

Chapter 1

INTRODUCTION

1.1 Background

Nowadays, only a minimal number of studies have utilized the concept of eCommerce for internet-based transport services application companies on the basis of customers' voluntary involvement. The need for trust to establish online relationships, has been extensively elaborated in related online industries, for example, the e-commerce industry (Kim et al., 2008). By doing so, this research adopting the research model by Gefen (2000), which investigates the building and the implications of trust in the e-commerce industry. The definition of Electronic Commerce or E-Commerce is the delivery of commercial information, sustaining business contacts and carrying out business deal by means of Internet based technology (Zwass, 1996). While Wen et al., (2001) defined Electronic Commerce as transactions of services or information and products through the Internet. In Kim et al. (2008) E-Commerce is promising to be more efficient in setting up a new information-based for any business transaction. With the rapid adoption of the internet, the familiarization of consumers to mobile internet devices has become one of the most promising and lucrative growth markets. For the users of mobile internet, this technology offers a medium for communication, information searching through its online contents service and varieties of commercial applications. The main reason for the rapid growth in the mobile internet market is the mobility and reach provided to the customers. Customers or users may engage in a real-time contact with others and connect with other systems wherever they are

(mobility) and people can be reached at any time (reach) (Gupta et al., 2007; Rootika, 2011).

The emergence of the Internet and the increasing growth of electronic commerce (eCommerce) rendered business-to-customer (B2C) relationships more interactive and applicable for mobile-transportation-related businesses. This facilitated alterations in customer behaviors and attitude regarding transportation services via integrative and mutually supportive means for information exchange (O'Connor & Frew, 2000; Werthner & Klein, 1999). The electronic commerce presents a stimulating environment for businessmen and their business. The accessibility of technology is molding a new market, with dissimilar type of selling, marketing, and distribution and organizing task becoming apparent. Characteristics of this new market comprise breaking up borders between competitors, suppliers, customers and firms (Hartman et al., 2000; Aryanto, 2005).

According to Jakarta Globe online news portals (<http://jakartaglobe.id/>), Indonesia is one of the largest countries in the world without a decent or well-functioning public transportation system. The public transportation issue itself is not only limited to large cities such as Jakarta, Surabaya or Medan, but it also involves many intra-city transportation hubs and island transportation systems. It is, without a doubt, one of the largest and most complex issues that the government and private sector must tackle from all fronts.

According to Asian business advisory Demystify Asia (www.demystifyasia.com) the taxicab and local *ojek* or motorcycle taxis, has long been one of the dominant forms of public transportation in Indonesia. A motorcycle taxi is called an *Ojek*. Since cars and even taxis are unaffordable, Indonesians hire *Ojeks* to help them with their transport

needs. The major challenge that the taxicab and local motorcycle taxi industry is currently facing is the internet-based transport mobile application.

Go-Jek mobile application has become popular because of using an advance technology that causing the low cost of price than the taxicab and local motorcycle taxi, easy access, driver experience, and customer experience. Customers who need to navigate the traffic quickly and easily is to ride transportation. With the slogan “An *Ojek* for Every Need”, not only does it allow customers to arrange transportation quickly and easily using a smartphone application, it also provides an in-city courier services, food delivery services through Go Food, Go-Massage for massage service, Go-Glam for salon and beauty service, Go-Clean for professional cleaning service, Go-Mart to do grocery shopping and other services such as Go-Med, Go-Pulsa, Go-Send, Go-Box. However, the primary Go-Jek service is their Uber like service where customer can book a Go-Jek to take them from point A to point B.

This internet-based transport services application seems to be literally changing the lives of ordinary Indonesians. Through the use of technology, drivers who would otherwise be sitting around or hustling for fares, can now be booked just like a regular taxi. All the customer need is smartphone. On the customer side, Go-Jek is facilitating the economy. As is evidenced by the surplus of motorcycle taxi drivers on the roads, Go-Jek is enabling customers in need of wheels to connect with a driver. Now have the access to a source of mobility that is affordable, which can have dramatic impacts in improving the lives of the people in these communities.

According to To The New digital analytics website (Nadia Samantha) competitive pricing, reliability, and generally good service quality, has attracted increasing numbers of customers to Go-Jek. After it

launched the flat rate promo of IDR 10,000 for all services on June 2015, the search for Go-Jek has soared and it has become the most searched brand compared to the other famous personal ride-booking application, such as GrabBike, Blujek, and Uber. Go-Jek and GrabBike comparison was conducted specifically for motorcycle taxi services, not including delivery or courier service. It divided on several variables: frequency of use, mobile app interface, how to order, speed in finding the driver, customer service, payment method, rate, driver performance, and response orders.

Cited in Tech in Asia articles (www.techinasia.com) in order to give a glimpse of the most downloaded mobile application category and any application that has the most active users in Indonesia, especially the mobile application transportation services category, based on survey conducted by application analytics and application data industry standard App Annie website (www.appannie.com), revealed that Go-Jek be in the forefront, followed by Grab and Uber. (See Table 1.1)

Table 1.1 Top Apps in Indonesia, February 2016

Top Ridesharing & Taxi Apps: Indonesia Android Phone Monthly Active Users		
Rank	App	Company
1	GO-JEK	GO-JEK
2	Grab	GrabTaxi
3	Uber	Uber Technologies

Sources: <https://id.techinasia.com/appannie-aplikasi-pengguna>

terbanyak-indonesia

Behavioral intention is an individual's subjective probability of performing a specified behavior, and is the major determinant of actual usage behavior (Ajzen, 1985; Ajzen & Fishbein, 1980; Yi, et al 2006; Kuo

& Yen 2009). Over the decades, various theories and paradigms have been proposed in order to get better understanding of individual acceptance behavior on Information technology (IT). There have been several theoretical models employed to study user acceptance and usage behavior of emerging information technologies. However, successful investment in technology can lead to enhanced productivity, while failed systems can lead to undesirable consequences such as financial losses and dissatisfaction among employee (Venkatesh, 2000).

Investigation into the behavioral intention to adopt information technology (IT) has always been an important issue in information management. Thus, consumer's behavioral intention to use transportation mobile application must be probed. (Davis, 1989; Davis, Bagozzi, & Warshaw, 1989; Heijden, Verhagen, & Creemers, 2003; Igarria, Zinatelli, Cragg, & Cavaye, 1997; Liao, Shao, Wang, & Chen, 1999; Lin & Lu, 2000; Luarn & Lin, 2005; Mathieson, 1991; Mykytyn & Harrison, 1993).

Attitude toward using is defined as "the degree of evaluative affect that an individual associates with using the target system in his or her job". Users believe that a given application may be successful, but they may, at the same time, believe that the technology is too hard to use and that the performance benefits of usage are outweighed by the effort of application (Davis & Arbor 1989; Bugembe, 2003). Gefen and Straub (2000) suggested managers and co-workers need to realize that the same mode of communication maybe perceived differently by the sexes. This argument is strengthened by the studies on the effects of gender and their ease to use a new technology. Venkatesh et al., (2000) found gender differences in individual adoption and sustained usage of technology in the workplace. In their study, men's decision in this regard were more strongly influenced by their attitude towards using the new technology, while women were more

strongly influenced by their subjective norm and perceived behavior control. Harrison and Rainer (1992) also found some relationship between gender and computer skills. Male associates had higher computer skills, while their female counterparts recorded a higher level of computer anxiety.

Go-Jek application system was adopted in Indonesia as a new innovation in the field of transportation services. As new innovations are created, distributed, and adopted or rejected by society, the main consequence is social change. Worried about the highly sophisticated technology instruments have been pushed too hard and too fast, and that those who promote them say little about the context and conditions in which they thrive. Therefore this research intend to identify whether Go-Jek services has been accepted by the community, especially, for adult woman who are less responsive to using new technological innovations. It can not be denied that they have a lot of responsibility in taking care of the household, so that the great potential that they really need these applications to assist their daily activity, because basically Go-Jek help consumers to receive transportation services, groceries, cleaning house, buy medicine, etc.

An individual's system usage is determined by behavioral intention, which is, in turn, influenced by two beliefs: perceived ease of use and perceived usefulness. Here, perceived ease of use and perceived usefulness are the two principal constructs believed to predict users' attitude and behavioral intention. Whereas perceived usefulness is defined as "the degree to which a person believes that the use of a particular system would enhance his or her job performance." Davis (1989, p. 320) defined perceived ease of use as "the degree to which a person believes that the use of a particular system would be free of effort," if its associate with Go-Jek application, with the advent of Go-Jek mobile applications (for Android,

iOS, BlackBerry) finding a motorcycle taxi is much easier. These mobile application provide information about the driver, fares, and how long the driver will arrive to pick up. Since one of Go-Jek application's services uses motorcycle, it moves faster in traffic, and sometimes the drivers also know the shortcuts to reach passanger's destination when people need to navigate the traffic quickly and easily. In addition, the technology component of the service makes this more comfortable even for a Westerner that does not speak Bahasa.

The technology acceptance model (TAM) one of the intention models, is perhaps the most widely applied theoretical model in IS research. In Park J Hu et al (1999), TAM was developed by (Davis, 1986) to explain computer-usage behavior. The theoretical grounding for the model is (Fishbein and Ajzen's, 1975) theory of reasoned action (TRA). According to TRA, beliefs influence attitudes, which in turn lead to intentions, which then guide or generate behaviors. TAM adapts this belief-attitude-intention-behavior relationship to an IT user acceptance model. The goal of TAM is to "provide an explanation of the determinants of computer acceptance that is general, capable of explaining user behavior across a broad range of end-user computing technologies and user populations, while at the same time being both parsimonious and theoretically justified" [Davis, 1975 p. 985] The TAM adopted Fishbein and Ajzen's (1975) theory of reasoned action (TRA) as a basis for specifying its casual sequence: beliefs (i.e., perceived ease of use and perceived usefulness)/attitude/behavioral intention. Beliefs lead to the formation of attitudes that help determine eventual behavior, including willingness to spend money online. The consumer-applications vendor relationship is influenced by consumers' beliefs regarding mobile application vendors. These beliefs are generally classified as either: usage,

relating to perceptions of a vendor's application, and trusting, relating to the vendor's trustworthiness.

E-Commerce conducted through websites can be understood in the context of conventional customer behavior theories, as well as a variety of customer behavioral characteristics in utilizing and applying computer hardware and software (Kim et al., 2008). Taking into account that customers partake voluntarily in Internet shopping, Davis (1986) technology acceptance model (TAM) can prove to be a useful research model to explain the internal and external motivations that initiate shopping behavior on websites. Attitudes toward a vendor's Web site. Attitudes develop as people make judgments based on usage beliefs. Usefulness, along with beliefs about ease of use, contribute to the formation of consumer attitudes-and intentions-toward using a particular Web site (Gefen et al., 2003; Salam et al., 2005)

Many scholars have argued that trust is a prerequisite for successful commerce because consumers are hesitant to make purchases unless they trust the seller (Gefen, 2002; Jarvenpaa et al., 1999; Rao et al., 2005; Qualls et al., 2000; Ferrin et al., 2008). Consumer trust may be even more important in electronic, "cyber" transactions than it is in traditional, "real world" transactions. This is because of some of the characteristics of Internet cyber transactions they are blind, borderless, can occur 24 hours a day and 7 days a week, can cause consumers to be concerned that the seller won't adhere to its transactional obligations. Consequently, trust in an Internet business is focused much more on transaction processes (Rao, 2005 Ferrin et al., 2008) in contrast to that of traditional transactions involving brick-and-mortar stores where trust tends to be focused on face-to-face personal relationships. Quite possibly, the key to success in Internet business is the establishment of trusted transaction processes where e-sellers

create an environment in which a prospective consumer can be relaxed and confident about any prospective transactions (Gefen et al., 2000; Ferrin et al., 2008).

In prior research, trust has been viewed through diverse disciplinary lenses and filters: economic (Dasgupta, 1990; Goodwin, 1996; Snijders, 1996), social/institutional (Coleman, 1990; Gambetta, 1988), behavioral/psychological (Dirks & Ferrin 2001; Hollis, 1988), managerial/organizational (Menon et al., 2003; Jeffries & Reed, 2000; Olson & Olson, 2000; Resnick et al., 2000; Qualls et al., 2000), and technological (Brainov & Sandholm, 1999; Castelfranchi & Falconeand, 1999; Marsh, 1994) Trust is considered essential in exchange relations because it is a key element of social capital (Schoorman et al., 1995) and is related to firm performance, satisfaction, competitive advantage, and other economic outcomes such as transaction cost (Menon, 2003; Cummings & Bromiley, 1996; Handy, 1995) and search cost reductions (Gulati, 1995). The trust-oriented perspective quickly gained momentum after the introduction of wide-scale electronic commerce in the beginning of the 1990s (Keen et al., 1999). Trust is a multidimensional concept that can be studied from the viewpoint of many disciplines, including social psychology, sociology, economics, and marketing (Doney & Cannon, 1997). While there are many definitions of trust, the one that we will adopt in this paper is the willingness of a consumer to be vulnerable to the actions of an online store based on the expectation that the online store will perform a particular action important to the consumer, irrespective of the ability to monitor or control the online store cf. the more general definition from Mayer et al. (1995) (Heijden et al., 2003). To what extent does trust in the company influence the intention to buy at a specific mobile application?

This research will examine the impact of eTrust and technology acceptance model towards Go-Jek internet based transport services mobile application.

1.2 Research Problem

According to the background, the problems can be formulated as follows:

1. Does *perceived ease of use* exert a positive impact on *perceived usefulness*?
2. Does *perceived ease of use* exert a positive impact on *attitude towards using*?
3. Does *perceived usefulness* exert a positive impact on *attitude towards using*?
4. Does *attitude towards using* exert a positive impact on *intention to use*?
5. Does *eTrust* exert a positive impact on *attitude towards using*?
6. Does *eTrust* exert a positive impact on *intention to use*?

1.3 Objectives of The Study

This study is aimed to :

- a. Identify and examine the positive impact of *perceived ease of use* on *perceived usefulness* of Go-Jek mobile application in Surabaya
- b. Identify and examine the positive impact of *perceived ease of use* on *attitude towards using* of Go-Jek mobile application in Surabaya
- c. Identify and examine the impact of *perceived usefulness* on *attitude towards using* of Go-Jek mobile application in Surabaya
- d. Identify and examine the positive impact of *attitude towards using* on *intention to use* of Go-Jek mobile application in Surabaya

- e. Identify and examine the positive impact of *eTrust* on *attitude towards using* of Go-Jek mobile application in Surabaya
- f. Identify and examine the positive impact of *eTrust* on *intention to use* of Go-Jek mobile application in Surabaya

1.4 Scope of The Study

This research will analyze the effect of the impact of eTrust and technology acceptance model which consists of perceived ease of use and perceived usefulness either simultaneously or partially to the attitude towards using and intention to use Go-Jek mobile application in Surabaya.

This study uses a quantitative approach with Partial Least Squares (PLS) data analysis method. Under this approach, it is assumed that all the measured variance is useful variance e-Trust and technology acceptance model variables to be explained.

The result of simultaneous test indicates that the influence of exogenous variables which consist of perceived ease of use and eTrust, the intervening variable which is attitude towards using simultaneously have significant impact partially to endogenous variables which consist of perceived usefulness and intention to use.

1.5 Significance of The Study

The result of this research will be generate some advantage such as :

1.5.1 Theoretical Benefit

Theoretical contributions, can be used as materials development and application science, particularly in the field of marketing. This study will enrich the knowledge of impact of perceived ease of use, perceived

usefulness, and eTrust with the intervening of attitude towards use to intention to use GoJek mobile application.

1.5.2 Practical Benefit

The result of this study can be used by GoJek Surabaya to evaluate potential customers that know but never use Go-Jek mobile application by understanding the perceived ease of use, perceived usefulness, and eTrust with the intervening of attitude towards use to intention to use GoJek mobile application.

1.6 Writing Systematic

The systematic of this research are arranged as the following:

Chapter 1. Introduction

Background, research questions, research objectives, significant of study and systematic of study are discussed in this chapter. The aims of this chapter are to introduce the gap or problem from previous research and issues recently. It also introduces the variables that used for study.

Chapter 2. Theoretical Background

This chapter presented the previous study, relevant journal, theoretical background and hypothesis. The theoretical background will explain about perceived ease of use, perceived usefulness, attitude towards using, behavioral intention to use, eTrust, and also relationship between variables.

Chapter 3. Research Methods

This chapter describing the process of analyzing the data including research design, identification of variable, operational definition, type of source data, variable measurement, data

collection method, population, sample and sampling technique, data analysis technique, validity and reliability, fitness model task, and hypothesis testing.

Chapter 4. Data Analysis and Discussion

This chapter consists of research data description, data analysis, and discussion, also discussing about respondent description, research variable statistic descriptions, hypothesis testing.

Chapter 5. Conclusion

This chapter is the closing of this study that consists of conclusion and suggestion for the research object and for the consumer or researcher to do a further research.