits, namely as a reference to increase knowledge and develop knowledge, especially in the field of marketing.

2. Practical Aspect

   This research is expected to be useful information for shipping services in responding to consumer behavior, especially the influence of Customer Perceived Value on J&T Customer Loyalty.

3. In terms of society

   This research can be used as a reference for further related research, as a source of information to enable further research on related topics, both continuing and complementary.

1.5   Scope and Limitation of the Problem

Based on the background that had been described earlier, the author made a limit to the problem so that the scope of this research was clearly limited. The limitations of the problem made are :

1. The research focuses on the influence of customer perceived value and customer trust on customer loyalty In J&T Delivery Services Bengkalis.

2. The research was conducted on people who use delivery service in Bengkalis by taking data using a questionnaire.

1.6   Writing Systematic

The writing of this report is composed of 5 chapters, where each chapter will be further divided into sub-chapters which will be discussed in detail. The following is the systematics of each chapter and a brief description:

CHAPTER 1: INTRODUCTION

Chapter 1 explains the background of the problem, problem formulation, research objectives, research benefits, scope and limitations of the problem, and writing systematics.

CHAPTER 2: LITERATURE REVIEW

Chapter 2 describes the previous research, the theoretical basis, the framework of thought that is used as a guide in the thesis.

CHAPTER 3 : METHODS AND ACCOMPLISHMENT PROCESS

Chapter 3 explains the location, time and object of research, types and sources of data, population and samples, sampling techniques, data collection techniques, data processing techniques, scale measurements, validity and reliability testing, data analysis methods, research hypotheses, research models. , type of research, the definition of the concept and operational variables, schedule and research budget.

CHAPTER 4 : RESULTS AND DISCUSSION

Chapter 4, describes the test results, discussion and limitations of the research results. The discussion of the results obtained is made in the form of a theoretical explanation of the bail qualitatively, quantitatively or statistically.

CHAPTER 5: CONCLUSIONS AND SUGGESTIONS

In Chapter 5, the author will describe the conclusions obtained from the discussion and suggestions that will be submitted by the author