

# **AN INTEGRATED MODEL OF SERVICE QUALITY, PRICE FAIRNESS, ETHICAL PRACTICE AND CUSTOMER PERCEIVED VALUES FOR CUSTOMER SATISFACTION OF SHARING ECONOMY PLATFORM**

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## **ABSTRACT**

This research presents an integrated model of service quality, price fairness, and ethical practice for customer satisfaction in Indonesia's first sharing economy platform while also assessing customers perceived value as a mediating variable. Utilizing partial-least-squares (PLS), an analysis was conducted based on the 219 surveys collected to test for the proposed relationships. It is revealed that service quality, price fairness, and ethical practice of this sharing economy platform significantly impacts on customer satisfaction through the essential roles of perceived value. The results exhibited that service quality has a direct and indirect influence on customers' satisfaction in which perceived value is partially mediated between service quality and customer satisfaction. Nevertheless, price fairness and ethical practice both influence customer satisfaction indirectly through customer perceived value in which its role is a complete mediation to customer satisfaction. The findings also suggest that corporates can integrate and include service quality, price fairness, and ethical practice in their strategic plan to improve customers' satisfaction. Additionally, the strategic consequence of these findings is also to improve corporates' competitive advantage in a high level of competition in this mode of business.

**Keywords:** Customer Satisfaction; Ethical Practice; Perceived Value; Price Fairness; Ride-Hailing; Service Quality; Sharing Economy Platform

## **1. INTRODUCTION**

Sharing economy platform is becoming a progressively essential phenomenon for researchers and marketers to understand. It is important to increasing revenue in which it is estimated to grow to USD 335 billion globally in 2025 (Vaughan & Hawksworth, 2014; World Bank, 2017). It dramatically decreases transactions cost resulting in the increase of consumers' welfare and corporates' income (Frenken & Schor, 2017). It has also created millions of jobs (World Economic Forum, 2017).

Regarding ride-hailing business service in Indonesia, there are only two ride-hailing unicorns operating in Indonesia after Uber was out of the competition namely Grab and Go-Jek. Grab has established its new determined goals to create 5 million Indonesian micro-entrepreneurs by 2018 (Grab, 2017) and just taken control over Uber's properties and operation in Southeast Asia (Forbes,

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2018). Meanwhile, Go-Jek, which is the biggest ride-hailing platform in Indonesia (Jakarta Globe, 2018), has influenced business' performance in Indonesia. According to Reuters (2017) that The Indonesia Franchise Association admits that the average revenue of its members has increased 30 percent after utilizing Go-Jek and The Association of Hotels and Restaurants in Indonesia also acknowledges that Go-Jek has improved sales of its members by 15-20 percent. Moreover, according to CNN Indonesia (2018) that Go-Jek has enormously contributed to Indonesian economy with IDR 9.9 trillion (around USD 707 million) every year, accounting for IDR 8.2 trillion (USD 586 million) from drivers' income and IDR 1.7 trillion (USD 121 million) from the income of small and medium enterprises partners. In addition, Go-Jek, being the first Indonesian ride-hailing unicorn, has impacted on societies as it totally has employed around 654.000 drivers in 50 cities of Indonesia (The Jakarta Post, 2018). It is also the most popular sharing economy platform utilized in Indonesia and it is categorized as a transport system (TechCruch, 2016). Considering Go-Jek as the first Indonesian ride-hailing unicorn and the most popular ride-hailing platform in Indonesia which has also proved to contribute to Indonesian economy, Go-Jek was then selected in this research.

Remarkably, in the past, conventional transportation industry always emphasizes the superiority of service mainly on the technical quality (what customers get such as physical condition of public transport, the feeling of convenience, comfort, and safety) and functional quality (how customers get it) especially during the interaction between sellers and customers (Bitner, 1990; Gronroos, 1984; Noor, Nasrudin & Foo, 2014). This conventional wisdom suggests that when service includes superior technical and functional quality, customers are satisfied though at premium price (Lymeropoulos & Chaniotakis, 2008; Munnukka, 2005; Tam, 2004). Customer satisfaction is further becoming complex as price fairness has been found to be its foremost determinant by ensuring the elimination of customers' feeling of vulnerability (Herrmann, Xia, Monroe & Huber, 2007; Lombart & Louis, 2014). Customers are conscious of the uncertainty of price fairness and how corporate ensures whether the service's price is fair for their customers or not. Nowadays, however, customer satisfaction becomes more complex as customers also more concerned about corporates' ethical practices and even required customers' ethical participation to ensure firms' sustainability (Quazi, Amran & Nejati, 2016). Thus, there is a missing link when corporates only rely on service quality or price fairness or ethical practice in service industry to impact their customers' satisfaction. Moreover, as found by Keisidou, Sarigiannidis and Maditinor (2011) that it would be significant to examine perceived values in consumers' online buying behaviour, it is also essential to examine further if the above factors' impacts would be mediated through the perceived value (Luo & Bhattacharya, 2006; Sen & Bhattacharya, 2001). Hence, the challenge of this research is to demonstrate or to refute whether the service quality, price fairness along with ethical practices will add value to customer which is impacting their satisfaction.

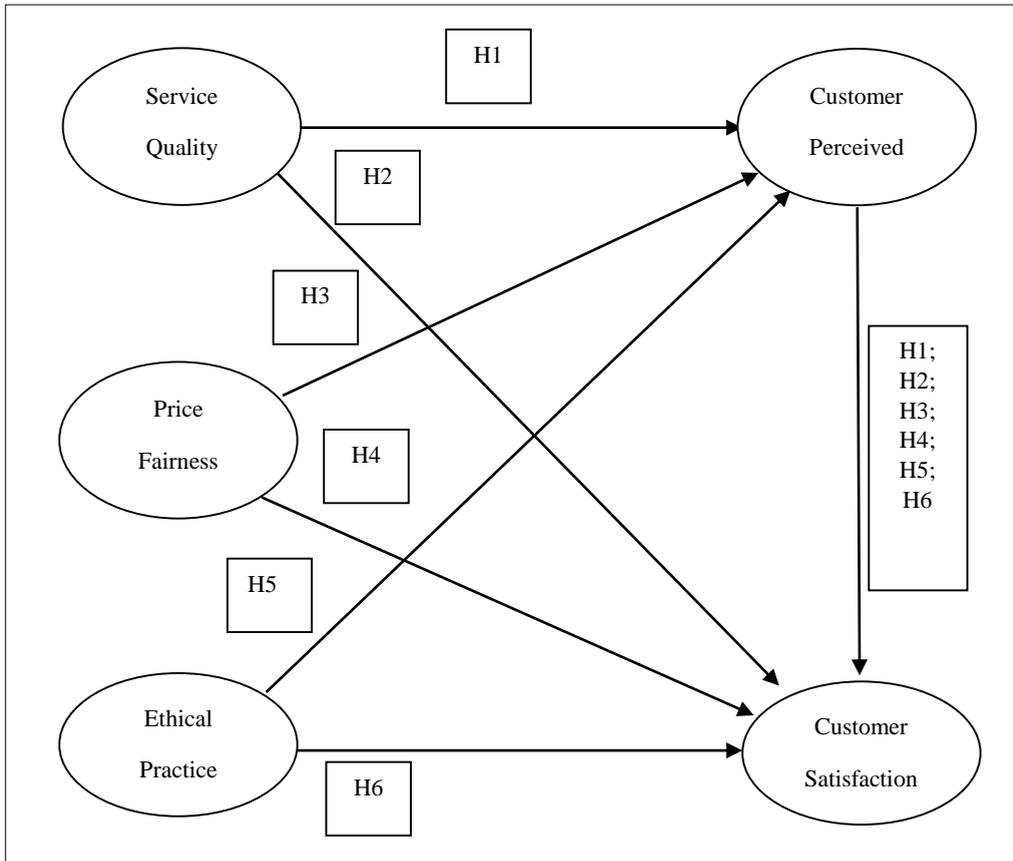
While sharing economy platform has received substantial attention by researchers and academics to date as it contributes to satisfaction maximization (Cheng, 2016; Hawlitschek, Teubner & Gimpel, 2016; Mohlmann, 2015), very limited research assesses factors measure the impact of service quality on customers' satisfaction. Furthermore, there is no research studying altogether the impact of service quality, price fairness, and ethical practices on customers' satisfaction while assessing the mediating variable of perceived value in the context of sharing economy platform.

Therefore, this research aims to assess the impact of service quality, price fairness, ethical practice on customers’ satisfaction while also evaluating such factors link to perceived value that leading to customers’ satisfaction.

## 2. LITERATURE REVIEW

The framework of this research is designed upon the conceptual framework for service quality presented by Parasuraman, Zeithaml and Berry (1988) with its five determinants of service quality on customer satisfaction. The approach to measure price fairness and ethical practice on customer satisfaction presented by Chung and Petrick (2012) and Quazi, Rugimbana, Muthaly and Keating (2003) were also adopted and adapted. In this conceptual model, service quality, price fairness and ethical practices are treated as independent variables. Meanwhile, customer satisfaction is treated as the dependent variable and perceived value is considered as mediating variable. The following is figure 1 presenting the proposed model of customer satisfaction in Go-Jek’s sharing economy platform.

**Figure 1:** Proposed Conceptual Framework



### **2.1. Relationship of Service Quality, Customer Perceived Value and Customer Satisfaction**

Service quality is the customers' entire impression about an organisation's service including the organisation's relative inferiority or superiority (Bitner, 1990). Perceived value is the customers' entire evaluation about the usefulness of goods or service through the comparison of what the customers give and what the customers take (Zeithaml, 1988). Meanwhile customer satisfaction is the feeling of customers about product or service performance compared to what the customers expected (Kotler & Keller, 2016).

Regarding such factors' relationship, substantial studies which have been conducted stated that the main consequence of service quality is customer satisfaction (Cronin, Brady & Hult, 2000; Kasiri, Cheng, Sambasivan & Sidin, 2017; Sureshchandar, Rajendran & Anantharaman, 2002). Interestingly, Landroquez, Castro and Cepeda-Carrión (2013) suggested that any offerings' value should be perceived by customers otherwise the offerings will be meaningless. The importance of customer perceived value and its mediating role to customer satisfaction has also been found by significant research (Gronholdt, Martensen & Kristensen, 2000; Hume & Sullivan Mort, 2010; Lee, Yoon & Yee, 2007). Moreover, it is found that service quality and perceived value are also the key determinants of customer satisfaction (Lai, 2004; McDougall & Levesque, 2000; Oh, 1999) in which the higher the service quality and its superiority perceived by customers, the higher the customer' satisfaction will be (Petrick & Backman, 2002).

In order to measure service quality, Parasuraman, Zeithaml and Berry (1988) initially suggested utilizing SERVQUAL instrument to explain and measure ten dimensions of service quality (tangibility, reliability, responsiveness, competence, access, courtesy, communication, credibility, security, and understanding the customer). However, due to the overlaps within SERVQUAL's ten dimensions, RATER model was derived to focus on five service attributes (Reliability, assurance, tangibles, empathy, and responsiveness) which was tested and proved to be consistent and reliable (Czaplewski, Olson & Slater, 2002; Parasuraman, et al., 1988, 1994). Furthermore, RATER model has been utilized to measure service quality in the context of both public and private transport sector (Aydin & Yildirim, 2012; Khuong & Dai, 2016; Nejati, Nejati & Shefaei, 2009; Zeithaml & Parasuraman, 2004). It has also been adopted and adapted to measure service quality on customers' satisfaction with the utilization of smartphone-based platform in transport sector (Li, 2016; Sharma & Das, 2017). RATER model was selected in this research because of its proven reliability and suitable applicability in the context of transport sector with the use of mobile device platforms. Thus, we propose the following hypothesis:

*H1 Service quality has indirect influence on customer satisfaction mediated by customer perceived value*

*H2 Service quality has a direct and positive influence on customers' satisfaction*

### **2.2. Relationship of Price Fairness, Customer Perceived Value and Customer Satisfaction**

Chung and Petrick (2012) defined price fairness as customers' evaluation of actual price compared to the reference price such as the price that customers paid in the past, price which is charged by competitors, and price which is paid by other consumers. Price fairness is a crucial factor as it is a progressively significant differentiator among corporates (Nguyen & Klaus, 2013). Sweeney and

Soutar (2001) found that price and quality have different impact on perceived value. Sanchez-Fernandez and Iniesta-Bonillo (2007) also theoretically confirmed that the entire evaluation of customer perceived value are the results of perceived price and quality. It is also found that price fairness impacts positively on customer perceived value and impacts more significantly perceived value compared to perceived quality (Abrantes Ferreira, Gonçalves Avila, & Dias de Faria, 2010; Oh, 2000; Rondan-Cataluna & Martin-Ruiz, 2011). It is found that customers' perception of price fairness occurs based on the price's low and high increase with justifiable reasons (Martin, Ponder & Lueg, 2009). Moreover, Martin-Ruiz and Rondan-Cataluna (2008) found that the perception of customers about corporates' profit and the value which the customers received regarding the price charged by corporates are the most important determinants of perceived price fairness.

Regarding the relationship between price fairness and customer satisfaction, the study of the integrated model of price, customer satisfaction and loyalty in service industry found that price influences customer satisfaction both directly and indirectly highlighting that price fairness as its antecedent (Martin-Consuegra, Molina & Esteban, 2007).

In order to measure price fairness, Xia, Monroe and Cox (2004) suggested assessing price comparison including other party's price through the competitor's price, the previous price, and the cost-profit distribution for the inequality, that is, the perception of customers about corporates' profit making out of customers' transaction. Moreover, Matzler, Wurtele and Renzl (2006) suggested that assessing customer satisfaction for price charge should be specific such as taking price fairness and analyse customers' perception of its value. Thus, this research also proposes the following hypothesis:

*H3 Price fairness has indirect influence on customer satisfaction mediated by customer perceived value*

*H4 Price fairness has a direct and positive influence on customers' satisfaction*

### **2.3. Relationship of Ethical Practice, Customer Perceived Value and Customer Satisfaction**

Nantel and Weeks (1996) suggested to understand ethics by assessing not only the implications of a business action at the end, but also the intentions of the act. In other words, business can be viewed as ethically conducted when it positively impacts community and does not lie or steal in its practice at the same time.

In order to measure ethical practice of corporations, Quazi et al. (2003) suggested assessing corporates' pricing transparency practice, code of ethics in advertisement, and corporates' personnel in ethical standard of product delivery. Ethical practice influences buying decision (Carrington, Neville, & Whitwell, 2014). Likewise, unethical practice can also result in product's boycott or products' rejection from consumers (Farah & Newman, 2010). In addition, Oumlil and Balloun (2009) stated that gender and age have also played important role in making ethical decision. Moreover, it is found that customers are more likely to repeat product's purchasing when they believe that corporates are ethical in their practices (Valenzuela, Mulki & Jaramillo, 2010).

Thus, this research also proposes the following hypothesis:

*H5 Ethical practice has indirect influence on customer satisfaction mediated by customer perceived value*

*H6 Ethical practice has a direct and positive influence on customers' satisfaction*

### **3. METHODOLOGY**

This research used purposive and accidental sampling technique based on the following criteria; First, respondents have used Go-Jek's service at least five times. Second, respondents are from Manado, Surabaya and Jakarta. These three cities are regarded as the representative locations of medium-big cities, metropolitan cities, and megapolitan cities respectively. As Go-Jek's service in a small city is scarce, it is out of the research's scope.

Samples were selected from customers at the point of service consumption and contact list of social media. Potential respondents were initially checked whether they satisfied the criteria or not. Then, questionnaires were sent to 230 respondents at the point of service, through WhatsApp and Facebook contacts list. Following this, respondents were contacted again in which a total of 219 questionnaires were returned, yielding a response rate of 95.2 percent and a proportional number of respondents from each location. Data were collected from 219 Indonesians using online questionnaire. The questionnaire was translated from English to Indonesian (the official language of Indonesia) by a bilingual scholar familiar with business terminology. The Indonesian version was then back translated into English to identify the differences in the two versions of the questionnaire. There are 17 statements reflecting the perception of customers about the research variables and were examined using a five-point Likert scale, where 1 represented strongly disagree and 5 represented strongly agree. The statements were used in the questionnaire to measure influence of service quality, price fairness, ethical practice, and perceived value on customer satisfaction in Indonesia's first sharing economy platform business. Utilizing partial-least-squares (PLS), an analysis was conducted based on the 219 surveys collected to test for the proposed relationships.

The specific null hypothesis to be tested in this research is:

H0. There is no significant influence among the means of each of the 17 items relating to perceptions of Indonesian customer satisfaction in this sharing economy platform.

### **4. RESULTS AND DISCUSSION**

The five attributes of RATER have been found to constantly impact on customers' satisfaction in this research. The participants responded to questionnaire regarding service quality such as their level agreement about the reliability of the Go-Jek's service, the knowledge and skills of the personnel, the physical aspect of the service (the appearance of drivers, cars/motorcycles, and its office), its personnel's respect, politeness, and pleasantness, and its speed level to respond to deliver the service. Concerning price fairness, customers' evaluation of the service price as

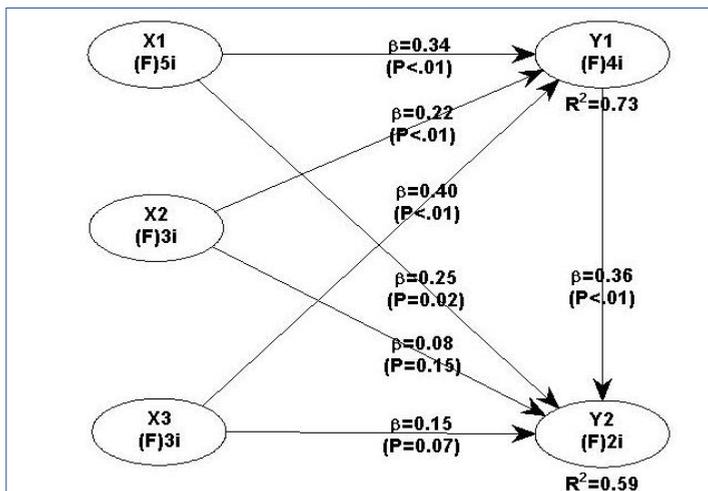
opposed to its competitors' price in the same category, its previous price, and customers' perception of company's profit making out of their transaction.

With regard to ethical practice, customers found there is no extra fee to what the company has determined previously, customers also discovered the service as advertised, and its personnel conduct ethical standard when delivering the service. Regarding perceived value, customers assess the functional value (customers notice the service is certain and just like what they expect), monetary value (customers perceive that the service offers reasonable price), emotional value (customers feel happiness and comfort when experiencing the service) and social value (customers obtain other people's respect when using the service especially when attending wedding ceremony or other prestigious events). As to customer satisfaction, customers evaluate their satisfaction on the driver's service and the overall Go-Jek's service.

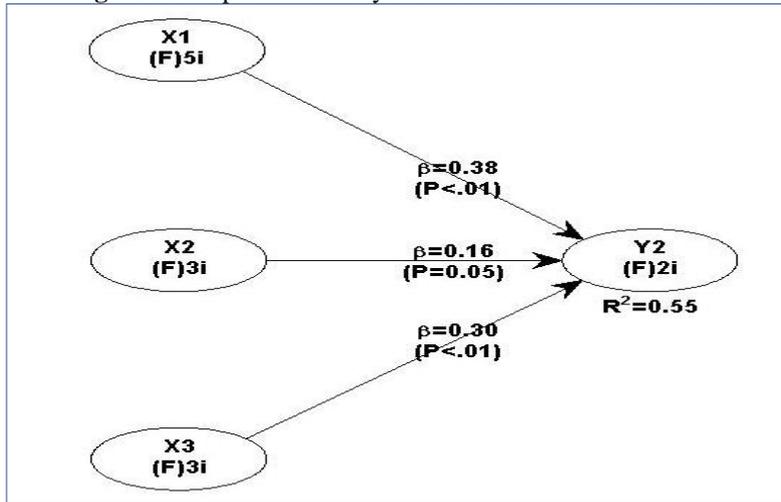
From figure 2, all independent variables (service quality, price fairness and ethical practice) are found to significantly influence customer perceived value ( $p < 0.01$  and  $\beta = 0.34$ ), ( $p < 0.01$  and  $\beta = 0.22$ ), and ( $p < 0.01$  and  $\beta = 0.40$ ) respectively. Thus, H1, H3, and H5 are accepted. Similarly, the relationship between customer perceived value and customer satisfaction is also found to be significant ( $p < 0.01$ ,  $\beta = 0.36$ ) which confirms the acceptance of perceived value as mediating variable to customer satisfaction. Coefficient difference is also assessed to confirm the acceptance of the mediating variable (see figure 3).

While service quality has a significant influence on customer satisfaction ( $p = 0.02$  and  $\beta = 0.25$ ), price fairness and ethical practice, however, were found to have positive but insignificant influence on customer satisfaction ( $p = 0.15$  and  $\beta = 0.08$ ) and ( $p = 0.07$  and  $\beta = 0.15$ ). Hence, both hypothesis (H4 and H6) are rejected while H2 is accepted. Thus, it is clear that service quality has direct and indirect influence on customer satisfaction while price fairness and ethical practice have indirect influence on customer satisfaction. The summary of the results is presented in figure 2 as following.

**Figure 2: Output Data Analysis with Mediated Variable**



**Figure 3: Output Data Analysis Without Mediated Variable**



Coefficient difference is assessed to analyse the mediating variable. The approach of coefficient difference analysis is conducted twice (with and without mediating variable). This approach is conducted as following. Firstly, to assess the direct influence of independent variables on dependent variables in a model with a mediating variable. Secondly, to assess the influence of independent variables on dependent variables in a model without involving the mediating variable. Thirdly, to assess the influence of independent variables on the mediating variable.

Fourthly, to assess the influence of the mediating variable on the dependent variable. According to Hair et al. (2010) that it is a complete mediation if the influence of independent variables on mediating variables and the influence of mediating variables on dependent variables are significant while the influence of independent variables on dependent variables in a model with the mediating variable is not significant. Meanwhile, it is a partial mediation when all relationships are significant in a model with the mediating variable and its coefficient is smaller compared to its coefficient in a model without the mediating variable.

It is clear from figure 2 and 3 that perceived value (Y1) is a partial mediating variable of service quality (X1) and customer satisfaction (Y2). These variables' influences are significant ( $p < 0.01$ ;  $\beta = 0.34$ ), ( $p < 0.01$ ;  $\beta = 0.22$ ), ( $p < 0.01$ ;  $\beta = 0.40$ ) in which the coefficient of X1 to Y2 (0.25) in a model in figure 2 with mediating variable is smaller than in a model in figure 3 without the mediating variable X1 to Y2 (0.38).

Meanwhile, the influence of price fairness is significant on customer satisfaction through perceived value ( $p < 0.01$ ;  $\beta = 0.22$ ) and ( $p < 0.01$ ;  $\beta = 0.36$ ), but its influence on customer satisfaction directly is not significant ( $p < 0.15$ ;  $\beta = 0.08$ ). Thus, perceived value is a complete mediating variable between price fairness (X2) and customer satisfaction (Y2). Likewise, the influence of ethical practice is significant on customer satisfaction through perceived value ( $p < 0.01$ ;  $\beta = 0.40$ ) and ( $p < 0.01$ ;  $\beta = 0.36$ ), but its influence on customer satisfaction directly is not significant ( $p < 0.07$ ;  $\beta$

=0.15). Hence, perceived value (Y1) is also a complete mediating variable between ethical behaviour (X3) and customer satisfaction (Y2).

**Table 1: Latent Variable Coefficients Output**

	X1	X2	X3	Y1	Y2
R-squared				0.725	0.586
Composite reliab.	0.890	0.880	0.857	0.868	0.941
Cronbach's alpha	0.846	0.795	0.749	0.797	0.874
Avg. var. extrac.	0.619	0.710	0.668	0.622	0.888
Full Collin. VIF	2.817	1.908	3.098	3.809	2.403
Q-squared				0.726	0.590

The table above shows that R-squared for perceived value (Y1) is 0.725 which means that the influence of service quality, price fairness and ethical behaviour on perceived value is 72.5% and the remaining of 27.5% is influenced by other variables which are out of this research model. Furthermore, R-squares for customer satisfaction (Y2) is 0.586 which means that the influence of service quality, price fairness, ethical practice, and perceived value towards customer satisfaction is 58,6% and the remaining 41.4% is influenced by other variables. The requirement for reliability, validity, multicollinearity and predictive validity are met with  $>0.70$ ,  $>0.5$ ,  $< 3.3$  in which  $<5$  is acceptable respectively and those are bigger than 0.

**Table 2: Latent variable correlations**

	X1	X2	X3	Y1	Y2
<b>X1</b>	<b>(0.787)</b>	0.575	0.732	0.755	0.687
<b>X2</b>	0.575	<b>(0.842)</b>	0.621	0.667	0.551
<b>X3</b>	0.732	0.621	<b>(0.817)</b>	0.783	0.676
<b>Y1</b>	0.755	0.667	0.783	<b>(0.789)</b>	0.725
<b>Y2</b>	0.687	0.551	0.676	0.725	<b>(0.942)</b>

*Note:* Square roots of average variances extracted (AVE's) shown on diagonal

**Table 3: P Values for Correlations**

	X1	X2	X3	Y1	Y2
<b>X1</b>	1.000	<0.001	<0.001	<0.001	<0.001
<b>X2</b>	<0.001	1.000	<0.001	<0.001	<0.001
<b>X3</b>	<0.001	<0.001	1.000	<0.001	<0.001
<b>Y1</b>	<0.001	<0.001	<0.001	1.000	<0.001
<b>Y2</b>	<0.001	<0.001	<0.001	<0.001	1.000

Tables 2 and 3 present the coefficient of correlation among variables with p-values which is essential for evaluating discriminant validity. It is clear from the table above that the validity for service quality, price fairness, ethical behaviour, perceived value and customer satisfaction are satisfied in which the square roots of AVE are higher than the correlation among variables in the same column.

The aim of this study is to investigate factors influencing customers' satisfaction of sharing economy platform business in Indonesia evaluating Go-Jek's customers and whether customer perceived value is mediating those factors to customers' satisfaction. The relationship model as illustrated by Figure 2 above shows the overall interrelationships among the variables (service quality, price fairness, ethical practice, customer perceived value and customer satisfaction).

Based on the quantitative approach as explained in this research, it is found that service quality has significant relationship with both customer perceived value and customer satisfaction. This indicates that when the quality of service is higher, customer satisfaction will also be higher. This proves the concepts brought up by Suki (2011), Mohlmann (2015), Hawlitschek, Teubner & Gimpel (2016) and Barrera, Garcia & Altamira (2016) especially in online commerce setting with the emphasis of online or mobile commerce service application and its responsiveness' improvement. Furthermore, the findings suggest that it leads to stronger customers' satisfaction when the value of the quality of service is perceived by customers as proved by the research of Peng, Jiang and Su (2016) in online settings especially by the improvement of information quality and interaction quality. This also confirms the study of Wang et al. (2016) that the better frequency of interaction between service providers and customers improved customers' perception about the service. Hence, customers are more satisfied when the functional, monetary, emotional and social values of Go-Jek's service are well perceived. This also proves the research of Al-Maghrabi et al. (2011) specifically the importance of the functional/usefulness value and social value contributions in influencing customers' intentions to continue using the service for long term. Consequently, sharing economy platform business especially ride-hailing services like Go-Jek can aim to improve the quality of the service ensuring the implementation of perceived values in order to improve their customers' satisfaction.

Price fairness of Go-Jek's service is found to have a significant relationship with perceived value which supports the findings of Rondan-Cataluna and Martin-Ruiz, (2011) but its direct relationship with customer satisfaction is insignificant. Thus, it exhibits that price fairness of Go-Jek's service does not directly influence customer satisfaction. Nevertheless, price fairness is mediated by customer perceived value and then leads to stronger customer satisfaction. This shows that customers are only satisfied when the value of price fairness is perceived by customers of Go-Jek. Furthermore, Go-Jek's customers considers the price of service is fair when they perceive the price of the service is lower compared to the competitor's price, relatively fair to the previous price of the service, and when they perceive that corporates do not make much profit out of their transaction which confirms the findings found in the studies by Martin, Ponder and Lueg (2009) and Martin-Ruiz and Rondan-Cataluna (2008).

Likewise, Go-Jek's ethical practices has a positive and significant influence on the customer perceived value, but its direct relationship with customer satisfaction is insignificant. This shows that when consumers perceive that Go-Jek's personnel have a sense of ethics in their practices, it will lead to higher customer satisfaction. Since ethical practices can become a way to differentiate service, sharing economy platform corporate must include ethical practices to gain more competitive advantage in this highly competitive mode of business. This confirms the research of Liu, Chen, Zhu and Liu (2016) that the first business entrant in a market (like Go-Jek in Indonesia) can benefit and sustain greater market share when applies ethical practices especially privacy protection (to collect and to utilize customers' personal information) while also considering the types of consumers (the unconcerned, pragmatist, and fundamentalist) compared to new enterprise

comers which does not apply the privacy protection policy, or the new comers can apply the policy with giving up large costs. This also approves the findings of Rosario, Carmen and Biagio (2014) that individuals with higher ethical practices encourages better perceived value implying better formation of consumers' positive perception due to corporates' good practices.

Empirical data has shown that consumers perceive Go-Jek's practice is ethical because consumers notice pricing transparency in its practice, honest with its advertisement in which what consumers found exactly the same what Go-Jek advertised and corporates' personnel deliver service in ethical standard. This supports the implementation of the model of ethical practice suggested by Quazi et al. (2003).

Finally, customers perceived value has a significant positive influence on customer satisfaction. It is shown in figure 2 that R-squared for customer perceived value is 0.725 which indicates that service quality, price fairness and ethical practices have a substantial influence on customer perceived value accounting for 72.5% while the remaining is influenced by other factors out of this research's scope. Meanwhile, R-squared for customer satisfaction is 0.586 which indicates that service quality, price fairness, ethical practices and customers perceived value have a moderate influence on customer satisfaction accounting for 58.6% while the remaining is influenced by other factors which are outside from the research model's coverage. It proves that customers' satisfaction in sharing economy platform are significantly occurred through customers perceived value. Go-Jek should learn from this research that they can increase their customers' satisfaction by ensuring their service quality, price fairness, and ethical practices are perceived by their customers in terms of its functional value, monetary value, emotional value and social value.

Overall, this research suggests that Go-Jek can aim to improve customers' satisfaction that leads to their competitive advantage by improving their service quality in the five dimensions of RATER. It is the reliability (ability to perform Go-Jek's service consistently and precisely as promised), the assurance (the knowledge and skills of the personnel), the tangible (the appearance of drivers, cars/motorcycles, and its office), the empathy (its personnel's respect, politeness, and pleasantness), and the responsiveness (the speed level of the service delivery to help customers). From this study, Go-Jek should also learn that customers will not be satisfied unless customers can perceive the functional value, monetary value, emotional value, and social value of its price fairness (the service price is relatively lower or the same as its competitors' price, its previous price and customers' perception of company's profit making out of their transaction). Likewise, Go-Jek can benefit from this study that customers' satisfaction is fulfilled through Go-Jek's ethical practices only when consumers can perceive that its price is transparent, its advertisement is honest in which what consumers found exactly the same what Go-Jek has advertised and Go-Jek's personnel deliver the service in ethical standard. Although government involvement is out of this research scope, it is noticeable that Indonesian government also benefits from Go-Jek's operation. Thus, government can play roles to encourage Go-Jek to scale up its partnership with small and medium enterprises and ensure its ethical social responsibilities are delivered to impact more societies. Government can also ensure the conduciveness of the business condition by providing proper regulations to reduce or even to stop conflicts between conventional transportation mode and ride-sharing platform. Government should make sure that the safety and security of Go-Jek's personnel and customers are protected.

## 5. CONCLUSION

The results suggest that the reliability, assurance, tangible, empathy, and responsiveness of the service satisfy customers in this platform. Comparing the service's price to other company's price, equating the service's earlier price, and considering how much company generates profit from customers' transaction exist in the mind of the ride-hailing customers. Customers also value the company's ethical practice in terms of no hidden fee practice, honest advertisement, and the conduct of personnel's ethical standard.

It is interesting to note that customers also assess and perceive service quality, price fairness, and ethical practice through functional value, monetary value, emotional value, and social value of the service.

It can be concluded that service quality, price fairness, ethical practice and perceived value have significant influence on customer satisfaction. While perceived value is a partial mediation between service quality and customer satisfaction, remarkably, perceived value is a complete mediation between price fairness and customer satisfaction. Likewise, perceived value also plays a complete mediation role between ethical practice and customer satisfaction. Thus, customer perceived value plays significant roles as a mediating variable between price fairness and customer satisfaction as well as between ethical practice and customer satisfaction. This research has found that price fairness and ethical practice cannot influence customers satisfaction in this mode of business unless mediated by customer perceived value.

These findings have exhibited that the proposed integrated model has practical support to improve customer satisfaction in Indonesia's first sharing economy platform (Go-Jek). The results not only provide understandings based on customers' perspective about improving their satisfaction, but also the results point out to the appropriate applicability of each variable in the integrated model for the sharing economy platform.

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