# CHAPTER I

# INTRODUCTION

## 1.1 Research Objective Overview

## 1.1.1 Bandung Smart City

The concept is called Smart City is a smart service-based city order, is transparent and plays a role in facilitating the public to obtain information quickly and precisely. Where in this city provide public services that are easily accessible without limited location and time. In addition, the concept of Smart City is also presented as an answer for efficient management of resources. Support the growing application and creation of a creative ecosystem in the field of technology, is a good start to the Smart City. However, in reality, the Smart City is not just related to technology. This concept is a combination of new technology with an intelligent mindset about the use of technology within an organization. (Supangkat & et, 2015).

Bandung is a metropolitan city which became the capital of West Java Province is located as the third largest city after Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) and Gerbangkertosusila (Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo, Lamongan) (Syaohid, 2015). With a population of 2,394,873 inhabitants. Currently, Bandung is under the leadership of Mayor Ridwan Kamil (2013 - 2018). Bandung Smart City is one of the work programs run in the roadmap *Bandung Juara*. Bandung Smart City is a work program that wants the city of Bandung to become a smart city so it can simplify all the affairs of citizens of Bandung by utilizing information and communication technology.

At this time, Bandung has a program called *Bandung Juara* Program and made mind mapping. Where there are three main components supporting the achievement of *Bandung Juara* is collaboration, decentralization reform, and innovation. Through the collaboration, Bandung has cooperation with several parties such as with the community, students, as well as companies in or outside the country. For the decentralization of Bandung gives, a command line to thirty

districts in Bandung is done to facilitate the performance of Bandung City Government to be more effective and efficient.

Meanwhile, to make Bandung Smart City Bandung has a grand design that is in the field of government (Smart Government), education (Smart Education), transportation (Smart Transportation), health (Smart Health), infrastructure (Smart Infrastructure), community or social (Smart Society, Smart Reporting, Bandung Passport), environment (Smart Environment), and Bandung Technopolis, world class by accentuating the World ICT Business (Kamil, 2015)

One of innovative application of Bandung Smart City is made an application to help business actors in Bandung city to facilitate in doing business licensing by using an application called GAMPIL. The launch of GAMPIL application is a description of Bandung City Government partiality to the perpetrators of MSMEs Bandung considering MSMEs is the backbone of the economy of the city.

### 1.1.2 MSMEs (Micro, Small, and Medium Enterprises)

In developing countries, one of the main priorities in carrying out its country activities is national development, also with the Indonesian nation. One of the things that is considered in the national development in Indonesia is in the economic field. With strong economic resilience, the state is able to fulfill the needs of its citizens equally for the welfare of its people. Through the Ministry of Cooperatives and SMEs, national development focuses specifically on the empowerment of Micro, Small and Medium Enterprises (MSMEs).

Bandung is one of the national economic activity centers as a region with superior sectors of MSME, Industry, Services and Tourism. Bandung also became one of the city of 2014 cooperative movers with ratings *Paramadhana Madya Nugraha Koperasi*. The determination as the city of the cooperative is based on Ministry of Cooperatives and SMEs of the Republic of Indonesia Number: 34 / Kep.M.KUKM / XI / 2014 About Province / Regency / City of Cooperative Drivers Year 2014. The determination is marked by the award of the Ministry of Cooperatives and Small and Medium Enterprises (SMEs) of the Republic of Indonesia, Anak Agung Gede Ngurah Puspayoga received by Deputy Mayor of

Bandung, Oded M Danial when Rakornas empowerment of SMEs 2014, at SMESCO Tower Building, Jl. Jend. Gatot Subroto, Jakarta-Selatan, with the stipulation Bandung as a city of cooperatives and MSMEs in Indonesia, as well as making Bandung as a role model for other cities in empowering, developing, and advancing the potential of MSME owned. (inilah.com, 2014)

The empowerment of SMEs in Bandung is regulated through Local Regulation of Bandung No 23 Year 2009 about Micro, Small and Medium Enterprises. This regional regulation contains general provisions, principles, objectives, policy directions, duties of regional government authority, criteria, protection, guidance, empowerment, development, partnership, rights and obligations of the community, business role, incentives, restrictions, administrative sanctions, criminal.

With the number of Micro Small and Medium Enterprises (MSMEs) spread throughout the Bandung with various types of businesses. The perpetrators of Micro Small and Medium Enterprises (MSMEs) is facilitated by the Government of Bandung in developing its business. Beginning with the launch of Gadgets Mobile Application License application (GAMPIL) which is mobile application that allows the citizens of Bandung / Micro Small and Medium Enterprises (MSMEs) to get licensing business easily and quickly.

### 1.1.3 GAMPIL (Gadget Mobile Application for License)

The impression that taking care of Micro, Small, and Medium Enterprises (MSMEs) business permit is difficult seems to be trying to remove by the Government of Bandung. Not long ago, the Government of Bandung, which is trying to realize its city to be Smart City, introduced an application to push the ecosystem of MSMEs to digitalization (Mazwahid, 2016).

On Thursday, February 25th, 2016 this application with the tagline *'GAMPIL, Satu sentuhan untuk UKM Juara'* launched directly by the Mayor of Bandung Ridwan Kamil and witnessed by Minister of Cooperatives and MSME's Anak Agung Gede Ngurah Puspayoga, in Central Plaza of Bandung City. This move is too simplified microbusiness to acquire their license and minimizing

corruption in Bandung. Setting up microbusiness (under USD 10,000) needs only to register online using the apps. (Commerce, 2017).



Figure 1.1 Launched of GAMPIL

Source: (Kementerian Koperasi Dan Usaha Kecil Dan Menengah Republik Indonesia, 2016)

Since its launch, the implementation of a small business application called GAMPIL (Gadget Mobile Application for License), has been widely used by citizens of Bandung. Smartphone-based applications developed by the Department of Investment and One Stop Service (DPMPTSP) Bandung is working to facilitate the process of licensing small businesses. Only with keyword 'GAMPIL' in Sundanese which means 'easy'. Seeing this innovation, Bandung City Government hopes when the registration by way of direct access via smart phone can be followed by other regions in Indonesia.
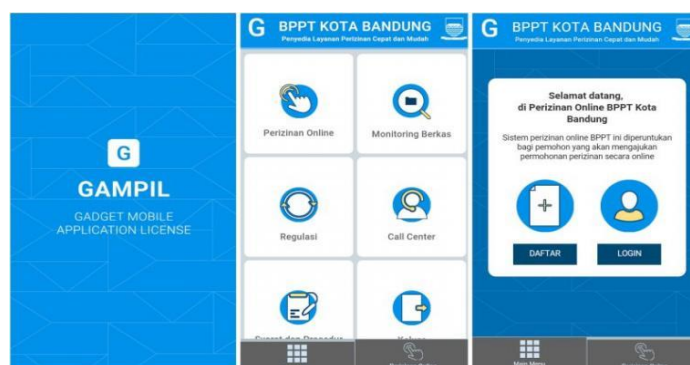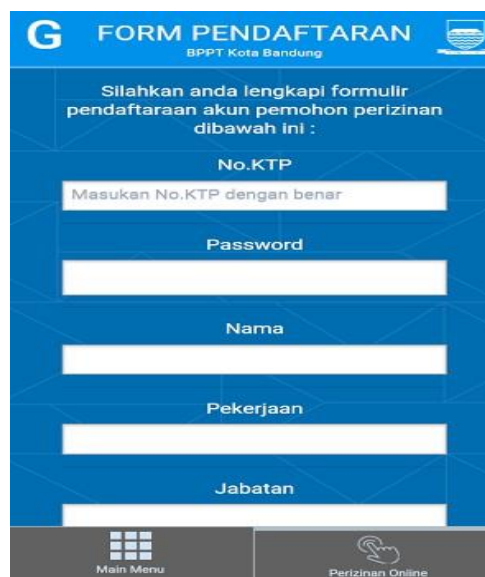


Figure 1.2 Display of GAMPIL Application Interface

Source: (Google Playstore, 2017)

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In this GAMPIL application menu, there are 3 (three) separate sections, namely applications for citizen services, applications for local sub-districts, and applications for *Dinas Penanaman Modal dan Perijinan Terpadu Satu Pintu (DPMPTSP)*. Every citizen who will register next will be done data verification in advance by the local sub-district, then *Dinas Penanaman Modal dan Perijinan Terpadu Satu Pintu (DPMPTSP)* to make final data collection. If the entrepreneurs have not been able to register independently online, they can go to *Dinas Penanaman Modal dan Perijinan Terpadu Satu Pintu (DPMPTSP)* or sub-districts, which will have officers to register online. As for several stages in using the application GAMPIL as follows:

1. Registration Form



Figure 1.3 Registration Form of GAMPIL Application Interface

Source: (Google Playstore , 2017)

At this first stage for the citizens who want to do the registration, process on the application must perform charging data first. The data should be included among them ID card number, Password, Username, Job, and Position that will be

verified as valid data in conducting the registration process before doing business licensing.

2. Application Form for Business License



Figure 1.4 Submission Form of GAMPIL Application Interface

Source: (Google Playstore , 2017)

After conducting the registration process for verification of user data, then the citizens can make the login process to conduct business licensing process. In this second stage for citizens who want to do business licensing process on GAMPIL application, should select the type of permit and type of service desired in this form, will also see the requirement that must be completed. After completing the requirements, the next is to fill in company data, such as Company Name, Name of Responsible Person, and Position of Responsible Person on the application form. Then, the data will be processed by *Dinas Penanaman Modal dan Perijinan Terpadu Satu Pintu* (*DPMPTSP*).

3. Waiting for Validation Data

After finish uploading the file and submit the notification. Then *Dinas Penanaman Modal dan Perijinan Terpadu Satu Pintu (DPMPTSP)* will send SMS receipt number that can be printed. Other stages, then the officer will do the verification. After the approval stages, POS will deliver *Tanda Daftar Usaha Kecil (TDUK)* or *Tanda Daftar Usaha Mikro (TDUM)* to the applicant.

For payment, process can be via ATM or teller bank because this application also connected with banks. Program GAMPIL gives protection and empowerment of local economic potential for the citizens of the city of Bandung. With the legality, banks are ready to distribute *KUR (Kredit Usaha Rakyat)* and Micro Credit if necessary. However, given that this GAMPIL application is an innovation from Government of Bandung for MSMEs Bandung, this facility is only for citizens who have ID card Bandung.

## 1.2 Research Background

Along with technological developments in line with the development of diverse human needs. Today, the internet world has experienced a very rapid growth, especially in all areas of the world such as business, education, entertainment, industry, and other aspects. In these areas, the internet used as a medium to help people work. The Internet has a variety of functions such as communication functions, data exchange, and information search media.

The following internet user data in Indonesia presented by *APJII (Asosiasi Penyelenggara Jasa Internet Indonesia)* has announced the results of Indonesia Internet Users Data Statistics survey 2016. The details can be seen in the picture below:
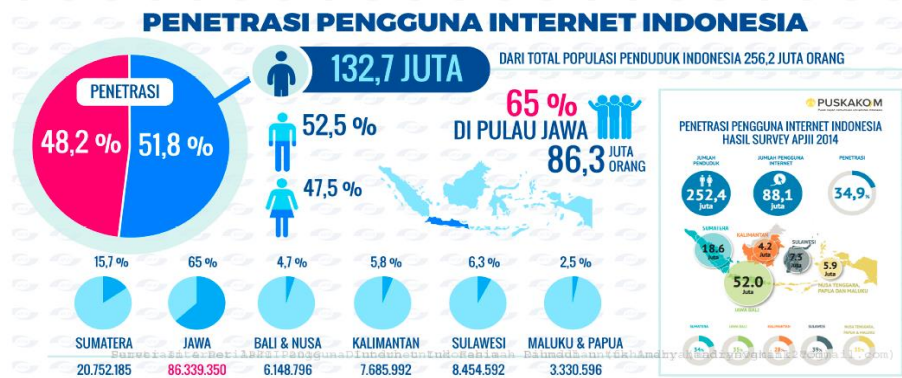
Figure 1.5 Penetration Internet User Indonesia

Source: *APJII (Asosiasi Penyelenggara Jasa Internet Indonesia)*

Based on Figure 1.1, at the beginning of 2016, the number of Internet users in Indonesia in 2016 was 132.7 million users or about 51.5% of the total Indonesian population of 256.2 million. Most Internet users are on the island of Java with a total of 86,339,350 users or about 65% of the total use of the Internet. If compared to the users of Internet Indonesia in 2014 of 88.1 million users, then there is an increase of 44.6 million within 2 years (2014 - 2016). (Isparmo, 2016).
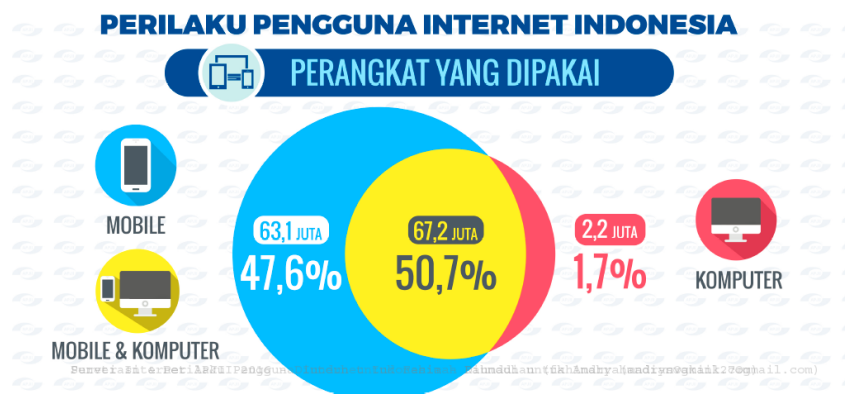


Figure 1.6 Indonesia Internet User Behavior

Source: APJII (Asosiasi Penyelenggara Jasa Internet Indonesia)

As for users based on the type of device used by most Internet users using mobile devices (smartphones) of 63.1 million or about 47.6%.

Figure 1.7 Composition Indonesia Internet Users
*Source: APJII (Asosiasi Penyelenggara Jasa Internet Indonesia)*

From data obtained from *APJII (Asosiasi Penyelenggara Jasa Internet Indonesia)* it can be classified that for most internet Users work as worker / entrepreneur equal to 82,2 million or 62%, followed by housewife 16,6%, student with 6.3%, university student with 7,8%, and others 0.6%. This encourages the Government of Bandung, as a city with higher growth requires a more qualified urban system with the utilization of media and technology. For that, in this digital era, the ability of supervision from the local government also needs to be upgraded. With the real city monitoring in order to solve the problem effectively and efficiently.

Local governments in West Java Province continue to be encouraged to optimize information and communication technology (ICT) as part of public service efforts. E-Government is an effort to develop electronic governance-based governance. A structuring of management systems and work processes within the government by optimizing the utilization of information and communication technology. E-Government is the use of information technology by the government to provide information and services for its citizens, business affairs, as well as other matters pertaining to government. With the e-government community no longer bothered with the issue must go to a government office to another government

office in taking care of something. Other positive impacts of government are more productive and efficient and responsive to public needs, faster serving, can cut off bureaucratic lines, and become more open.

The concept of smart city-as an extension of the e-government program is an effort to adopt ICT as a means of realizing effective, efficient, transparent and accountable public services. In other words, smart cities are cities that can solve city problems and can manage cities so they can provide services to their citizens to be safe, happy and sustainable.

In overcoming, the local government is developing a concept of Bandung Smart City, where all the Officials in Bandung City Government well supervised. As for a city can be said smart if the city really can know the state of the city in it, understand the problem in more depth, and able to take action on the problem.

Under the leadership of Mayor Ridwan Kamil, Bandung is very serious about bringing Smart City jargon. With over eight million people, Bandung is the third largest city in Indonesia, under Jakarta and Surabaya. The population of young and technologically literate people increasingly support the technological ecosystem in Bandung, and Ridwan Kamil in his three years of leadership has built 400 software applications to accelerate public services.

Bandung city has great potential to develop Micro, Small and Medium Enterprises (MSMEs). The data on the number of MSMEs in Bandung from 2013-2017 can be seen as follows:

Table 1.1 Total MSME Bandung Year 2013 - 2017

| NO | TYPE OF BUSINESS | YEAR | | | | |
|---|---|---|---|---|---|---|
| | | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1 | MICRO | 4115 | 4301 | 4578 | 4689 | 5099 |
| 2 | SMALL | 357 | 372 | 392 | 395 | 411 |
| 3 | MEDIUM | 274 | 276 | 281 | 281 | 282 |
| | TOTAL | 4746 | 4948 | 5251 | 5365 | 5792 |

Source: *Dinas UMKM dan Perindag Kota Bandung Tahun 2017*

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Based on from data above the number of MSMEs Bandung each year increased. According to the 2015 local government report, the ASEAN Free Trade Agreement or *Masyarakat Ekonomi ASEAN (MEA)* in 2015 puts pressure on the level of competitiveness of local industry, it needs to be watched and prepared further. The existence of a free market resulted in the world of trade makes business competition more stringent. Companies that are not able to compete in the end will collapse beaten by its competitors. To achieve these objectives then the company requires various efforts to achieve the planned goals (Susanto, 2013).

Awareness of the importance of Micro, Small, and Medium Enterprises (MSMEs) for the Indonesian economy, the Government of Bandung launched the GAMPIL application stands for Gadget Application Mobile for License. This application can be used by MSMEs to handle licensing to open small and medium enterprises digitally. This app recently launched on February 25, 2016, accessible by downloading its app via Google Play Store available for Android platform.

In this study, the object of research is a GAMPIL application from Government of Bandung where MSMEs can do business licensing online and do not need to go back and forth to deliver documents to the government office to do the licensing. For now, based on pages from Google Play Store, GAMPIL has been downloaded more than 10 thousand users (Google Play Store, 2017).



Figure 1.8 GAMPIL Application on Google Play Store

Source: (Google Play Store, 2017)

All efforts owned by the government to realize the reform of good service through the online system also is not always running well and without obstacles. In its implementation to the citizen, there are still challenges and obstacles that approach the *DPMPTSP (Dinas Penanaman Modal dan Perizinan Terpadu Satu Pintu)* in carrying out the service by using the online system. Problems arising are usually caused by the citizen itself, such as the inability of people in using the application so that sometimes the creation of new technology does not have good benefits for citizen. In addition, the condition of sites and applications that must require updating so that site and application conditions do not experience errors when used by the citizen. (Ramadhan, 2017)

For the example, the playstore app page known percentage of reviewer to the application of gampil is described as follows:
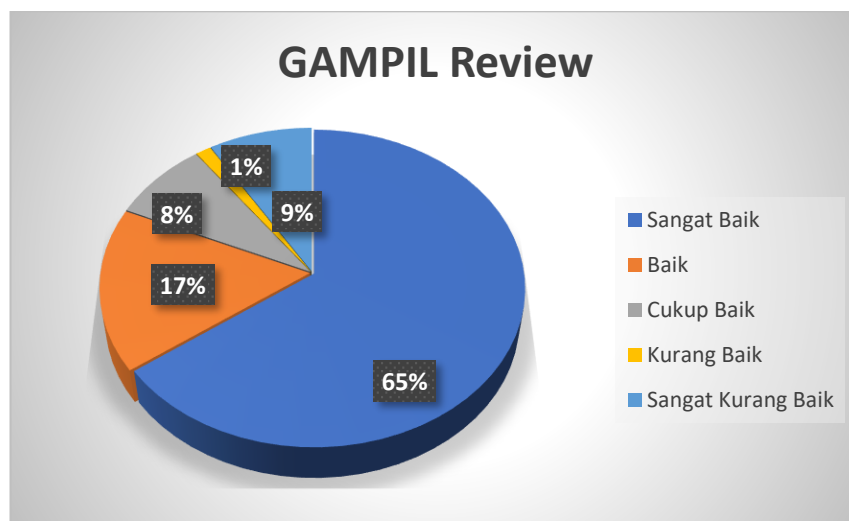


Figure 1.9 History data GAMPIL

Source: (Google Play Store, 2017)

In the above diagram data, it is known that there are about 10% of users judge that GAMPIL application still has deficiencies that must be fixed immediately, and about 8% rate that the application is good enough in terms of helping the citizens to do the licensing. Meanwhile, due to the regular update of developers who always pay attention to the review of the application of the user because it makes the application GAMPIL already considered to meet the

segmentation of citizens in terms of helping the business licensing process in Bandung. The example of some of the problems raised by the users of applications about the lack of gampil or problems in using applications for business applications pemampil in Bandung. As for some of the complaints raised by the user as summarized as follows:
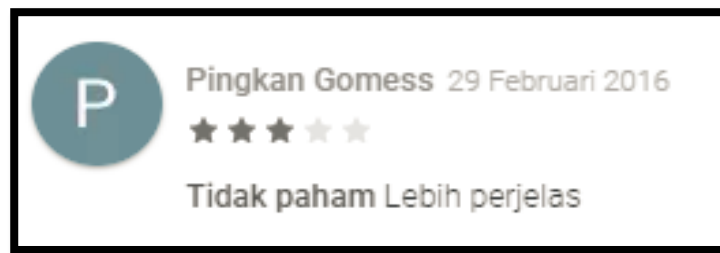


Figure 1.10 Lack of Information Using GAMPIL

Source: (Google Play Store, 2017)

Figure 1.10 shows GAMPIL user complaints that GAMPIL did not give more information regarding the application usage.
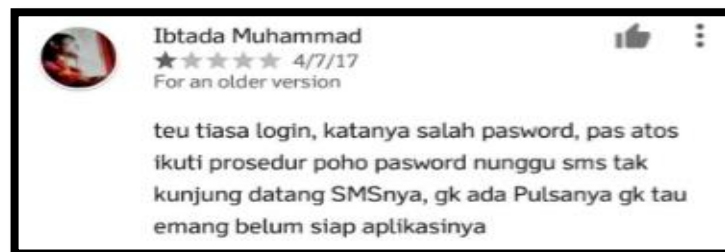


Figure 1.11 Login Problem Complaint

Source: (Google Play Store, 2017)

Figure 1.11 shows GAMPIL user complaints that cannot login to the application. Where the user tries to ask for help on the "forgot password" feature but does not get the new password verification code.
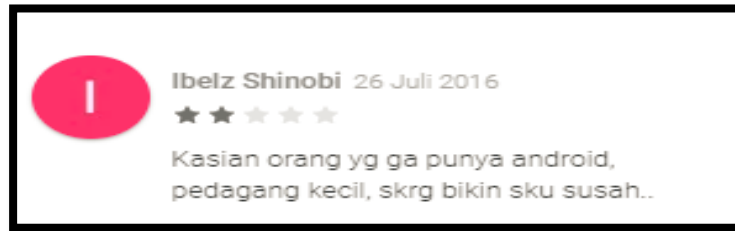
Figure 1.12 User Complain Regarding OS

Source: (Google Play Store, 2017)

Figure 1.12 shows GAMPIL user complaints regarding GAMPIL Application that only can be run in Android OS.



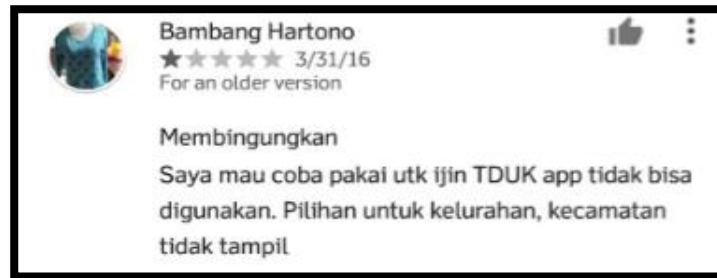Figure 1.13 District and Sub-District Problem Complaints are Not Appeared

Source: (Google Play Store, 2017)

In Figure 1.13, there is a GAMPIL user complaint, which at the time of the business licensing process, the choice of features to select *kelurahan* and *kecamatan* from where the user origin did not appear.



Figure 1.14 Form Complaints Cannot be submitted in Submit

Source: (Google Play Store, 2017)

Figure 1.15 shows the problem when the user will do the process of filing the files to do business licensing process, but the form cannot be submitted.

As for other complaints specially submitted by the Mayor of Bandung is the deliberate of the elements involved in terms of processing business licensing documents on the application GAMPIL to slow down and complicate business licensing, so that applicants want to spend bribes to speed up the process of issuing permits. (Kompas, 2017)
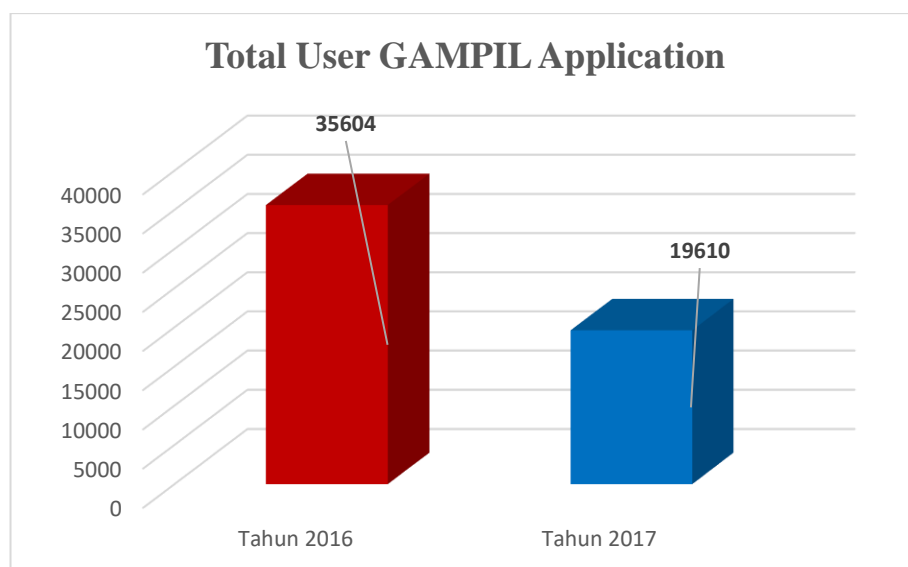


**Total User GAMPIL Application**

Figure 1.15 GAMPIL Application Users

Source: (*Dinas Penanaman Modal dan Perijinan Terpadu Satu Pintu (DPMPTSP), 2017*)

Recently, from the data, the author got from *Dinas Penanaman Modal dan Perijinan Terpadu Satu Pintu (DPMPTSP)* shows that the users who do business online licensing in Bandung there is a significant downward trend. Therefore, to overcome this there must be some improvements made by the Government of Bandung both in terms of applications and services in order to increase the activists of more MSMEs to register their business licensing in Bandung.

According Garrett (2011: 6), user experience is often interpreted as the achievement of a product or service that is considered successful or failed by its

users. Can be interpreted, successful or failure of a product or service according to user experience reflects the satisfaction or not perceived by the customer.

The phenomenon of user experience has been growing. According to Dobrota, Nikodijevic, and Mihailovic (2012), who conducted research on the Influence of The Customer Experience on Satisfaction with Mobile Phones, the results show that the market considers the needs of customers that make the user experience has a positive value that impact on customer satisfaction.

Another research on Understanding Customer Satisfaction and Loyalty: Empirical Study of Mobile Instant Messages in China was conducted by Deng, et al (2010), the results show that the Functionality, Trust, Emotional, and Service Quality perceived by users significantly influence customer satisfaction.

Then the Government of Bandung should be able to ensure that the services provided are in accordance with the expectations and desires of the citizens. In essence the Bandung City Government should seek and develop ways to maintain and satisfy the public.

Seeing the phenomenon of innovation made by Government of Bandung to maintain the existence of GAMPIL application as a solution for business licensing problem in Bandung by presenting various kinds of features, and from some explanation and data that have researcher show above, the authors decided to do research and poured the result in the form of a thesis entitled **"THE INFLUENCE OF USER EXPERIENCE TOWARDS USER SATISFACTION OF E-GOVERNMENT SERVICE: A CASE STUDY OF GAMPIL APPLICATION".**

## 1.3 Problem Statement

Micro Small and Medium Enterprises (MSMEs) is one of the significant drivers in the nation's economic growth and plays a role in eradicating poverty and unemployment both directly and indirectly. Bandung city has great potential to develop Micro, Small and Medium Enterprises (MSME's). By applying, the concepts of Smart City can make it easy for the citizens to perform daily activities, making it more efficient, and interagency between services with each other to

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increase mobility for its users. GAMPIL application present as one of the tools for citizens in running the concept of Bandung Smart City. However, in the expectations and achievements of the application of GAMPIL is still low or has not achieved its goals. But over time, the Government of Bandung still cannot share the attention or focus in improving the quality of GAMPIL applications. This is evident from the negative feedback from users of the application. In addition, the role of socialization is also underutilized by the City Government of Bandung. Until finally the GAMPIL Application program that has been prepared cannot run properly or less than the maximum.

Based on the issues mentioned above, GAMPIL application must create a user experience that is valuable in the sights of GAMPIL application users to create user satisfaction. This study intends to connect the user experience factors to see its influence in creating user satisfaction. Therefore, it can be concluded that the problem in this research is how The Influence of User Experience towards User Satisfaction of GAMPIL Application User.

## 1.4 Research Questions

There is the question that has been pull from the introduction. They are:

1. How is the level of Functionality based on GAMPIL Applications user perception?

2. How is the level of Emotional based on GAMPIL Applications user perception?

3. How is the level of Trust based on GAMPIL Applications user perception?

4. How is the level of Service Quality based on GAMPIL Applications user perception?

5. How is the level of User Satisfaction based on GAMPIL Applications user perception?

6. How much the contribution of each independent variable to the dependent variable?

7. How much is the influence of user experience toward user satisfaction of GAMPIL Application users?

## 1.5 Research Objective

1. To determine the level of Functionality based on GAMPIL Application user perception.
2. To determine the level of Emotional based on GAMPIL Application user perception
3. To determine the level of Trust based on GAMPIL Application user perception
4. To determine the level of Service Quality based on GAMPIL Application user perception
5. To determine the level of User Satisfaction based on GAMPIL Application user perception.
6. To analyze the contribution of each independent variable to the dependent variable.
7. To analyze the influence of user experience toward user satisfaction of GAMPIL Application users.

## 1.6 Significant of the Study

This research expected to be useful for any parties who want to use this research. The purposes of this research are:

### 1.6.1. Theoretical Aspect:

Theoretically this research contributes to improve the knowledge in marketing and as a reference for further research in the field of user experience, about the influence between user experience to user satisfaction, and also can be used for the community, especially colleagues as a subject of further research.

### 1.6.2. Practical Aspect:

The results of this study can provide input for GAMPIL application developer and become a positive input to see how the implementation and

effectiveness of GAMPIL application and the responses given by users on the quality provided.

## 1.7 Systematics Writings

Systematic writing is composed of 5 chapters as follows:

**A. Chapter 1: Introduction**

This chapter contains a review of the object of the research, background, problem statement, purpose of research, research significance and research outline.

**B. Chapter 2: Literature Review and Scope of Research**

This chapter describes the theories that will support this research. This part also contained the Research Framework of this thesis.

**C. Chapter 3: Research Methodology**

This chapter contains the flow of research methodology that forms the basis for doing research.

**D. Chapter 4: Analysis and Discussion**

This chapter describes the analysis and data processing done to discuss and answer the formulation of the problems that have been determined.

**E. Chapter 5: Conclusions and Suggestions**

This chapter will be explained about the results of research and conclusions along with recommendations or suggestions for further research.