The Effect of Service Quality, Customer Perceived Value, and Trust on Customer Satisfaction with Lalamove Delivery Service on The Island of Java

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ABSTRACT

Improvements in logistics services from year to year have resulted in the need for additional logistics services such as goods delivery. A study was conducted to evaluate the quality of delivery services, which is believed to be one of the most important drivers of sales. Therefore, this research was conducted with the aim of testing the influence of Service Quality, Customer Perceived Value, and Trust on Customer Satisfaction on Lalamove Delivery Services on Java Island. Data comes from questionnaires collected from 150 respondents with a minimum age of over 17 years and who have used Lalamove delivery services on Java Island twice in the last year. The Conceptual Model was analyzed using Partial Least Square Structural Equation Modeling (PLS – SEM). The research results reveal that Service Quality, Customer Perceived Value, and Trust have a significant positive effect on Customer Satisfaction. It was also found that Trust mediates the influence of Service Quality on Customer Satisfaction. And Trust mediates the influence of Customer Perceived Value on Customer Satisfaction.

Keywords: Service Quality, Customer Satisfaction, Perceived Value, Trust

1. INTRODUCTION

Technology has streamlined the global supply chain, connecting markets and producers from various countries more efficiently, therefore opening up opportunities for companies to compete on international scale. This allows for the optimization for costs, product quality, and customer satisfaction in supply chain management (Sudarusman et al., 2021). It results changes, this changing matter affects home delivery services (Agatz & Nunen, 2011). Supply chain management is integrated approach to manage planning, production, warehousing, supervision, distribution, and all activities related to goods (Pujawan, 2010), influences the evaluation of service delivery efficiency because high-quality services considered as one of the main factors in enhancing sales.

In 2022, as reported by the Ministry of Finance in an article by Setiawan (2023), the logistics sector's performance in Indonesia showed improvement compared to the previous year (Setiawan, 2023). Based on information from the Central Statistics Agency (BPS) up to Quarter III-2021, the Supply Chain Indonesia (SCI) projects that the logistics sector will contribute around IDR 699.1 trillion to the Gross Domestic Product (GDP), representing a growth of 1.08% in 2022 (Serasi Autoraya, 2022). SCI data also indicates that the logistics sector's contribution to Indonesia's GDP at the end of 2021 was IDR 676 trillion, experiencing a contraction of 2.03% (Akbar, 2021). In the transportation subsector, SCI estimates its contribution to GDP in 2021 to be around IDR 548.8 trillion, with a contraction of 1.36%. However, projections for 2022 show an enhancement to around IDR 568.6 trillion, with a growth of 1.15%. The growth is still predominantly dominated by the island of Java, which contributes 59% to the logistics market, highlighting that Indonesia's economic activity remains centered on Java Island, thereby significantly impacting the overall logistics market (Serasi Autoraya, 2022).

Moreover, challenges in the Indonesian logistics sector is the inadequate availability of fleets to meet the demand for large and heavy deliveries. Currently, services offering fleets for such deliveries, like box cars, are still limited. The growth of e-commerce users has led to the emergence of logistics service providers like Lalamove. Lalamove is a logistics platform-based connecting app that connects senders with drivers for fast and efficient goods delivery. The application facilitates ordering, tracking delivery, and easy communication with drivers. Lalamove offers a choice of delivery fleets such as motorcycles, cars, pick-up trucks, boxes, and trucks according to the user's needs (Lalamove

Indonesia, 2023). According to an article by Saputra (2022) covering the two-year period from 2020 to 2022, Lalamove has experienced significant growth in the delivery service sector, with a 1,867% increase in the volume of goods delivered. Additionally, the number of partner businesses has increased by 328%, application users have risen by 633%, and the number of partner drivers has surged by 800% in Indonesia (Saputra, 2022). This research discusses the influence of Service Quality, Perceived Value, and Trust on Customer Satisfaction among Lalamove service delivery officers in Indonesia.

2. RESEARCH METHODS

This research is using quantitative method. Data collection utilizes structured research instruments, such as questionnaires, scales measurement, or systematic observation. Data obtained consists of numerical values or numeric data. The aim of data analysis is to verify theories by forming hypotheses and identifying connections between variables using statistical techniques.

This research focused on population of buyers utilizing the Lalamove application in Indonesia, with the criteria over 17 years old, have a minimum education level of senior high school (SMA/SMK or equivalent), and having made purchases through Lalamove at least twice in the past year. The total number of respondents who participated was 150 individuals. This accordance with the recommendation by Beckett et al. (2018) that studies with ≤ 7 constructs requires a minimum of 150 respondent (Beckett et al., 2018). Data testing was conducted using two methods: 30 questionnaires were used to ensure the compatibility of the measurement instrument with the tested variables; subsequently, 150 respondents were included in the analysis to assess the suitability of the hypotheses with the results obtained. Smart PLS 4 and SPSS software were used for data testing.

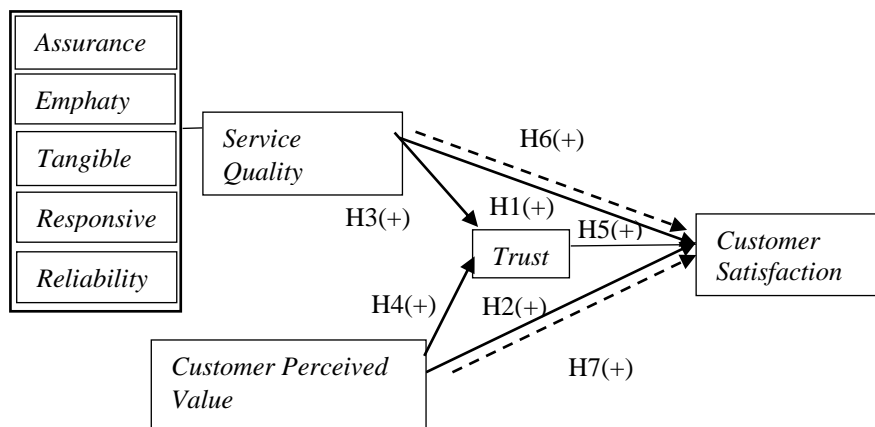## 3. RESULTS AND DISCUSSION

3.1. Research Model

Figure 1. Research Model

Table 1. Influence Direct between Variables

Relationship / influence	Original Sample	T Statistics	P Values	Information
Serv_Q -> C_Satis _	0.295	3,742	0,000	*Supported*
P_Value -> C_Satis _	0.247	3,190	0.002	*Supported*
Trust -> C_Satis _	0.194	2,373	0.018	*Supported*
Serv_Q -> *Trust*	0.348	5,501	0,000	*Supported*
P_Value -> *Trust*	0.347	5,635	0,000	*Supported*

Figure 1 show the research model used in this study. As shown in Table 1, we can conclude that:

1) *Service Quality* influential of 0.295 against *Customer Satisfaction* with support level significance (p) is 0.000 (p < 0.05) so *Service Quality* influences positive and significant to *Customer Satisfaction*.
2) *Customers Perceived Value* influences 0.247 against *Customer Satisfaction* with support level significance (p) is 0.002 (p < 0.05) so *Customer Perceived Value* has an influence positive and significant to *Customer Satisfaction*.
3) *Trust* matters of 0.194 against *Customer Satisfaction* with support level significance (p) is 0.018 (p < 0.05) so *Trust* matters positive and significant to *Customer Satisfaction*.
4) *Service Quality* has an influence of 0.348 against *Trust* with support level significance (p) is 0.000 (p < 0.05) so *Service Quality* has an influence positive and significant to *Trust*.
5) *Customer Perceived Value* has an influence of 0.347 against *Trust* with support level significance (p) is 0.000 (p < 0.05) so *Trust* matters positive and significant to *Trust*.

Table 2. Indirect Effect (Mediation Role)

Relationship / influence	Original Sample	T Statistics	P Values	Information
Serv_Q -> *Trust* -> C_Satis _	0.068	2,086	0.037	*Supported*
P_Value -> *Trust* -> C_Satis _	0.067	2,028	0.043	*Supported*

Table 2 represent the results of indirect effect of this study. From Table 2, we can conclude that:

1) *Service Quality* has an influence to *Customer Satisfaction* with through *Trust* is 0.068 with support level significance (p) is 0.037 (p < 0.05), indicate that *Trust* mediate influence *Service Quality* towards *Customer Satisfaction*.
2) *Customer Perceived Value* has an influence to *Customer Satisfaction* with through *Trust* is 0.067 with support level significance (p) is 0.043 (p < 0.05), indicate that *Trust* mediate influence *Customer Perceived Value* towards *Customer Satisfaction*.

3.2. Research Results Descriptive

This study utilized data collected from online questionnaire administered to 150 respondents who are users of the Lalamove application for service delivery. There respondents are individuals who have used the Lalamove service for more than two times in the past year with majority high schooler or its equivalent. Additionally, the majority of users are 36 years old and above are employed in private sector.

Hypothesis test results show that coefficient regression (*original sample*), *Service Quality* of 0.295 with mark significance 0.000 (p < 0.05) which means that H1 states *Service Quality* influential positive and significant to *Customer Satisfaction* proven (*supported*). Study this is also strengthened with results research that has been conducted by Uzir et al. (2021) who found that *Service Quality* influential positive significant to Customer Satisfaction (Uzir et al., 2021). Additionally, results study that is also appropriate with those carried out by Sasono et al. (2021) and Parasuraman et al. (1985) that *Service Quality* influence positive significant to *Customer Satisfaction* (Parasuraman et al., 1985; Sasono et al., 2021). This research confirm that services provided by officers delivery Lalamove in Indonesia is appropriate with customers wishes, therefore it increased the level satisfaction of customer.

The results of the hypothesis test indicate that the regression coefficient (*original sample*) for *Customer Perceived Value* is 0.247, with a significance value of 0.002 (p < 0.05). This result means that H2 which posits that *Customer Perceived Value* has a positive and significant effect on Customer Satisfaction, is proven (supported). This result aligns with previous research conducted by Uzir et al. (2021) and Tuncer et al. (2021), which also concluded that perceived value has a significant positive impact on customer satisfaction (Tuncer et al., 2021; Uzir et al., 2021). The data analysis calculations reveal that customers express satisfaction with the service provided by the Lalamove goods delivery service.

The hypothesis test results in Table 1 reveal that coefficient regression (original sample) of *Service Quality* is 0.348. This result supported significance value 0.000 (p < 0.05), which means that H3 states *Service Quality* influences positive and significant to *Trust*, is proven (supported). This result also strengthened previous research that has been conducted by Uzir et al. (2021), which concluded *Service Quality* influential positive significant to *Trust* (Uzir et al., 2021).

The hypothesis test reveal that coefficient regression (*original sample*) for *Customer Perceived Value* is 0.347. This result supported mark significance 0.000 (p < 0.05), which means that H4 indicate Customer *Perceived Value* has an influence positive and significant against supported Trust. This result also strengthened with previous research

conducted by Uzir et al., (2021) who found that *Customer Perceived Value* influence positive significant towards the Trust (Uzir et al., 2021).

The hypothesis test reveal that coefficient regression (*original sample*) for Trust is 0.194, with a significance value 0.018 (p < 0.05). This result means that H5 generate positive and supported on Trust matters and significant to *Customer Satisfaction*. This result also strengthened with previous research conducted by Uzir et al. (2021), which concluded that *Trust* matters positive significant to *customer satisfaction* (Uzir et al., 2021). In this research, customer *trust* is cultivated through fulfillment every promise by the Lalamove goods delivery service. This lead customers to perceive Lalamove as reliable brand for goods delivery services.

The results of this hypothesis test indicate that the regression coefficient (original sample) for the influence of Service Quality on Customer Satisfaction through Trust is 0.068, with a significance value of 0.037 (p < 0.05). This states that Hypothesis 6, which proposes that Trust positively mediates the relationship between Service Quality and Customer Satisfaction, is supported. This finding is consistent with a previous study conducted by Uzir et al. (2021), which also found that Trust mediates the influence of Service Quality on Customer Satisfaction (Uzir et al., 2021). In this context, a high level of trust in the service significantly enhances customer satisfaction when the quality of service has been demonstrated to be good.

The results of the hypothesis test indicate that the regression coefficient (original sample) for the influence of Customer Perceived Value on Customer Satisfaction through Trust is 0.067, with a significance value of 0.043 (p < 0.05). This states that Hypothesis 7, which posits that Trust positively mediates the relationship between Customer Perceived Value and Customer Satisfaction, is supported. This finding is reinforced by a study conducted by Uzir et al. (2021), which also found that Trust mediates the influence of Customer Perceived Value on customer satisfaction (Uzir et al., 2021). Trust plays a role in reducing uncertainty and perceived risks for customers, thereby increasing the likelihood that customers will have a positive experience with the services provided.

4. CONCLUSION

Research indicates that service quality has a positive effect on customer satisfaction. In addition, customer-perceived value also has a positive impact on customer satisfaction, alongside trust, which contributes positively to customer satisfaction. Empirical findings emphasize the role of trust in influencing the influence of service quality and perceived value on customer satisfaction. Therefore, Lalamove needs to prioritize maintaining consumer trust to increase customer satisfaction. The recommendation for Lalamove is to provide a guarantee or guarantee for the services offered to customers, including the possibility of fines or refunds if the customer is dissatisfied. For future researchers, it is recommended to consider adding other independent variables, such as price, promotional programs, and other factors that have the potential to increase customer satisfaction in similar research.

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