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The Effect of Tariffs and Service Quality on Customer Satisfaction That Affects of The Customer Loyalty of Medan City Using Grab-Car Transportation

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Abstract: *Transportation is a supporting factor for community mobility. Nowadays, a lot of public transportation is not good at carrying out its business activities. If the transportation conditions can be arranged properly, then the wheels of the economy will be able to run smoothly.This research is motivated by many factors that influence people's loyalty in using grab car transportation which is the price and quality of service through community satisfaction. The form of associative research uses a quantitative approach. The population in this study is the people of Medan City who use Grab-Car transportation. The sampling technique used in this study was using non probability sampling with a type of purposive sampling. Testing hypotheses using path analysis at a confidence level of 95% (α = 0.05). The results of testing with the F test indicate that the tariff variable and service quality simultaneously have a significant effect on customer satisfaction. The results of the test with t test show that the tariff variable has a positive influence significant to customer satisfaction and service quality variables have a positive and significant effect on customer satisfaction. The results of testing with the F test indicate that the tariff variable, service quality, customer satisfaction simultaneously have a significant effect on consumer loyalty. The results of the test with t test indicate that the tariff and Consumer satisfaction has a positive and significant influence on consumer loyalty. However, consumer quality variables have a positive and not significant influence on consumer loyalty.*

Keywords: *Tariff, Service Quality, Consumer Satisfaction, Consumer Loyalty*

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I. Introduction

Nowadays, business conditions are experiencing increasingly rapid development. Each company strives to maximize its sales in order to get the most profit. As we have seen, current technological developments, support service companies to develop more rapidly. Service companies are a series of activities that offer intangible products. One service company that experienced rapid development in this era was the transportation sector.

In this era, transportation is very important for many people, especially land transportation that supports the activities of its people. Transportation is very important in an urban area, because if the transportation conditions can be arranged properly, then the wheels of the economy will be able to run smoothly. Nowadays, many public transports are not good at carrying out their business activities. Lack of special attention to the condition of the vehicle, so often encountered conditions of vehicles that do not operate properly.

Today, new transportation services are increasingly emerging using digital technology capabilities. One type of transportation is Grab-Car. The emergence of this type of technology-based transportation is not solely because it is based solely on community needs, but the presence of transportation is also considered a lifestyle (lifestyle). Grab-Car is considered to be able to provide satisfaction for its customers in order to be able to retain their customers.

One key to maintaining customer loyalty is by giving customers satisfaction for the services that have been enjoyed by these customers. In this study, the factors suspected of being able to maintain customer loyalty are attractive service quality, and the price that must be paid must be in accordance with what consumers expect. This is supported by several empirical studies such as those conducted by Haily and Sriyanti (2016) that service quality, price, and promotion influence consumer satisfaction. Research conducted by Lumintang Intan Sintya et al (2018) provides results that price and service quality affect customer satisfaction on transportation services.

II. Theoretical Review

2.1 Marketing Mix Theory

The marketing mix is a set of marketing tools that companies use to pursue their corporate goals (Kotler and Keller, 2012). In the marketing mix there are several marketing tools, namely product, price, place, and promotion. But in marketing services have additions such as people, physical evidence, and process. Lupiyoadi (2013) defines that services are all economic activities whose results are not physical or construction products, which are usually consumed at the same time as the time produced and provide added value.

2.2 Tariff Theory (Price)

Price is a number of values that must be issued by someone to enjoy an item or service. According to Kotler and Keller (2012) the price is the amount of money that the customer must pay for the product. Price will determine consumers to choose, and buy goods or services that are in accordance with consumer perceptions. In determining prices, of course also must pay attention to the production costs of these products. The price concept according to Alma (2013) which can be used with the cost plus approach is total cost product costs, and variable costs.

2.3 Service Quality

Excellent service is the best service in meeting customer expectations and needs. Services that meet quality standards are services that are in accordance with customer / community expectations and satisfaction (Maddy, 2009). According to Kotler and Keller (2012), there are five dimensions of quality services that must be fulfilled, namely, physical evidence, empathy, reliability, responsiveness, and assurance.Excellent service is the best service in meeting customer expectations and needs. Services that meet quality standards are services that are in accordance with customer / community expectations and satisfaction (Maddy, 2009). According to Kotler and Keller (2012), there are five dimensions of quality services that must be fulfilled, namely, physical evidence, empathy, reliability, responsiveness, and assurance.

2.4 Consumer Satisfaction

According to Kotler and Keller (2012), customer satisfaction is a feeling of being happy or disappointed someone who arises because of comparing the perceived performance of the product or the outcome of their expectations. Expectations for this performance are compared to the actual performance of the product, namely the perception of product quality. If quality is lower than expectations, what happens is emotional dissatisfaction (negative disconfirmation). If performance is greater than expectation, posittive disconfirmation occurs. Whereas if performance is the same as expectations, what happens is confirmation of hope (simple disconfirmation or non-satisfaction).

2.5 Consumer Loyalty

Kotler and Keller (2012) reveal that loyalty is a firm commitment to buy back or subscribe to selected products or services in the future even though situational influences and marketing efforts have the potential to cause consumers to switch to other products.

III. Research Methods

The type of research used is associative research. Using a research approach through a survey. This research was conducted in Medan City, North Sumatra province and the time of research began from October 2018 to November 2018.

The population in this study was the people of Medan City who used Grab-Car transportation. The sampling technique used in this study was using non probability sampling with a type of purposive sampling. The sample size in this study was 140 respondents with a large significance level of alpha = 5%. The method of data collection used in this study was interviews, questionnaires and documentation studies.

The data analysis in this study uses a road analysis method or technique operated through the SPSS version 22 program. A study uses two statistical approaches, namely descriptive statistics and inferential statistics(path analysis).

IV. Results and Discussion

4.1 Results of Descriptive Statistics Analysis

Table 4.1 Characteristics of Respondents by Gender

Criteria	Frequency	Percentage (%)
Man	52	37
Woman	88	63
Total	140	100

Source: Research Results, 2019

Table 4.2 Characteristics of Respondents by Age

Age (years)	Number of Respondents	Percentage (%)
16 – 25	85	60,7
26 – 35	40	28,5
36 – 45	10	7
> 45	5	3,8
Total	140	100

Source: Research Results, 2019

Table 4.3 Characteristics of Respondents by Education

Criteria	Frequency	Percentage (%)
Junior high school (SMP)	1	1
High school (SMA)	29	21
Diploma / Bachelor (D3/S1)	96	68
Postgraduate (S2)	14	10
Total	140	100

Source: Research Results, 2019

Table 4.4 Characteristics of Respondents by Job

Criteria	Frequency	Percentage (%)
Student /College student	35	25
Civil Servants	8	5,9
BUMN / BUMD employees	10	7
Private employees	62	44,3
Entrepreneur	25	17,8
Total	140	100

Source: Research Results, 2019

Table 4.5 Characteristics of Respondents by Level of Use

Criteria	Frequency	Percentage (%)
5 times	18	13
6 times	6	4
7 times	4	3
>7 times	112	80
Total	140	100

Source: Research Results, 2019

4.2 Results of Inferential Statistical Analysis

4.2.1 Results Analysis Simultaneous Test (Test F) Substructure I

Simultaneous testing (test F) was carried out to test whether the independent variables namely tariffs and service quality together had a significant effect on customer satisfaction in Grab Car transportation services in Medan City.

Ho : b1, b2 = 0 (Tariffs and quality of service simultaneously do not affect consumer satisfaction).

Ha : b1, b2≠ 0 (Tariffs and service quality simultaneously influence consumer satisfaction).

The results of the influence of tariffs and service quality on customer satisfaction can be seen in Table 4.6.

Table 4.6 Simultaneous Test Results

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.867	2	18.933	179.970	.000[a]
	Residual	14.413	137	.105		
	Total	52.280	139			

a. Predictors: (Constant), Service Quality, Tariffs

b. Dependent Variable: Consumer Satisfaction

Source: Research Results, 2019

Based on Table 4.6. the value of F_{count} (179,970)> F_{table} (2.60) at α = 5% thus Ha is accepted. In Table 4.5 above, it can be seen that the significance value of 0.000 is smaller than α = 0.05, this means that the tariff variable and service quality have a significant influence on the customer satisfaction of Grab Car transportation services in Medan City.

4.2.2 Results of Analysis of Partial Test (Test t) Substructure I

Partial Test (t test) is carried out to test whether the independent variable rates and service quality have a positive and significant effect on customer satisfaction on Grab Car's online transportation services.

Partial hypothesis testing criteria are as follows:

1. Effect of variable tariff on customer satisfaction

Ho : b1 = 0, which means that the tariff partially does not affect the customer satisfaction of Grab Car's online transportation services.

Ha : b1 ≠ 0, which means that the tariff partially affects the customer satisfaction of Grab Car's online transportation services.

2. Effect of service quality on customer satisfaction

Ho : b2 = 0, which means that service quality partially does not affect the customer satisfaction of Grab Car's online transportation services

Ho : b2 ≠ 0, which means that service quality partially affects the customer satisfaction of Grab Car's online transportation services.

The decision criteria for the partial test are as follows:

- Ho is accepted and Ha is rejected if $-t_{table} < t_{count} < t_{table}$ at $\alpha = 5\%$
- Ho is rejected and Ha is accepted if $-t_{table} < t_{count}$ or $t_{count} > t_{table}$ at $\alpha = 5\%$

Table 4.7 Partial Test Results (t Test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.049	.237		.206	.837
	Tariff	.230	.095	.190	2.432	.016
	Service quality	.745	.085	.688	8.785	.000

a. Dependent Variable: Consumer Satisfaction

Source: Research Results, 2019

Based on Table 4.7 above it can be explained, that:

- The $t\text{-}_{count}$ value of the tariff variable is 2,432 with a significant level of 0,000. Based on the hypothesis test criteria, if $t\text{-}_{count} > t_{table}$ (1,660) then Ha is accepted. This shows that if the tariff variable is increased by one unit, then customer satisfaction will increase by 0.190 or equivalent to 19.0%. This means that tariff partially have a positive and significant effect on Consumer Satisfaction Grab Car online transportation services.
- The $t\text{-}_{count}$ of the service quality variable is 8.785 with a significant level of 0,000. Based on the hypothesis test criteria, if $t\text{-}_{count} > t_{table}$ (1,660) then Ha is accepted. This shows that if the service quality variable is increased by one unit, then customer satisfaction will increase by 0.688 or equivalent to 68.8%. This means that Service Quality partially have a positive and significant effect on Consumer Satisfaction Grab Car online transportation services.

4.2.3 Coefficient of Determination (R^2)

Table 4.8 Determination Coefficient (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.851[a]	.724	.720	.32435

a. Predictors: (Constant), Service quality, Tariff

b. Dependent Variable: Consumer Satisfaction

Source: Research Results, 2019

This shows that the ability of the tariff variable and service quality explains the effect on the satisfaction variable is 72% and the rest is 28% influenced by other variables not examined in this study.

4.2.4 Classical Assumption Test Substructure I

1. Normality test

Table 4.9 Normality Test Kolmogoriv Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		140
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.32200821
Most Extreme Differences	Absolute	.087
	Positive	.079
	Negative	-.087
Kolmogorov-Smirnov Z		1.030
Asymp. Sig. (2-tailed)		.239

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		140
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.32200821
Most Extreme Differences	Absolute	.087
	Positive	.079
	Negative	-.087
Kolmogorov-Smirnov Z		1.030
Asymp. Sig. (2-tailed)		.239

a. Test distribution is Normal.
b. Calculated from data.
Source: Research Results, 2019

The regression model is said to be normal if the Asymp.Sig (2-tailed) value is > 0.05. From the results of the hypothesis test above, it can be concluded that the regression model has met the normality requirements.

2. Multicollinearity Test

Table 4.10 Multicollinearity Test

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1(Constant)	.049	.237		.206	.837		
Tariff	.230	.095	.190	2.432	.016	.328	3.048
Service quality	.745	.085	.688	8.785	.000	.328	3.048

a. Dependent Variable: Consumer Satisfaction
Source: Research Results, 2019

Based on table 4.10, it can be seen that the Tolerance value is 0.328 > 0.1 and the VIF value of 3.048 is smaller than 10, it can be concluded that the linear regression equation of the first hypothesis is free from multicollinearity.

3. Heteroscedasticity Test

Table 4.10 Heteroscedasticity Test

Coefficients[a]

Model		t	Sig.
1	(Constant)	4.926	.000
	Tariff	-.622	.535
	Service quality	-1.449	.150

a. Dependent Variable: Res2
Source: Research Results, 2019

Based on the results of the glejser test it can be seen that the significant value of each independent variable is greater than 0.05. It can be concluded that the regression model does not occur heterocedasticity.

4.2.5 Simultaneous Test Analysis Results (Test F) Substructure II

Simultaneous testing (Test F) is carried out to test whether the independent variables namely tariffs, service quality and customer satisfaction together have a significant effect on consumer loyalty Grab Car transportation services in Medan City.

Ho : b1, b2,b3 = 0 (Tariffs, service quality and customer satisfaction simultaneously have no effect on consumer loyalty).

Ha : b1, b2,b3 ≠ 0 (Tariffs, service quality and customer satisfaction simultaneously have no effect on consumer loyalty).

The results of the influence of tariffs and service quality on customer satisfaction can be seen in Table 4.11.

Table 4.11 Simultaneous Test Results

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.207	3	7.736	46.172	.000[a]
	Residual	22.785	136	.168		
	Total	45.992	139			

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.207	3	7.736	46.172	.000[a]
	Residual	22.785	136	.168		
	Total	45.992	139			

a. Predictors: (Constant), Consumer Satisfaction, Tariff, Service quality
b. Dependent Variable: Loyality

Source: Research Results, 2019

Based on Table 4.11. significant value is sig 0,000 < 0,05. It can be interpreted that tariffs, service quality, and customer satisfaction have a positive and significant effect on the loyalty of the people of Medan using Grab-Car transportation.

4.2.6 Results of Analysis of Partial Test (Test t) Substructure II

Partial Test (t test) is carried out to test whether the independent variable rates and service quality have a positive and significant effect on customer satisfaction on Grab Car's online transportation services.

Partial hypothesis testing criteria are as follows:

1. Effect of tariffs on consumer loyalty

Ho : b1 = 0, which means that the tariff partially does not affect the customer loyalty of Grab Car's online transportation services.

Ha : b1 ≠ 0, which means that the tariff partially affects the customer loyalty of Grab Car's online transportation services.

2. Effect of service quality on consumer loyalty

Ho : b2 = 0, which means that service quality partially does not affect the customer loyalty of Grab Car's online transportation services.

Ho : b2 ≠ 0, which means that service quality partially influences customer loyalty in the Grab Car online transportation service.

3. Effect of service quality on consumer loyalty

Ho : b3 = 0, which means that customer satisfaction partially has no effect on customer loyalty in the Grab Car online transportation service.

Ho : b3 ≠ 0, which means that customer satisfaction partially affects the customer loyalty of Grab Car's online transportation services.

The decision criteria for the partial test are as follows:

- Ho is accepted and Ha is rejected if $-t_{table} < t_{count} < t_{table}$ at $\alpha = 5\%$
- Ho is rejected and Ha is accepted if $-t_{table} < t_{count}$ or $t_{count} > t_{table}$ at $\alpha = 5\%$

Table 4.12 Partial Test Results (t Test)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.548	.300		1.827	.070
Tariff	.392	.122	.346	3.217	.002
Service Quality	.134	.134	.132	1.005	.316
Consumer Satisfaction	.266	.108	.284	2.467	.015

Source: Research Results, 2019

Based on Table 4.12 above, it can be explained that:

- The $t\text{-}_{count}$ value of the tariff variable is 3.217 with a significant level of 0.002. Based on hypothesis test criteria, namely if $t\text{-}_{count} > t_{table}$ (1.96) then Ha is accepted. This shows that if the tariff variable is increased by one unit, then consumer loyalty will increase by 0.346 or equivalent to 34.6%. This means that Tariff variables partially have a positive and significant effect on Consumer Loyalty Grab Car online transportation services.
- The value of t_{count} of variability in service quality is 1.005 with a significant level of 0.316. Based on the hypothesis test criteria, namely if $t\text{-}_{count} < t_{table}$ (1.96) then Ha is rejected. This shows that if the service quality variable is increased by one unit, then consumer loyalty will increase by 0.132 or equivalent to 13.2%. This means that Service Quality variables partially have a positive and not significant effect on Consumer Loyalty Grab Car online transportation services.

- The $t\text{-}_{count}$ value of the variable customer satisfaction is 2.467 with a significant level of 0.015. Based on hypothesis test criteria, namely if $t\text{-}_{count} > t_{table}$ (1.96) then Ha is accepted. This shows that if the service quality variable is increased by one unit, then consumer loyalty will increase by 0.284 or equivalent to 28.4%. This means that the Consumer Satisfaction variable partially has a positive and not significant effect on Consumer Loyalty Grab Car online transportation services.

4.2.7 Coefficient of Determination (R^2)

Table 4.13 Determination Coefficient (R^2) Second Hypothesis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710[a]	.505	.494	.40932

a. Predictors: (Constant), Consumer Satisfaction, Tariff, Service Quality
b. Dependent Variable: Loyalty

Source: Research Results, 2019

This indicates that the ability of the tariff variable, service quality and customer satisfaction explains the effect on the variable consumer loyalty is 50.5% and the rest is 49.5% influenced by other variables not examined in this study.

4.2.8 Classical Assumption TestSubstructure II

1. Normality Test

Table 4.14 Normality Test Kolmogoriv Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		140
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.40487473
Most Extreme Differences	Absolute	.101
	Positive	.064
	Negative	-.101
Kolmogorov-Smirnov Z		1.193
Asymp. Sig. (2-tailed)		.116

a. Test distribution is Normal.
b. Calculated from data.

Source: Research Results, 2019

The regression model is said to be normal if the Asymp.Sig (2-tailed) value is > 0.05. From the results of the hypothesis test above, it can be concluded that the regression model has met the normality requirements.

2. Heteroscedasticity Test

Table 4.15 Glejser test

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.008	.187		.041	.967
Tariff	-.077	.076	-.152	-1.016	.312
Service quality	.113	.083	.248	1.358	.177
Consumer Satisfaction	.038	.067	.090	.563	.575

a. Dependent Variable: Res2

Source: Research Results, 2019

Based on the results of the glejser test of the second hypothesis, it can be seen that the significant value of each independent variable is greater than 0.05. It can be concluded that the regression model does not occur heterocedasticity.

3. Multicollinearity Test

Table 4.16 Multicollinearity Test

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF

1	(Constant)	.548	.300		1.827	.070		
	Tariff	.392	.122	.346	3.217	.002	.315	3.179
	Service quality	.134	.134	.132	1.005	.316	.210	4.764
	Consumer Satisfaction	.266	.108	.284	2.467	.015	.276	3.627

a. Dependent Variable: Loyality

Source: Research Results, 2019

Based on Table 4.16 it can be seen that each Tolerance value for each variable is greater than 0.1 and the VIF value is smaller than 5, it can be concluded that the linear regression equation is free from multicollinearity.

4.2.9 Trimming Results

Table 4.17 Partial Significant Test (t-Test) Hypothesis after Trimming

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.568	.299		1.899	.060
Tariff	.456	.104	.402	4.377	.000
Consumer Satisfaction	.331	.086	.353	3.839	.000

a. Dependent Variable:Loyalty

Source: Research Results, 2019

V. Discussion

a. Effect of Tariff and Service Quality on Customer Satisfaction

In Sub Structure I with the F test, it was found that tariffs and service quality had a positive and significant effect on the satisfaction of the city of Medan. Factors capable of making consumers feel satisfied were from tariffs. Tariff is a number of costs or values paid by consumers after enjoying services. This study shows that customer satisfaction is formed through variable rates. The tariff offered by the Grab-Car company is able to provide an attraction for consumers to use this transportation service. From the price dimension, the Grab-Car tariff is very affordable, the tariff set by the company in accordance with quality of services obtained by consumers.

The results of this study support previous research conducted by Haily and Sriyani (2016). The cheaper the price of an item or service will increase satisfaction for the audience. Not all low-priced products or services will be able to shape customer satisfaction, but in this study, which is a shaping factor of customer satisfaction, one of them is tariff.

Another factor that can influence customer satisfaction is the quality of service. From the results of the analysis it can be concluded that customer satisfaction will increase if the quality of service is also improved. Service quality is the level of excellence possessed by each business when serving consumers. Grab companies must always pay attention to all aspects related to service quality so that consumers will still feel satisfied.

These results support previous studies conducted by Sintya et al (2018). In this study states that service quality is able to improve customer satisfaction. Any increase or decrease in customer satisfaction is influenced by an increase or decrease in service quality.

b. The Direct Effect of Tariffs and Service Quality Has a Positive Effect on Consumer Loyalty

From the results of this analysis, it can be said that the community agrees and is committed to always using transportation services with a discounted rate. Economical tariffs will be the main factor in Medan's community in using transportation. The results of this study are in line with the research conducted by Khuong and Dai (2016). From the results of the study stated that prices directly have a positive effect on customer loyalty. Low prices, will be preferred by consumers so consumers will increasingly increase the frequency of transportation use. .

The factor that can influence the next customer loyalty is the quality of service. This shows that there is no significant influence between the quality of service and the loyalty of the people of Medan city using transportation services. In increasing consumer loyalty, quality service is not fully needed, but the application of tariffs that are in line with consumer expectations. Consumers prefer low tariff, while the quality of service is only as a complement. Every increase in service quality will not affect the increase in customer loyalty.

The results of this study are in line with the research conducted by Sacro and Pudjiastuti (2013). The results of this study state that service quality variables have no influence on customer loyalty. Research conducted by Hasby et al (2018) From the results of the study also states that service quality has no effect on

customer loyalty. From the results of previous studies also stated that service quality will not affect the increase in consumer loyalty.

c. Effect of Consumer Satisfaction on Consumer Loyalty

From the results of testing Sub Structure II indicates that the variable customer satisfaction has a positive and significant effect on consumer loyalty. The satisfaction of the city of Medan is able to bring to a positive direction, thus creating the loyalty of the people of Medan in using transportation services.

The results of this study are in line with the research conducted by Sacro and Pudjiastuti (2013). From the results of this study states that forming consumer loyalty is one of them is to create satisfaction for consumers. When consumers feel satisfied, it will bring consumers to be willing to make a purchase or using service.

d. Direct and Indirect Effects of Tariff on Loyalty

The direct effect given by the tariff variable on customer satisfaction is 0.402. While the indirect effect of the tariff variable through customer satisfaction on loyalty is the multiplication between the beta value of customer satisfaction rates and the beta value of consumer satisfaction on loyalty, namely: (0.190 x 0.353 = 0.067). Then the total effect given by the tariff variable on loyalty is the direct effect coupled with indirect effects, namely: (0.402 + 0.067 = 0.469). Based on the results of the above calculations, it is known that the direct effect value is 0.402 and the indirect effect is 0.067 which means that the value of the direct effect is greater than the indirect effect.

Satisfaction of the people using the transportation service Grab-Car not necessarily cause to be loyal, because of people's satisfaction can be triggered by other factors other than tariffs. Tariffs are one of the factors causing satisfaction in the city of Medan, but satisfaction with these rates does not make the community loyal.

e. Direct and Indirect Effects of Service Quality on Loyalty

In Sub Structure II, obtained a significant value for the variable quality of service to consumer loyalty is equal to 0.316.

The results of this study indicate that the loyalty of the city of Medan is not shown through the quality of services provided by Grab to consumers. The loyalty of the people of Medan city is formed through satisfaction. This means that how much business the Grab company does in terms of service will not guarantee the loyalty of the people of Medan using Grab-Car. The results of this study indicate that the Grab-Car company first created satisfaction for the people of Medan. Because, good service quality without being followed by satisfaction, customer loyalty will not be created.

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