Effect Of Price, Service Quality And Promotion On Customer Satisfaction (GRAB)

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The purpose of this study was to examine and analyze the effect of price, service quality and promotion on satisfaction of using online transportation services (Grab) Medan. Grab user satisfaction has decreased due to high tariff prices, unsatisfactory services and less effective promotion of Grab. The population and sample in this study amounted to 100 Grab customers in Medan City. The research method uses multiple linear techniques. Hypothesis testing used in this research is partial test and simultaneous test. The magnitude of the coefficient of determination is 72.6% and the remaining 27.4% customer satisfaction is explained by other causes such as consumer motivation and trust. The conclusions in this study indicate that simultaneously price, service quality and promotion have positive and significant effect on satisfaction of using online transportation services (Grab) Medan and partially price, service quality and promotion have positive and significant effect on satisfaction of using online transportation services (Grab) Medan.

Keywords: Price, Service Quality, Promotion, Customer Satisfaction

ABSTRACT

1. Introduction

The rapid growth of the national transportation business world has caused a lot of competition between transportation companies today. One of the land transportation companies that get competition in the business world in Indonesia is an online based land transportation company (GRAB). Online-based land transportation company (Grab) is one type of online transportation company application that has a very important role in solving the existing land transportation problems. This is because with the ability or expertise, online based land transportation companies (Grab) are expected to provide solutions for land transportation users.

In the initial observations of the research, problems in customer satisfaction fluctuated during 2018 due to the lack of customer recommendations to others after using the Grab service application and the average customer did not make the Grab company the first choice of online transportation service applications.

The price problem is because at certain times customers consider the taxi or car rental rates of the online transportation company Grab to be more expensive than the taxi or car rental rates of the online transportation company Go Jek and customers often consider the price of taxis or cars offered by the company Grab is not in accordance with the quality of service from Grab drivers.

The problem of service quality is the delay in picking up online transportation service users (Grab) or inappropriate number of plates registered in the application and the lack of responsiveness of drivers in overcoming the problem of the direction of the road to which online transportation service users (Grab) are headed.

And the problem of promotion is that the ads that are displayed have not caught the attention of new customers such as the language or images displayed in newspapers or magazines and from the website that new customers have not understood and there is no publicity done by drivers to customers regarding Grab service information that will be used.
2. Theoretical Basis

2.1. Theory of Prices

According to Tjiptono (2015: 289), “price is the only element of the marketing mix that generates income or income for the company, while the other three elements (product, distribution and promotion) cause costs (expenses)”.

According to Kurniawan (2018: 22), “Price is an exchange value incurred by the buyer to obtain goods or services that have a use value and its services”.

According to Setiyaningrum (2015: 128), defines “price as the amount of money requested for a product or service. It can be broadly said that price is the sum of all values given by customers to obtain benefits (ownership) on the ownership or use of a product or service”.

2.2. Theory of Service Quality

According to Supranto (2011: 228) explains that “service quality is a word that for service providers is something that must be done well!”.

According to Abdullah and Tantri (2015: 44) explains that the “service quality is the overall characteristics and characteristics of a service item that affects its ability to satisfy expressed and implied needs”.

According to Sujarweni (2015: 144), “service quality is the behavior of sellers to buyers by giving satisfaction to consumers, so that consumers feel valued and get goods or services in accordance with their wishes”.

2.3. Theory of Promotion

According to Hasan (2016: 367), “promotion is a process of communicating a marketing mix variable which is very important to be implemented by companies in marketing products”.

According to Sunyoto (2014: 154), “promotion is an element in the company's marketing mix that is used to inform, persuade, and remind about the company's products”.

According to Mursid (2014: 95), “promotion is persuasive communication, inviting, urging, persuading, convincing. The hallmark of persuasive communication is that there are communicators who manage the news and how to deliver it”.

2.4. Theory of Customer Satisfaction

According to Kotler and Keller (2009: 138) explain that “customer satisfaction is a feeling of pleasure or disappointment someone who arises because of comparing the perceived performance of the product (or results) against their expectations”.

According to Tjiptono (2015: 76) explains that “customer satisfaction can be interpreted as a comparison between expectations and expectations before purchase and perceptions of performance after purchase”.

According Supranto (2011: 233) explains “customer satisfaction is the level of feeling after comparing the performance / results he felt with his expectations”.

2.5. Theory Effect of Price on Customer Satisfaction

According to Handoko (2017: 68) said “that prices can provide benefits to products expected by customers so that if customers get benefits in accordance with product prices, customers will feel happy and satisfied”.

According to Yulianto (2017: 6) explaining “that prices can affect customer satisfaction positively. If the price set is in accordance with the quality desired by the customer, the customer will be satisfied”.

According to Kristanto (2018: 2) expressed “customer perceptions of prices vary so that if customers have a high perception of the price of the product in accordance with what is desired then the customer will feel happy / satisfied”.

2.6. Theory Effect of Service Quality on Customer Satisfaction

According to Hasan (2016: 72) explains that “excellent service from companies can create customer satisfaction. If the services provided by the company are of high quality, the level of customer satisfaction will increase”.

According to Yuniarti (2015: 233) said “if quality service can please customers, customers will feel satisfied. Vice versa if the company is not able to please the customer then the customer feels disappointed”.

According to Dewa (2018: 2) said “the better the service quality of a company which means that consumer expectations of products are met, the higher customer satisfaction. And the worse the
2.7. Theory Effect of Promotion on Customer Satisfaction

According to Nurhanifah (2014: 4) stated that “if a customer buys back the same product it means that the customer is satisfied and will give a good reference to others about the product he bought. Conversely, if a customer is dissatisfied, he will repeatedly search for and buy other company’s products”.

According to Tjiptono (2015: 80) said that “the promotion of products that are too extraordinary and not in accordance with circumstances creates a situation of mistrust that actually leads to customer dissatisfaction”.

According to Sujarwani (2015: 149) said “the company provides a targeted promotion, a consistent promotion then the customer will be happy to have products from the company”.

2.8. Conceptual Framework

The conceptual framework can be described as follows:

![Image of Conceptual Framework]

Gambar 1.1
Kerangka Konseptual

3. Research methodology

This research was conducted at the Grab Online transportation company in Polonia CBD Jl. Padang Golf, Blok CC28-29, Medan Polonia. The time of the study began in January 2019 and is planned to be completed in April 2020. The population in this study are all people who are in the city of Medan so that the amount is not known with certainty. The sample technique used is incidental sampling. The calculation of the research sample using the Hair formula, where the samples obtained amounted to 100 people to minimize errors in filling out the questionnaire. For a valid test 30 people were taken from similar companies namely Gojek. Collecting data related to the problems studied by researchers conducted by means of, interview respondents, observations and questionnaires.

3.1. Operational Research Variables

The operational definitions for each independent variable and the dependent variable are as follows:

Table II.1. Operational Definition and Variable Measurement

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
<th>Measurement</th>
</tr>
</thead>
</table>
| Price     | Price is one important marketing element besides the three other elements such as promotion, product and distribution (Tjiptono, 2015:289) | 1. Purchasing power  
2. Willingness of the customer  
3. Product position  
4. Product benefits  
5. Segments in the market (Tjiptono, 2015:298) | Likert Scale |
| Service Quality | Quality of service is one of the efforts to please the customers that must be done well (Supranto, 2011:228) | 1. Tangibles  
2. Reliability  
3. Responsiveness  
4. Assurance  
5. Empathy (Priamsa, 2017:57) | Likert Scale |
| Promotion | Promotion is product information that is conveyed through marketing communications by companies in introducing their products (Hasan, 2016:367) | 1. Advertising  
2. Personal Sales  
3. Sales promotion  
4. Publicity (Assauri, 2013:268) | Likert Scale |
| Customer  | Customer satisfaction is one's | 1. Tell others about something positive about the | Likert Scale |

Variable | Definition | Indicator | Measurement
---|---|---|---
Satisfaction (Y) | feeling that is reflected in the expectations and expectations before the purchase and the perception after the purchase (Tjiptono, 2015:76) | 2. Giving company product recommendations | company 2. Giving company product recommendations 3. Consider the company as the first choice 4. Make more purchases in the next few years (Yuniarti, 2015:241)

3.2. Validity and Reliability Test

a. Validity test

According to Ghozali (2016: 52), the validity test aims to determine whether a questionnaire is valid or not. This test is carried out by comparing the calculated value with the rtable calculation results. To test the validity and reliability of 30 respondents taken from the population of similar companies such as Gojek as a research sample.

b. Reliability Test

According to Ghozali (2016: 47), this reliability test measures the reliability of each person's questions. This test uses the Cronbach Alpha technique which is done by comparing Cronbach Alpha (α) with 0.60.

3.3. Classic assumption test

a. Normality test

Normality test wants to know in the regression model whether the confounding or residual variables are normally distributed or not. This test is seen by 2 methods, namely statistical analysis and graph analysis.

b. Multicollinearity Test

The multicollinearity test wants to test whether there is a relationship between the independent variables in the regression model. The value of this test is known from the Tolerance value and the value of Variance Inflation Factor (VIF).

c. Heteroscedasticity Test

This heteroscedacity is to see whether there is an inequality in one observation to another observation. This test can be detected by looking at the Scatterplot chart and the glejser test.

3.3. Research Data Analysis Methods

a. Research Model

The regression model used is multiple linear regression analysis with the following equation:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \]

Note :

Y = Customer Satisfaction  
a = Constant  
b_1, b_2, b_3 = Regression coefficient (X_1, X_2, X_3)  
X_1 = Price  
X_2 = Service Quality  
X_3 = Promotion  
e = error rate 5%

b. Hypothesis Determination Coefficient (R^2)

According to Ghozali (2016: 95), the coefficient of determination (R\(^2\)) essentially measures how far the model's ability to explain variations in the dependent variable.

c. Simultaneous Hypothesis Testing (F Test)

According to Ghozali (2016: 96), the statistical test F is not the same as the t test which aims to find out whether all the variables that are included in the model have a simultaneous influence on the dependent variable.

d. Partial Hypothesis Testing (t Test)

According to Ghozali (2016: 97), partial test aims to basically show how much influence an independent variable can partially explain the dependent variable.

4. Results And Discussion
a. Research Result

Descriptive Statistics

Descriptive statistics can be seen as follows:

1) The price variable has a minimum of 11, a maximum of 43, a mean obtained of 20.07 and a standard deviation of 5.213.
2) Service quality variables have a minimum of 10, a maximum of 34, a mean of 19.90 and a standard deviation of 5.667.
3) The promotion variable has a minimum of 8, a maximum of 29, a mean obtained of 16.23 and a standard deviation of 4.901.
4) The customer satisfaction variable has a minimum of 8, a maximum of 33, a mean obtained of 15.78 and a standard deviation of 5.106.

b. Classic Assumption Test Results

Normality Test

The following normality test results are as follows

<table>
<thead>
<tr>
<th>Table III.1</th>
<th>Normality Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Sample Kolmogorov-Smirnov Test</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>100</td>
</tr>
<tr>
<td>Normal Parametersa,b</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>.801</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.542</td>
</tr>
</tbody>
</table>

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

Source: SPSS Processed Data, 2020

Based on Table III.1, shows the significant value of Asymp. Sig. (2-tailed) of 0.542 or has a value > 0.05. This means that H0 is accepted, which means the data in the normality test is normally distributed.

Figure III.1. Histogram Graph

Based on Figure III.1, the results of the histogram graph show the pattern of data used in this study has followed a bell-shaped curve so that it can be said that the data has a normal distribution.
Based on Figure III.2, the results of the normality probability plot graph show that the spread of the data pattern is already around the diagonal line and follows the direction of the diagonal line, so the data has been normally distributed.

c. Multicollinearity Test

The following multicollinearity test results are as follows

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.073</td>
<td>1.092</td>
<td>.982</td>
<td>.328</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Price</td>
<td>-.253</td>
<td>-.258</td>
<td>-2.044</td>
<td>.044</td>
<td>.173</td>
<td>5.784</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.767</td>
<td>.851</td>
<td>5.652</td>
<td>.000</td>
<td>.122</td>
<td>8.197</td>
</tr>
<tr>
<td>Promotion</td>
<td>.279</td>
<td>.268</td>
<td>2.928</td>
<td>.004</td>
<td>.330</td>
<td>3.031</td>
</tr>
</tbody>
</table>

*Dependent Variable: Customer Satisfaction

Based on Table III.2, the results of this multicollinearity test can be seen that the price variable (0.173), service quality variable (0.122) and promotion variable (0.330) have a tolerance value greater than 0.10 or with price variable (5.784), service quality variable (8.197) and promotion variable (3.031) VIF value is smaller 10. It is concluded that this regression model does not have multicollinearity problems.

d. Heteroscedasticity Test

The following results of this test are as follows
Based on Figure III.3, the Scatterplot graph shows the irregular distribution of data patterns above and below 0 so that it can be concluded that the Scatterplot graph does not have a heteroscedasticity problem. To strengthen the Scatterplot graph results can be seen in statistical analysis with the following Glejser test.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-.040</td>
<td>.703</td>
<td>-.057</td>
<td>.954</td>
</tr>
<tr>
<td>Price</td>
<td>.000</td>
<td>.080</td>
<td>-.001</td>
<td>.003</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.075</td>
<td>.087</td>
<td>.238</td>
<td>.858</td>
</tr>
<tr>
<td>Promotion</td>
<td>.030</td>
<td>.061</td>
<td>.082</td>
<td>.484</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Absres

Source: SPSS Processed Data, 2020

From Table III.3, the glacier test results show that the significant value of the price variable is 0.998, the significant value of the service quality variable is 0.393 and the significant value of the promotion variable is 0.629 greater than the alpha value of 0.05, so this regression model does not contain any heteroscedasticity problems.

5. Research Data Analysis Results

5.1. Data Analysis Model

The following results of multiple linear regression analysis can be seen in Table III.4 as follows:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.073</td>
<td>1.092</td>
<td>.982</td>
<td>.328</td>
</tr>
<tr>
<td>Price</td>
<td>-.253</td>
<td>.124</td>
<td>-.258</td>
<td>-2.044</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.767</td>
<td>.136</td>
<td>.851</td>
<td>5.652</td>
</tr>
<tr>
<td>Promotion</td>
<td>.279</td>
<td>.095</td>
<td>.268</td>
<td>2.928</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Satisfaction

Source: SPSS Processed Data, 2020

Based on Table III.4 the form of the multiple linear regression analysis equation is:

Customer Satisfaction = 1.073 - 0.253 Price + 0.767 Quality of Service + 0.279 Promotion

a) Constant value (a) of 1.073
5.2. Hypothesis Determination Coefficient

In this study, the Adjusted R Square value is used as the basis for evaluating the coefficient of determination.

Table III.5 Determination Coefficient Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.857</td>
<td>.735</td>
<td>.726</td>
<td>2.671</td>
</tr>
</tbody>
</table>

Table III.5 shows the magnitude of the coefficient of determination of 0.726 which means that only 72.6% of customer satisfaction can be explained by the variable price, service quality, and promotion and the rest (100% - 72.6% = 27.4%) customer satisfaction is explained by other variables that have not been examined in this study such as consumer motivation and trust.

5.3. Simultaneous Hypothesis Testing (Test F)

The following F test table can be seen in Table III.6.

Table III.6 F Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1896.206</td>
<td>3</td>
<td>632.069</td>
<td>88.588</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>684.954</td>
<td>96</td>
<td>7.135</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>2581.160</td>
<td>99</td>
<td>25.811086</td>
<td>88.588</td>
<td>.000*</td>
</tr>
</tbody>
</table>

Table III.6 shows that the F count value is greater than the F table value, so that H0 is rejected. Whereas if seen from the significant value of the count, 0.000 < 0.05, the decision to reject H0 and accept Ha means that price, service quality, and promotion have a significant effect on satisfaction with using online transportation services (Grab) Medan.

5.4. Partial Hypothesis Testing (t Test)

The following t test table can be seen in Table III.7.

Table III.7 T Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td>1.073</td>
<td>1.092</td>
<td>.982</td>
</tr>
<tr>
<td>Price</td>
<td>-.253</td>
<td>.124</td>
<td>-.258</td>
<td>-2.044</td>
</tr>
<tr>
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<td>.767</td>
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<td>5.652</td>
</tr>
<tr>
<td>Promotion</td>
<td>.279</td>
<td>.095</td>
<td>.268</td>
<td>2.928</td>
</tr>
</tbody>
</table>

Table III.7 shows that the partial hypothesis testing with t count value is greater than the t table value, so that H0 is rejected. Whereas if seen from the significant value of the count, 0.000 < 0.05, the decision to reject H0 and accept Ha means that price, service quality, and promotion have a significant effect on satisfaction with using online transportation services (Grab) Medan.
This study is known to the number of respondents 100 people so that the t test with 2 sides obtained a ttable (0.05; 98) of 1.984. Partial explanation of the results of the hypothesis can be explained as follows.

Based on Table III.7, the results of the first hypothesis indicate that the price variable has a t-value of -2.044 < ttable of -1.984 and a significant value of 0.044 < 0.05, then the decision rejects H0 and accepts Ha, which means that the price has a negative and significant effect on satisfaction use of online transportation services (Grab) Medan.

The results of the second hypothesis show that the service quality variable has a tcount of 5.652 > ttable of 1.984 and a significant value of 0.000 < 0.05, then the decision rejects H0 and accepts Ha which means that service quality has a positive and significant effect on satisfaction of using online transportation services (Grab) Medan.

The results of the third hypothesis indicate that the promotion variable has a tcount of 2.928 > ttable of 1.984 and a significant value of 0.004 < 0.05, then the decision rejects H0 and accepts Ha which means promotion has a positive and significant effect on satisfaction of using online transportation services (Grab) Medan.

6. Conclusion

Based on the results and discussion, it can be concluded that the research is:

a. Hypothesis test results partially the price variable obtained t-value of -2.044 < ttable of -1.984 and a significant value of 0.044 < 0.05, meaning that partially the price has a negative and significant effect.

b. Hypothesis test results partially the quality of service obtained tcount value of 5.652 > ttable of 1.984 and a significant value of 0.000 < 0.05, meaning that partially the quality of service has a positive and significant effect.

c. Hypothesis testing results partially promotion variable obtained tcount value of 2.928 > ttable of 1.984 and a significant value of 0.004 < 0.05, meaning that partially the promotion has a positive and significant effect.

d. Simultaneous test results obtained value of Fcount (88.588) > Ftable (2.70) and the probability of significance of 0.000 < 0.05. Determination coefficient test results show 72.6% customer satisfaction can be explained by the variable price, service quality and promotion and the rest (100% - 72.6% = 27.4%) customer satisfaction is explained by other variables that have not been examined in this research is like consumer motivation and trust.

7. Reference
