

THE IMPACT OF INTERACTIVITY, PERCEIVED EFFECTIVENESS, TRUST, AND EXPERIENTIAL MARKETING ON ONLINE TRANSPORTATION CUSTOMER LOYALTY

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ABSTRACT

The purpose of this study is to examine the effect of interactivity, perceived effectiveness, trust, and experiential marketing on online transportation customers' loyalty in Indonesia. This study surveyed 264 online transportation customers. Purposive sampling was used to recruit respondents. Partial Least Squares analysis was used to analyze the data in three steps, including inner model analysis, outer model analysis, and hypothesis testing. The hypothesis testing supported seven of the nine hypotheses proposed. The findings of this study indicate that interaction is a significant predictor of online transportation consumer loyalty. The report also discusses the implications of the results and the direction for further research.

Keywords: Interactivity, perceived effectiveness, trust, experiential marketing, customer loyalty

JEL Classification: M1, M2, M3

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INTRODUCTION

Globalization has had a significant impact on the development of the corporate world worldwide. The market is wide open, and the prospects are expanding, but the competition is becoming more unpredictable. Digital technology is widely seen as playing a critical influence in a country's economy. This condition necessitates that each business has a competitive advantage to compete sustainably with other businesses in the same field. The rapid advancement of information technology has increased the community's desire to continue increasing the economy's and industry's productivity. Business in the sphere of public transportation services is a lucrative opportunity at the moment. When combating congestion, online transportation services such as Grab and Gojek are extremely appropriate and effective alternatives. Every one prefers to utilize these online transportation services since they can get to their location quickly and efficiently.

During today's fierce competition, transportation service providers compete to offer consumers their services with their unique benefits. As a result, the corporation has taken numerous measures to ensure consumer loyalty—increasing customer loyalty through improved service and a commitment to providing the best for customers. According to a prior study, a sense of customer loyalty to a brand is critical for a business's survival. According to

(Giddens, 2002), brand-loyal consumers exhibit qualities such as commitment to the brand, willingness to pay a premium for the brand, recommending the brand to others, making repeat purchases, and being constantly informed about the brand. When consumers conduct business with a company, they expect a memorable encounter, colloquially referred to as a customer experience. Thus, one may argue that a consumer experience is a form of capital that businesses can leverage to build consumer loyalty. Additionally, it is vital to ensure that consumers perceive the success of a corporate organization's transactions and consumption of its services when building consumer trust. Consumer confidence is also projected to rise due to increased communication and interactive connections between service providers and consumers.

Although research on loyalty and the antecedents of loyalty has been widely explored, research on the loyalty of online transportation users is still rarely done. Furthermore, the characteristics of online transportation are quite different from those of other industries that have been studied. For example, Chang (2020) examines experiential marketing and loyalty to coffee shops; Molinillo et al. (2017) in the online shopping clothes industry. Furthermore, Zheng, Lee and Cheung (2017) makes research on the antecedents of online transportation loyalty important to do. Furthermore, the interaction of the emerging marketing constructs such as interactivity and perceived effectiveness will increase the predictive power of the model, as well as close the gap in the literature on antecedent online transportation loyalty. Thus, this research investigates the interrelationship between interactivity, perceived effectiveness, trust, experiential marketing, and online transportation loyalty. Furthermore, this current research will also provide a practical benefit for online transportation practitioners. The practitioners can allocate their resources efficiently to enhance the loyalty of online transportation users.

LITERATURE REVIEW AND HYPOTHESES

Consumer Loyalty

Loyalty is a significant issue in marketing research (Nguyen, Barrett and Miller, 2011). Loyalty is described as a commitment made by consumers to purchase their chosen product/service in the future, resulting in recurring purchases with the same brand regardless of situational or marketing pressures that may trigger switching behavior (Lee, 2021). Consumer loyalty is a competitive advantage since it implies the ability of businesses to produce future revenue over time (O'Connor and Kelly, 2017; Carayannis et al., 2017). Consumer loyalty can be measured by consumers' recurrent purchases of brands and products (Krystallis and Chrysochou, 2014; Romaniuk and Thiel, M, 2013). Creating brand loyalty has gotten more difficult as competitors' offers have become more comparable and their corporate principles have become more similar (Dawes, Meyer-Waarden and Driesener, 2015). In this regard, it is critical to establish and

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maintain strong relationships with consumers to earn their loyalty (Gbadamosi, 2015). According to Foroughi et al. (2019), loyalty is typically quantified in terms of two dimensions: attitudes and conduct. While attitude loyalty refers to customer feelings and psychological states (Ahn and Back, 2018; Kim et al., 2020), behavioral loyalty refers to repurchase or reuse behavior (Chung, Brown and Willett, 2019)

Trust is the antecedent of loyalty. The significant and positive effect of consumer trust on their loyalty has been proven repeatedly by Lin et al., (2011); Kang and Hur (2012); Frasset, Descals and Ruiz-Molina (2017); Park, Kim and Kwon (2017). Research by Das (2016) and Khan, Rahman and Fatma (2016) show, respectively, that trust (online) can positively influence consumer behavioral intentions (purchase intentions, repurchases, and recommendations) and consumer loyalty.

Interactivity

Interactivity is a two-way connection between users and computer technology that occurs regardless of space or time. Users can alter the form and content of the communication in real-time (Yoo, Yunjung and Jung, 2010). Interactivity, according to a prior study, can be categorized into three components: control, synchronization, and two-way communication (Purwanto and Kuswandi, 2017; Yoo, Yunjung and Jung, 2010). Controllability is defined as the amount to which the communicant can change the communication's content, timing, and sequencing (Park, Jun and Lee, 2015). Second, synchronization relates to the rate at which information is communicated and the response that enables communication. Thirdly, two-way communication enables the swap of roles between the sender and recipient of communications (Purwanto and Kuswandi, 2017).

Interactivity on websites is critical for promoting positive behavioral intentions among online clients (Jeon et al., 2016). Real-time online interaction has a noticeable positive influence on consumer loyalty (Etemad-Sajadi, 2016). Numerous prior researches have established a positive correlation between interaction and consumer loyalty (Boateng, 2019; Khan, Rahman and Fatma, 2016; Kandampully, Zhang and Bilgihan, 2015). Businesses must leverage online interaction tools by consistently upgrading the stability and functionality of their online platform in order to retain customers and increase loyalty (Boateng, 2019). Thus, businesses can leverage online platforms to foster customer involvement via responses, questions, comments, feedback, and criticism (Boateng, 2019). It will, in turn, affect customer experience, trust, and customer perception of service effectiveness. Thus, the following hypotheses are formulated:

H1: Interactivity has a positive and significant effect on perceived effectiveness

H2: Interactivity has a positive and significant effect on trust

H3: Interactivity has a positive and significant effect on experiential marketing

Perceived Effectiveness

Perceived effectiveness is a performance expectation that quantifies the amount to which consumers benefit from using technology when doing certain tasks (Lehto and Oinas-Kukkonen, 2015; Venkatesh, Thong and Xu, 2012). Perception of effectiveness on online platforms as a proxy for how users view the efficacy of online platforms' processes compared to traditional enterprises (Adaji and Vassileva, 2017). Effectiveness is viewed favorably by online transportation customers, as are services that fit their demands and reasonable prices compared to the services received (Putri, Amin and Warjio, 2019).

Numerous prior studies have clarified the relationship between perceived effectiveness and customer loyalty (Lehto and Oinas-Kukkonen, 2015; Huang et al., 2015; Fang et al., 2014). Consumer behavior in the future will be influenced by the efficacy of online platforms in supplying products and services to consumers (Adaji and Vassileva, 2017). Users who believe an online platform effectively assists others will continue to utilize it, thereby increasing loyalty (Lehto and Oinas-Kukkonen, 2015). The following hypotheses are formulated:

H5: Perceived effectiveness has a positive and significant effect on trust

H6: Perceived effectiveness has a positive and significant effect on experiential marketing

H7: Perceived effectiveness has a positive and significant effect on loyalty

Trust

According to consumer behavior and marketing literature, trust is critical in establishing long-term connections (Islam et al., 2021). Customer trust can influence consumer loyalty to service providers and customer views of the service's value. Consumer loyalty is a long-term investment that explains the relationship between customers and service providers in a straightforward manner (Raza et al., 2020). Consumer loyalty is defined as a dedication to establishing long-term relationships with businesses through repeated purchases of their products/services (Markovic et al., 2018). Loyalty behavior encompasses all aspects of behavior associated with loyalty, such as repurchase, repurchase, or return visits to a product/service/location. Earlier research has revealed several significant determinants of consumer loyalty, most notably consumer trust (Markovic et al., 2018; Leonidou, Kvasova and Leonidou, 2013). Customers' perceptions of a brand's trustworthiness tend to be favorable, which might raise their level of loyalty toward particular brands (Liu, Cheng and Ouyang, 2021). The following hypothesis is:

H8: Trust has a positive and significant effect on loyalty

Experiential Marketing

Marketing plays a critical role in developing an organization's competitive strategy (Storey, 2017). The service industry's competition has compelled businesses to incorporate changes in

economic value that stem not only from services/goods but also from experiential marketing (Kalantari, H. and Johnson, 2018). Experience-based marketing is growing more popular in today's economic climate. Experiential marketing is the most cutting-edge strategy in marketing communications, utilizing sensory appeal and wide imagery to enhance the consumer experience (Levy and Guterman, H, 2020; Yeh, Chen and Chen, 2019; Wiedmann et al., 2018; Chaney, Lunardo and Mencarelli, 2018). This method is theoretically grounded in the "experiential view," which views consumption as a subjective phenomenon, a state of emotional awareness (Yeh, Chen and Chen, 2019; Ding and Tseng, 2015). The sensory appeal is a fundamental component of the consumer experience that shapes consumers' overall feelings about a brand. Consumers' expressed emotions and thoughts will be presumed to have an effect on brand-related emotions and thoughts manifested in affective and cognitive reactions (Meng-Shiou, Li-Fen and Li-Wen, 2019). The critical factor in increasing customer loyalty is customer-generated experience marketing for a product, brand, or service (Sonderlund, 2018). Schmitt (1999) identified four primary characteristics of experiential marketing: (1) an emphasis on experiential marketing; (2) a focus on consumption as a holistic experience; (3) an assumption that customers are rational and emotional beings; and (4) an appreciation for the eclectic nature of methods and tools. To expand on the concept of experience, Schmitt (1999) suggests five distinct forms of experience: "sense," "feel," "think," "act," and "relate." Previous research on various industries has noted that experiential marketing affects loyalty (Ding and Tseng, 2015; Wiedmann et al., 2018; Hussein and Hapsari, 2020). Thus, the following hypothesis is formulated:

H9: Experiential marketing has a positive and significant effect on loyalty

The conceptual model of this research is as follows

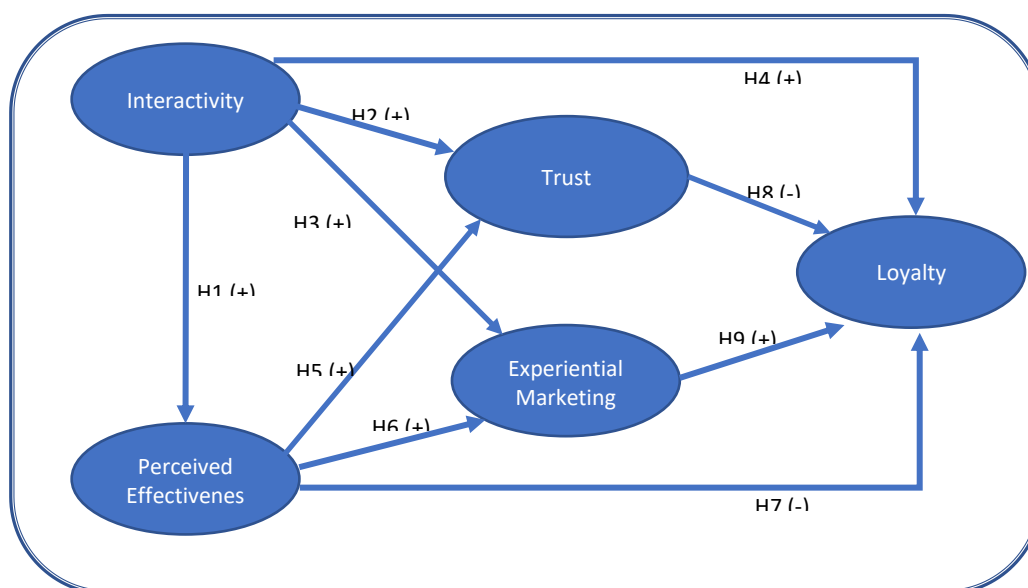


Figure 1.
Conceptual Research Model

RESEARCH METHODS

This study is explanatory research that examines the relationship among interactivity, perceived effectiveness, trust, experiential marketing, and loyalty. The population of this study is online transportation users in Indonesia, especially Grab and Gojek, which are noted as the biggest online transportation service providers. The sample for this study was obtained using purposive sampling. There are several sample criteria for this study as follow: (1) Sample is an online transportation user domiciled in Indonesia; 2) Using online transportation in the last six months; (3) The age is 17 years and over.

Based on these criteria, the minimum sample suitable for this study is between 30-500 observations following Hair et al. (2010) suggestion. Thus, this current research recruited 264 respondents to meet the sample size criteria. The data were obtained from online and offline instruments. Google form was used in online data collection, and respondents were recruited from SMEs Social Media group. A self-administered questionnaire was used in offline data collection.

The data in this study were analyzed using Variance Based SEM or Partial Least Squares (PLS). Three steps were taken in the data analysis process: (1) examination of the external model; (2) evaluation of the internal model; (3) hypothesis testing (Hussein, 2015). The data in this study were analyzed using the Structural Equation Modeling (SEM) method in conjunction with the Variance-Based SEM approach, also known as Partial Least Squares (PLS). Three stages are included in the study of PLS: an outer model analysis, inner model analysis, and hypothesis testing (Hussein, 2015).

Research Instrument Development

The research instrument in this study was in the form of a questionnaire which was built based on theory and previous studies. The table below shows the operational definitions of the variables and measurement items used in this study:

| Variable | Items | Sources |
|------------------------|--|--------------------|
| Experiential Marketing | EM1. The online transportation that I use has a fleet in prime condition and is roadworthy | (Bao et al., 2016) |
| | EM2. The online transportation I use usually provides a raincoat when needed. | |
| | EM3. The online transport driver I used served me well. | |
| | EM4. Using online transportation services makes me feel safe and comfortable. | |
| | EM5. The application of the online transportation that I use is easy to operate/use. | |
| | EM6. The online transportation that I use provides a variety of features that can facilitate customer needs. | |

| | | |
|-------------------------|--|---------------------------------------|
| | EM7. The attractive promotions offered to make me happy to travel using online transportation services. | |
| | EM8. There is good interaction between the driver and me. | |
| | EM9. I feel the service is satisfactory. | |
| | EM10. When people talk about safe online transportation, the main priority that comes to my mind is Grab or Gojek. | |
| Loyalty | <p>LOY1. I always use Grab or Gojek services</p> <p>LOY2. I'm interested in using it again at another time.</p> <p>LOY3. The easy payment system makes me use it repeatedly.</p> <p>LOY4. I would recommend it to friends and family.</p> <p>LOY5. I will say positive things about the online transportation I use to others.</p> <p>LOY6. I think Grab, and Gojek are the main choices for online transportation services.</p> <p>LOY7. I am not interested in using other online transportation services.</p> | (Khan, Rahman and Fatma, 2017) |
| Perceived Effectiveness | <p>PE1. When using online transportation, I believe that there is a mechanism to protect me from any potential risks from using online transportation</p> <p>PE2. I am sure that the online transportation company will not harm me</p> <p>PE3. I believe that using online transportation services can make my time more efficient</p> <p>PE4. I believe that using online transportation services can make my work more effective</p> | (Bao et al., 2016) |
| Interactivity | <p>TWC 1. The online transportation application that I use facilitates two-way communication between consumers and drivers</p> <p>TWC2. The online transportation application that I use allows consumers to communicate with drivers</p> <p>TWC3. The online transportation application that I use allows consumers to communicate with the application manager</p> <p>AC1. I feel that I am in control of my experience when using online transportation applications</p> <p>AC2. When using the online transportation application, I can freely choose what I want to see</p> <p>AC3. I can freely choose what type of service I want to use when using an online transportation application.</p> <p>SYNC1. The online transportation application driver that I use answered my questions quickly</p> <p>SYNC2. I can get the information I need from the driver of this online application that I use very quickly</p> <p>SYNC3. The online transportation application manager that I use answers my questions and/or complaints quickly</p> | (Kim and Lee, 2019; Bao et al., 2016) |

| | | |
|-------|---|--|
| | SYNC4. I can get the information I need from the manager of this online application that I use very quickly | |
| Trust | T1. I believe that the online transportation I use will always maintain its reputation. | |
| | T2. I believe that the online transportation that I use can fulfill what has been promised to the customer. | (Bao et al., 2016; Khan, Rahman and Fatma, 2017) |
| | T3. I believe that the online transportation that I use always provides clear information to customers | |
| | T4. I believe that the online transportation that I use has the will to provide convenience for customers. | |
| | T5. I believe that the online transportation that I use has good intentions to provide satisfaction to customers. | |
| | T6. I believe that the online transportation drivers that I use can provide quality service to customers. | |
| | T7. I believe that the online transportation driver I use can pick up and drop off on time. | |

Analysis of The Inner and Outer Model

The outer model is a measuring model used to determine the model's validity and reliability. Convergent validity is determined in PLS with reflecting indicators using loading factor (correlation between item/component scores and construct scores) indicators that measure these constructs. Convergent validity is defined as outer loading > 0.7, communality > 0.5, and average variance extracted (AVE) > 0.5. (Chin, 1995 in Abdillah, Willy and Jogiyanto, 2015). The discriminant validity test was conducted using the construct's cross-loading measurement. A reliability test is done to determine the measuring instrument's internal consistency. The general guideline is that alpha or composite reliability must be better than 0.7. At the same time, values as low as 0.6 are acceptable (Hair et al. in Abdillah, Willy and Jogiyanto, 2015).

The inner model is a structural model that is used to forecast the causal relationship between latent variables. Numerous metrics can be used to evaluate the inner model, including the coefficient of determination (R^2) and predictive relevance (Q^2).

The Hypothesis Test

For hypothesis testing using statistical values, the t-statistic value for alpha 5% is 1.96. Thus, when the t-statistic is greater than 1.96, H_a is accepted, and H_0 is denied. To use probability to reject/accept a hypothesis, H_a is accepted if the p-value is less than 0.05. (Hussein, 2015).

RESULTS AND DISCUSSION

The respondents' characteristics in this study are shown in Table 1.

Table 1.
 Respondent Characteristics

| | | Frequency | Percentage |
|-----------|-------------------------------|------------------|-------------------|
| Gender | Male | 118 | 45% |
| | Female | 146 | 55% |
| Age | 17-25 years old | 137 | 52% |
| | 26-35 years old | 89 | 34% |
| | > 45 years old | 38 | 14% |
| | < Rp 1.000.000,- | 32 | 12% |
| Income | Rp 1.000.001 - Rp 3.000.000,- | 134 | 51% |
| | Rp 3.000.001 - Rp 5.000.000,- | 65 | 25% |
| | > Rp 5.000.000 | 33 | 13% |
| Education | Master Degree | 18 | 7% |
| | Bachelor degree | 159 | 60% |
| | High School | 65 | 25% |
| | < High school | 22 | 8% |

Based on Table 1, the number of female online transportation customers is more than males. From 264 respondents, dominated by respondents aged 17-25 years (52%) and with an income between Rp. 1,000,001 to Rp. 3,000,000 (51%). As for education, it is dominated by respondents with bachelor's education (60%).

Analysis of the Measurement Model (Outer Model)

There are three criteria for evaluating the outer model's utility when employing data analysis techniques with SmartPLS: convergent validity, discriminant validity, and model evaluation. In SmartPLS, the analysis of the measurement model, also known as the outer model, is used to guarantee that variables and their measurements are compatible. If the correlation coefficient between the standard reflective measurement and the construct being measured exceeds 0.70, the standard reflective measurement is high. However, for early-stage research or development, a measurement scale with a loading factor of 0.50 or 0.60 will be considered adequate (Ghozali, 2011).

Convergence Validity

Convergent Validity is concerned with establishing the validity of each relationship between indicators and latent variables. The loading factor must be greater than 0.50. For reliability, it must be greater than 0.70 when using a composite reliability value (Hussein, 2015). Convergent validity of the measurement model with reflexive indicators is determined by the correlation between the component score and the SmartPLS-calculated latent variable or construct score.

If the loading factor is less than 0.50, the elements in the model must be eliminated. The 0.70 cut-off value was employed in this study. The following table summarizes the outer loading

findings for each indicator associated with each exogenous and endogenous latent variable produced by SmartPLS data processing.

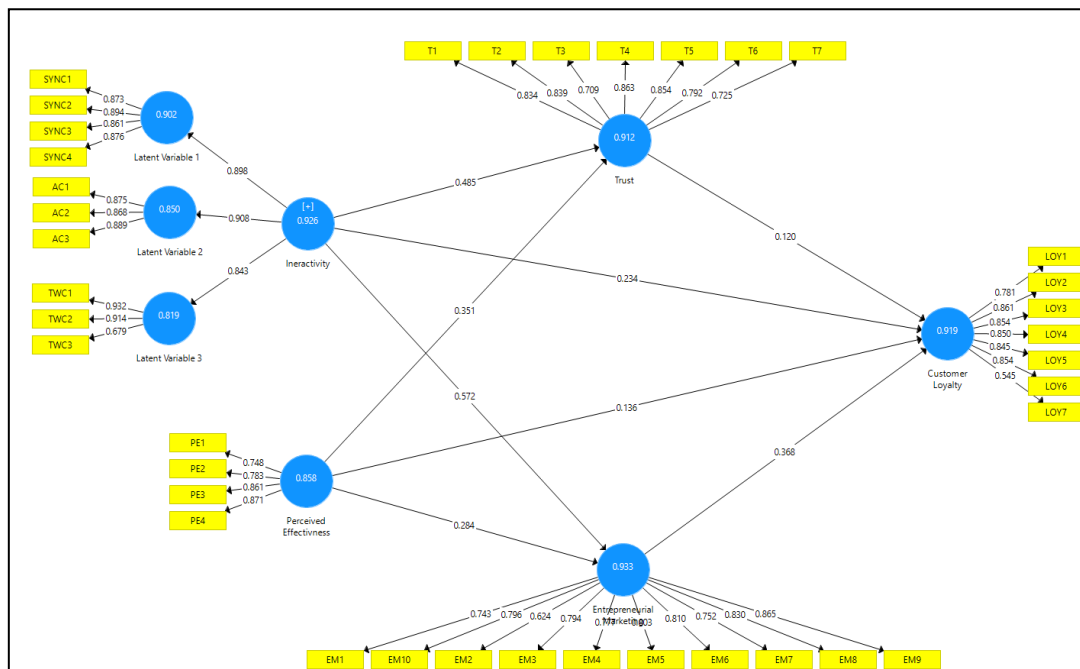


Figure 2.

Conceptual Model

Source: PLS Output, 2021

From the figure in table 6.1, it has been shown that there are still several items with a loading factor value of < 0.70. The following is the loading factor value in the model:

Tabel 2.

Convergent Validity Test Result

| Variable | Indicator | Loading Factor | Remark |
|------------------------|-----------|----------------|-----------|
| Experiential Marketing | EM1 | 0,743 | Valid |
| | EM10 | 0,796 | Valid |
| | EM2 | 0,624 | Not Valid |
| | EM3 | 0,794 | Valid |
| | EM4 | 0,777 | Valid |
| | EM5 | 0,803 | Valid |
| | EM6 | 0,810 | Valid |
| | EM7 | 0,752 | Valid |
| | EM8 | 0,830 | Valid |
| Loyalty | LOY1 | 0,781 | Valid |
| | LOY2 | 0,861 | Valid |
| | LOY3 | 0,854 | Valid |
| | LOY4 | 0,850 | Valid |

| | | | |
|-------------------------|-------|-------|-----------|
| | LOY5 | 0,845 | Valid |
| | LOY6 | 0,854 | Valid |
| | LOY7 | 0,545 | Not Valid |
| Perceived Effectiveness | PE1 | 0,748 | Valid |
| | PE2 | 0,783 | Valid |
| | PE3 | 0,861 | Valid |
| | PE4 | 0,871 | Valid |
| Interactivity | TWC1 | 0,932 | Valid |
| | TWC2 | 0,914 | Valid |
| | TWC3 | 0,679 | Not Valid |
| | AC1 | 0,875 | Valid |
| | AC2 | 0,868 | Valid |
| | AC3 | 0,889 | Valid |
| | SYNC1 | 0,873 | Valid |
| Trust | SYNC2 | 0,894 | Valid |
| | SYNC3 | 0,861 | Valid |
| | SYNC4 | 0,876 | Valid |
| | T1 | 0,834 | Valid |
| | T2 | 0,839 | Valid |
| | T3 | 0,709 | Valid |
| | T4 | 0,863 | Valid |
| | T5 | 0,854 | Valid |
| | T6 | 0,792 | Valid |
| | T7 | 0,725 | Valid |

Source: SmartPLS Output, 2021

The loading factor value (convergent validity) for each indicator is presented in Table 2. If the loading factor exceeds 0.70, it is considered genuine and optimal. This table demonstrates that out of all loading factor values, three indicators have values less than 0.70. It may be stated that all indicators within each variable conducted their measurements appropriately and following the instrument utilized.

Discriminant Validity

Discriminant Validity is a cross-loading factor value that indicates if a latent construct has an appropriate discriminant by comparing the loading value on the desired construct to the loading value on other constructs (Hussein, 2015). The discriminant validity of the measurement model with reflective indicators is determined using the construct measurement's cross-loading value.

Based on the measurement construct's cross-loading, the discriminant validity of the measurement model was determined. If the correlation between the latent construct and the size of each indicator is greater than the correlation between the latent construct and the size of the other constructs, then the latent construct better predicts the indicator than the other constructs. The discriminant validity test yields the following results:

Tabel 3.
Discriminant Validity Test

| | Loy | Exp Mktg | Interact. | P.E. | Trust |
|--------------------------------|------------|-----------------|------------------|-------------|--------------|
| Loyalty | 0,806 | | | | |
| Experiential Mktg | 0,758 | 0,782 | | | |
| Interactivity | 0,582 | 0,647 | 0,876 | | |
| Perceived Effectiveness | 0,690 | 0,747 | 0,718 | 0,817 | |
| Trust | 0,710 | 0,838 | 0,610 | 0,744 | 0,804 |

Source: PLS Output, 2021

Based on the values obtained in Table 3, all the indicators that compose each of the variables in this study (the values in bold) have met the discriminant validity criteria because they have the largest outer loading value for the variables compared to other variables. Thus, all indicators in each variable in this study have met the criteria of non-discriminant validity.

Model Evaluation

Model evaluation with the square root of average variance extracted compares the AVE root value with the correlation between constructs. If the AVE root value is greater than the correlation value between constructs, then a good discriminant validity value will be achieved. The test for the analysis of the outer model is to look at the reliability value of the latent variable construct, which is measured using two indicators: composite reliability and Cronbach's alpha from the indicators that measure the construct. For both indicators, the cut-off value is 0.70. (Hussein, 2015). The construct is declared reliable if the composite reliability value and the Cronbach alpha value are greater than 0.70. The following is a table of evaluation results for the SmartPLS model:

Tabel 4.
Model Evaluation Test

| Variable | Composite Reliability | Average Variance Extracted (AVE) |
|-------------------------|------------------------------|---|
| Customer_Loyalty | 0,927 | 0,649 |
| Experiential_Marketing | 0,940 | 0,611 |
| Interactivity | 0,935 | 0,591 |
| Perceived Effectiveness | 0,889 | 0,668 |
| Trust | 0,927 | 0,647 |

Source: PLS Output, 2021

The AVE value of all measurements of the model shows that the Composite Reliability value is greater than 0.50, so it can be said that the evaluation of the measurement model has good discriminant validity. In addition to constructing validity tests, construct reliability tests were also carried out as measured by the criteria test, namely the composite reliability of

the indicators measuring the constructs. The construct is declared reliable if the composite reliability value is greater than 0.70. In table 6.3, it can be seen that all variables have a composite reliability value greater than 0.70. It can be concluded that all constructs have good reliability and are quite reliable in producing consistent data. Composite reliability is to tests the level of reliability of the variable with the condition that the composite reliability value is more than 0.7. Table 6.3 shows that the composite reliability value of all variables is above the cut-off value of 0.6. It can be concluded that all variables in this study are reliable. These results prove that all of the items on the research instrument are free from errors and deserve to be trusted, and can be used for further research.

Structural Model Analysis (Inner Model)

Inner model analysis was conducted to determine the relationship between variables, significance value, and R square of the research model. The R square test is a way to measure the Goodness of fit of a structural model. R square (R^2) value is used to assess how much influence the independent variable has on the dependent variable. The structural model is calculated using the resampling bootstrapping method using 500 bootstraps.

Coefficient of Determination R-square (R^2)

The coefficient of determination shows the level of strong and weak influence of the dependent variable on the independent variable.

Tabel 5.

Coefficient Determination test (R^2)

| | R Square | R Square Adjusted |
|------------------------|-----------------|--------------------------|
| Customer_Loyalty | 0,630 | 0,624 |
| Experiential_Marketing | 0,670 | 0,667 |
| Trust | 0,635 | 0,633 |

$GOF = \sqrt{AVE \times R^2} = 0.678 \times 0.712 = 0.694$

Source: PLS Output, 2021

According to Table 5, the R^2 value for the Customer Loyalty variable is 0.630; this value indicates that 63 percent of customer loyalty can be explained by experiential marketing and 63 percent by the trust. R^2 is 0.670 for the Experiential Marketing variable and 0.635 for the Trust variable.

Predictive Relevance (Q^2)

Predictive relevance tries to quantify the accuracy of the model's output in the study. Q^2 is calculated as follows:

Tabel 6.

Predictive Relevance (Q^2)

| | SSO | SSE | $Q^2 (=1-SSE/SSO)$ |
|------------------------|----------|----------|--------------------|
| Customer_Loyalty | 1848,000 | 852,338 | 0,539 |
| Experiential_Marketing | 2640,000 | 1273,304 | 0,518 |
| Ineractivity | 2640,000 | 1308,096 | 0,505 |
| Perceived_Effectivness | 1056,000 | 588,701 | 0,443 |
| Trust | 1848,000 | 877,110 | 0,525 |

Source: SmartPLS Output, 2021

This research evaluates the path model's predictive usefulness using the blindfolding process. Predictive relevance (Q^2) is frequently referred to as predictive sample reuse (Goodness of Fit Model) to validate endogenous construct models. If the value of Q^2 predictive relevance for endogenous variables is greater than the value for exogenous variables, the value is considered good (fit model). The predicted relevance value for Q^2 is 0.02. The validity of the predicted fit model is stated to be weak; 0.15 indicates that the validity of the predictive fit model is moderate, and 0.35 shows that the validity of the predictive fit model is good. The blindfolding procedure's output will be a cross-validated redundancy estimate construct. Because SSE denotes a sum square prediction error and SSO denotes a sum squared observation, the value of Q^2 equals $(1-SSE/SSO)$ (Setiawan, 2020). According to Table 6.5, all constructs have a Q^2 value of more than 0.35, indicating that the fit model's predictive relevance is robust.

The Goodness of Fit (GoF)

The Goodness of fit index is used to assess the overall correctness, including both the inner and outer models. In PLS analysis, the Goodness of fit is determined using the Q-square predictive relevance (Q^2). The GoF value is calculated as follows:

$$((AVE) \times (R^2)) = 0.678 \times 0.712 = 0.694$$

According to Tenenheus (2004), if the GoF value is 0.1, the GoF is little; if the GoF value is 0.25, the GoF is medium; and if the GoF value is 0.38, the GoF is high. According to the calculations above, the GoF value is more than 0.38, which equals 0.694. The R^2 , Q^2 , and GoF tests demonstrate that the model used in this work is robust. Thus, hypothesis testing is possible.

Results of Hypothesis Testing

Hypothesis testing is used to determine the effect of the full hypothesis given in this study, including both direct and indirect effects. By examining the results of statistical tests and the p-value, the conditions for testing the hypothesis can be determined. If the p-value is less than 0.05 and the statistical value is more than the t table value, namely 1.96, the hypothesis is accepted. The following statistical tests were conducted using the bootstrapping method:

Tabel 7.
Hypothesis Testing Results

| Hypothesis | | T Stat | P Value | Remark |
|--|-------|--------|---------|---------------|
| H1: Ineractivity → Perceived Effectiveness | 0,898 | 65,863 | 0,000 | Supported |
| H2: Ineractivity → Trust | 0,483 | 7,051 | 0,000 | Supported |
| H3: Ineractivity → Experiential Marketing | 0,568 | 8,011 | 0,000 | Supported |
| H4: Ineractivity → Customer Loyalty | 0,240 | 3,012 | 0,003 | Supported |
| H5: Perceived Effectiveness → Trust | 0,353 | 5,768 | 0,000 | Supported |
| H6: Perceived Effectiveness → Experiential Marketing | 0,288 | 4,069 | 0,000 | Supported |
| H7: Perceived Effectiveness → Customer_Loyalty | 0,137 | 1,749 | 0,081 | Not Supported |
| H8: Trust → Customer_Loyalty | 0,121 | 1,461 | 0,145 | Not Supported |
| H9: Experiential_Marketing → CustomerLoyalty | 0,359 | 4,254 | 0,000 | Supported |

Source: PLS Analysis, 2021

Discussions

This current research examines the effect of interactivity, perceived effectiveness, trust, and experiential marketing on online transportation customers' loyalty in Indonesia. Seven out of nine hypotheses were accepted as a result of the data analysis. Interactivity, and experiential marketing have proven to be the antecedents of customer loyalty. While the perceived effectiveness does not show a significant influence on loyalty, this construct appears to be the predictor of experiential marketing. This means, in order to enhance customer loyalty toward online transportation, the service provider should pay attention to experiential marketing and interactivity. Furthermore, this research found that perceived effectiveness is the robust predictor of trust and experiential marketing. Thus, to ensure that the online transportation customers have a pleasant experience with online transportation, the service providers must enhance the mechanism to protect consumers from any potential risks from using online transportation.

While some previous studies Lee et al. (2015) did not test the impact of interactivity on perceived effectiveness, trust, loyalty. This current research proves that interactivity plays an important role in enhancing perceived effectiveness, trust, and loyalty. These findings support another study on various industry such as a study done by Cyr, Head and Ivanov (2009), which found that interactivity has a significant positive effect on perceived effectiveness and trust; and a study done by Ting, Abbasi and Ahmed (2021) which found that interactivity is a robust predictor of customer loyalty.

This current research noted that Interactivity was found to be the biggest effect on perceived effectiveness. This finding suggests that the contact between consumers and service providers has a significant impact on consumers' perceived efficacy. As a result, businesses must enable two-way communication between consumers and service providers, for example, by allowing consumers to submit queries and comments to online transportation drivers and application managers. Additionally, the established two-way communication must ensure that all kinds of consumer communication respond quickly and properly.

However, we were unable to substantiate the hypothesis that perceived efficacy increases customer loyalty. This result contrasts with Lehto and Oinas-Kukkonen (2015); Huang et al. (2015); Fang et al. (2014). Additionally, this current research could not support the hypothesis that trust enhances customer loyalty, which contradicts prior findings from (Lin et al., 2011; Kang and Hur, 2012; Frasquet, Descals and Ruiz-Molina, 2017; Park, Kim and Kwon, 2017). Following these findings, only interactivity and experiential marketing have a discernible effect on client loyalty. This study found that perceived effectiveness directly affects experiential marketing, and the experiential marketing construct also directly affects customer loyalty. Thus, perceived effectiveness might have a full mediation effect on loyalty through experiential marketing, which makes the direct effect of the construct insignificant toward customer loyalty. The insignificant effect of trust on customer loyalty might be associated with the concept of online platform services. In online platform services, especially the established ones, the customer might pay more attention to user interface quality and user experience quality.

Furthermore, based on the respondents' characteristics, most respondents are the Gen-Zs which accounted for 52% of the total population. The Gen-Zs might have their characteristics that focus more on the perceived effectiveness and experience. Priporas, Stylos and Fotiadis (2017) noted that the Gen-Zs expect various new devices and electronic processes to be widely available. They demand the ease and speed of transactions (effectiveness), information provision (interactivity), and convenience (experience).

As a result of the findings, we conclude that in Indonesia, high customer trust and perceived effectiveness in online transportation are not predictive of customer loyalty. However, suppose a business can establish a positive experience through its marketing operations that is based on trust and perceived efficacy. In that case, there is a significant probability that the business can develop a loyal consumer. To increase customers' willingness to use the application in the future, businesses must ensure that consumers have a favorable and enjoyable experience when utilizing online transportation services.

CONCLUSION

The hypothesis testing supported seven of the nine hypotheses proposed. The findings of this study indicate that interaction is a significant predictor of online transportation consumer loyalty. This research shows that interactivity and experiential marketing are the robust antecedents of online transport loyalty. While the perceived effectiveness construct does not show a significant effect on loyalty, the constructs have proven to be the predictor of experiential marketing. This research makes a theoretical and practical contribution. The first and the most notable theoretical contribution is formed by elucidating the antecedents of online transportation customer loyalty. This research provides a complex model of online transportation loyalty by integrating other important constructs that previous research has not widely explored. Practically, this research can be used by online transport practitioners to enhance customer loyalty by ensuring that they provide a positive experience through an interactive and effective service activity. However, because this study used a purposive sampling technique, it may only be extended to other industrial settings and conditions with extreme caution.

Additionally, we strongly recommend that future research do an exploratory study to determine why a high level of trust and perceived effectiveness did not increase customer loyalty for online transportation services based on the current study's findings. Furthermore, integrating other important marketing constructs will capture the antecedents of online transportation customer loyalty more clearly. Furthermore, considering using S-D logic theory and incorporating the co-creation construct might enhance the model's predictive power.

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