

## Analysis of The Influence of Price, Promotion and Service Quality on Customer Satisfaction in Online Grab Ojek Services, Kediri City

Nana Marlina<sup>1\*</sup>, Sigit Puji Winarko<sup>2</sup>, Linawati<sup>3</sup>

<sup>1,2,3</sup> University of Nusantara PGRI Kediri, Jl. KH. Ahmad Dahlan No.76, Mojoroto, Kota Kediri, East Java, 64112, Indonesia

[nanamarlina411@gmail.com](mailto:nanamarlina411@gmail.com)<sup>1\*</sup>, [sigitpuji@unpkediri.ac.id](mailto:sigitpuji@unpkediri.ac.id)<sup>2</sup>, [linawati@unpkediri.ac.id](mailto:linawati@unpkediri.ac.id)<sup>3</sup>

\*corresponding author

Article Information		Abstract
Submission date	2022-11-15	<b>Research Aim :</b> This study has the objective of how the influence of price, promotion, and service quality on Grab customer satisfaction in Kediri City.
Revised date	2022-12-31	
Accepted date	2023-01-04	<b>Research Method :</b> In taking this sample using the technique of purposive sampling by using a causal quantitative approach and calculations based on the Slovin formula so that a sample of 100 respondents was taken. This study makes use of Google Forms which has been tested for its validity and reliability to distribute questionnaires for data collection. Data analysis technique used SPSS version 23 in research for the hypothesis and the coefficient of determination. <b>Research Finding :</b> The results obtained prove that price, promotion and service quality all have a significant positive influence on customer satisfaction Grab in the Kediri City area. It is hoped that this research, will make customers feel satisfied in using it and the company can also improve its competitiveness. <b>Keywords :</b> Pricing, Promotion, Service Quality, Customer Satisfaction

### 1. Introduction

Transportation is a means that is one of the sources supporting community activities or daily mobility, so it is necessary to prepare carefully and properly because it will affect the activities concerned with using transportation [1]. One form of transportation that has become the center of attention of the government in Indonesia from various other types of transportation is land transportation, because in addition to being cheap, land transportation is used by the majority of Indonesian people. In an era where very rapid developments began to lead to a higher bargaining position of customers towards business people due to the emergence of internet-based business applications, especially Grab. With this application, being able to access the desired product or service even though it is located far from the consumer's place where various activities can now be carried out via the internet becomes easy and fast.

One of the most popular apps in Southeast Asia is Grab, which offers services such as transportation, delivery of goods or services, and other forms of payment [2]. The main goal of Grab's services is to provide passengers who prioritize safety and certainty in reaching their destination with an alternative to driving. Grab rebranded as a complete vehicle service

provider in the first year of 2016, which made the development of this business record extraordinary growth. Therefore according to [1] said that customer satisfaction will have a significant effect on the quality of service or services, prices, emotions, and costs.

Increasingly fierce competition makes companies obliged to increase the number of their customers, thus demanding to use a more competitive marketing strategy to analyze target markets and choose the right marketing targets. In the City of Kediri many online motorcycle taxi applications provide distinct advantages compared to their competitors, making it difficult for companies to gain market share. Therefore, to increase customers' use of Grab in Kediri City, an alternative way is to do so by maintaining existing quality, one of which is through efforts to provide customer satisfaction. [3]. According to [4] how satisfied a customer is with the difference between what they get and what they expect is a good indicator of customer satisfaction. This will benefit the company by fulfilling the requirements and wishes of customers. Indirectly, it will make customers continue to use or buy products because they are satisfied with the service. That way, the company's business is recognized by all market segments. So that marketing behavior with a profitable business marketing strategy will eventually make it survive and maybe even grow. In this way, if a business can provide a service that exceeds customer expectations, it will be considered satisfactory. But vice versa, if the services offered do not match customer expectations. Customers will then be more likely to seek alternatives to lower-quality company offerings [1].

Prices can also affect what is interpreted as the amount of money for goods or services desired in obtaining goods and services [5]. In general, the price factor has a significant effect on customers who are attracted to low prices as a source of satisfaction. Pricing decisions must be in line with the overall marketing plan, because it will influence supply or marketing channels. Besides that, if there is a promotion, it will add a good level for the company to compete. Because promotion includes activities that are very important in influencing customer attitudes and behavior to improve sales quality for the company's goods or service marketing efforts. Those who previously did not know the product became familiar, in the end the customer always remembers that he is willing to accept, use the service or buy, and remains committed to the promotions given by the company concerned. Promotion is an activity that improves the quality of a company in offering goods or services to attract customers to buy [6]. Someone will dare to pay even though the price of a product or service is expensive, if the service meets customer expectations. If, on the other hand, the service does not meet the customer's expectations, they will not pay for or use the service. So, the results in making the price must be by the marketing strategy.

In the results of previous research there were differences related to the study of how prices, promotions, and service quality affect customer satisfaction at the Grab online motorcycle taxi. Research conducted [1] proves that price and promotion have a significant and positive effect on customer satisfaction, while service quality is the opposite of having effect. However, research conducted [6] proves that customer satisfaction is significantly and positively influenced by promotion and service quality. Furthermore, research conducted by [2] proves that customer satisfaction is significantly and positively influenced by all the variables used. This is in contrast to research by [5] which shows that compared to price and promotion, service quality has the greatest significant effect on customer satisfaction.

The background above shows the existence of phenomena and differences in research findings. Therefore this research was taken entitled "Analysis of the Influence of Price, Promotion, and Service Quality on Customer Satisfaction in Grab Online Motorcycle taxi

services in Kediri City". The purpose of this study was to find out how much influence price, promotion, and service quality have on customer satisfaction in the Grab online motorbike taxi service, Kediri City.

### 1.1 Statement of Problem

1. Does price have a significant and beneficial effect on the level of satisfaction experienced by Grab online motorcycle taxi service customers?
2. Does the promotion have a significant and beneficial effect on the level of satisfaction experienced by Grab online motorcycle taxi service customers?
3. Does service quality have a significant and beneficial effect on the level of satisfaction experienced by Grab online motorcycle taxi service customers?
4. In the case of Grab's online motorcycle taxi service, do prices, promotions and service quality have a significant and beneficial effect on the level of customer satisfaction?

### 1.2 Research Objectives

1. To find out how much significant and positive influence price has on customer satisfaction in Grab online motorcycle taxi services
2. To find out how much significant and positive influence the promotion has on customer satisfaction in Grab online motorcycle taxi services
3. To find out how much significant and positive influence the quality of service has on customer satisfaction in Grab online motorcycle taxi services
4. To find out how significant and positive influence prices, promotions and service quality have on customer satisfaction in Grab online motorcycle taxi services

## 2. Method

In this research, we tested the relationship between Grab customer satisfaction and price, promotion, and service quality. Price (X1) is value for money where customers have to pay for what they want by the number of goods or services [7]. In essence, the suitability of the price of a product or service can be seen from the satisfaction expected by the customer for the value received after buying or using the service, and as a result, the customer is aware of the service or product [8].

H1 : Prices have a significant and beneficial impact on the level of satisfaction experienced by Grab online motorcycle taxi service customers

Every price increase will make changes that can increase customer satisfaction in enjoying an item or service. Based on the first hypothesis which says that price affects how satisfied customers are, then price has a relationship in this research. This theory is reinforced by the results of one-way research by [2] saying that price has a significant and positive effect on customer satisfaction.

H2: Promotion has a significant and beneficial impact on the level of satisfaction experienced by online motorcycle taxi service customers

Grab In Southeast Asia, Grab is the most popular application that includes the right solutions to provide fast and safe transportation services [2]. To increase the efforts of Grab users to increase, a promotion (X2) is carried out for Grab online transportation service users in the city of Kediri. This theory is strengthened by a one-way study conducted by [6] which argues that promotion has a significant and positive effect on customer satisfaction.

H3 : Service quality has a significant and beneficial impact on the level of satisfaction experienced by online motorcycle taxi service customers

Grab's service quality (X3) depends on the driver. Where if Grab drivers serve customers politely and according to their expectations, it will have a beneficial impact on customer satisfaction. And vice versa, if the driver provides poor service to customers, it will lead to poor satisfaction. According to [6] proves that service quality has a significant and beneficial impact on customer satisfaction.

H4: Customer satisfaction with Grab's online motorcycle taxi service is significantly and positively influenced by price, promotion, and service quality

Customer satisfaction (Y1) here shows that customers will feel satisfied and consider a company to be considered good, if what is obtained is in accordance with their expectations [4]. Responses will also affect customer satisfaction, with fast and friendly responses making customers feel comfortable, where the company name will reflect well and increase in use.

This study uses a causal quantitative approach. In the primary data collection method using a questionnaire with a Likert scale between 1 to 5, it is explained that scale 1 indicates strongly disagree and scale 5 indicates strongly agree [3].

The research population uses the Grab application users, namely the Community in Kediri City. The total population of the study was 287,962 people. The technique used in the sample is technique-purposive *sampling* which meets the specified criteria. The research uses the following criteria: 1) People who use the Grab application in Kediri City, 2) People with an age range of 17-25 years. These criteria, it was obtained using the Slovin formula for the calculation, with a sample of 100 respondents.

In this study SPSS version 23 was used for data testing and statistical analysis. After that, the research data will be processed through several stages of testing, including validity, reliability, and classical assumptions which have several tests including normality tests, multicollinearity tests, and heteroscedasticity tests. Multiple linear regression tests, such as the simultaneous test (f test), partial test (t test), and test the coefficient of determination (R test<sup>2</sup>), were performed in the last step.

### 3. Results and Discussion

This study was used with a description of the results of the research variables was found out from the group of respondents who had the most number of the highest. In this study, the validity test was carried out on all questionnaire questions with item numbers, namely several questions aimed at respondents to find out the results of the appropriate size. The calculated r-value obtained, it is used to compare with the r table in determining the validity of the instrument. If the r count is greater than the r table, the instrument is considered valid.

**Table 1. Validity Test Results**

Variable	Item Number	r Count	r Table	Information
Price	1	1,00	0,278	Valid
	2	0,293	0,278	Valid
	3	0,432	0,278	Valid
Promotion	1	0,663	0,278	Valid
	2	0,727	0,278	Valid

Variable	Item Number	r Count	r Table	Information
Service Quality	3	0,918	0,278	Valid
	1	0,576	0,278	Valid
	2	0,315	0,278	Valid
	3	0,335	0,278	Valid
Customer satisfaction	1	0,458	0,278	Valid
	2	0,355	0,278	Valid
	3	0,287	0,278	Valid

Source: Processed Data, 2022 (SPSS Output)

The results of the validity test prove that all the indicators used in this study to measure the score of the constructed variable have a value of r count greater than the r table, indicating that all of them are considered valid.

**Table 2. Reliability Test Results**

Variable	Cronbach Alpha	Koefisien Cronbach Alpha	Information
Price	0,817	0,6	Reliable
Promotion	0,813	0,6	Reliable
Service Quality	0,816	0,6	Reliable
Customer satisfaction	0,830	0,6	Reliabel

Source: Processed Data, 2022 (SPSS Output)

The reliability test results prove that the calculated reliability can be used to determine various prices, promotions, service quality, and customer satisfaction. It also shows that value *cronbach alpha* higher than the coefficient *cronbach alpha*. Therefore, the variable indicators used in the reliable questionnaire are feasible to use. The results above show that it is greater than 0.6 that each variable is considered reliable.

**Table 3. Normality Test Results**

Variable	Item Number	Significance Value	Level of confidence	Information
Price	1	0,20	0,05	Normal Distribution
	2	0,21	0,05	Normal Distribution
	3	0,20	0,05	Normal Distribution
Promotion	1	0,10	0,05	Normal Distribution
	2	0,15	0,05	Normal Distribution
	3	0,18	0,05	Normal Distribution
Service Quality	1	0,28	0,05	Normal Distribution
	2	0,25	0,05	Normal Distribution
	3	0,15	0,05	Normal Distribution
	1	0,28	0,05	Normal Distribution

<b>Variable</b>	<b>Item Number</b>	<b>Significance Value</b>	<b>Level of confidence</b>	<b>Information</b>
Customer satisfaction	2	0,25	0,05	Normal Distribution
	3	0,20	0,05	Normal Distribution

Source: Processed Data, 2022 (SPSS Output)

Based on the results of the normality test that has been carried out, it can be seen that the average significance value of the research variable is 0.2. This shows that the research data has a normal distribution and is suitable for use and further testing. This proves that the research data is normally distributed and is suitable for use and further testing.

**Table 4. Multicollinearity Test Results**

<b>Variable</b>	<b>Item Number</b>	<b>Tolerance Value</b>	<b>VIF</b>	<b>Information</b>
Price	1	0,867	1,154	There is no relationship between independent variables
Promotion	1	0,980	1,02	There is no relationship between independent variables
Service Quality	1	0,880	1,137	There is no relationship between independent variables

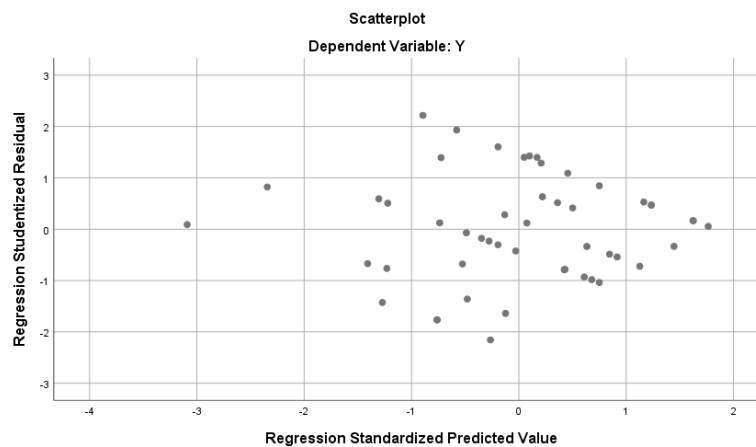
Source: Processed Data, 2022 (SPSS Output)

Based on the results of the multicollinearity test on the three proposed research variables, namely price, promotion, and service quality, it shows:

1. The price variable has a tolerance value of 0.867 greater than 0.1 and a VIF value of 1.154 times lower than 10. This indicates that the price variable indicator is independent and unrelated.
2. The promotional variable has a tolerance value of 0.980 times greater than 0.1 and a VIF value of 1.02 times lower than 10. This indicates that the price variable indicator is independent and unrelated.
3. The quality variable has a tolerance value of 0.880 times greater than 0.1 and a VIF value of 1.137 times lower than 10, which means that the indicators on the price variable are independent and unrelated.

It can be concluded that the three variables used in this study are not related and independent of each other.





**Figure 1. Results of the Heteroscedasticity Test**

The results of the heteroscedasticity test are shown in the form *table scatterplot*. When the dots are in *scatterplot* spread above zero from the Y axis it can be said that there is no heteroscedasticity. Based on the heteroscedasticity test performed, it can be seen that the points spread above 0 on the Y axis. Thus, it can be concluded that the above results do not show signs of heteroscedasticity in this case.

**Table 6. Multiple linear regression results**

<b>Variabel</b>	<b>B</b>	<b>Std Error</b>	<b>Standardized Coefficients</b>
Constant	8,806	1,755	
Price (X1)	0,114	0,096	0,124
Promotion (X2)	0,083	0,073	0,113
Service Quality(X3)	0,108	0,099	0,113

From the results of multiple linear regression analysis on the research variables, it can be concluded that the coefficients of the regression equation are as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Y = 8.806 + 114X_1 + 83X_2 + 108X_3$$

Based on the results of these equations, the constant value obtained is 8,806 shows that, with a score of 8,806, price (X1), promotion (X2), and service quality (X3) are all stable in terms of customer satisfaction.

The regression coefficient of the price variable (X1) is 114 indicating that the price has increased, so the level of customer satisfaction (Y) will increase by 114 due to the increase in unit prices assuming the other influencing variables are constant.

The promotion variable (X2) has a regression coefficient of 83 which indicates that the level of consumer satisfaction (Y) will increase by 83 if the other independent variables do not change meet.

The level of customer satisfaction (Y) will increase due to an increase in the price of one unit by 108 if the other independent variables remain unchanged, according to the regression coefficient of the service quality variable (X3).

**Table 7. Partial Test Results (t test)**

<b>Variabel</b>	<b>T Count</b>	<b>Significance Value</b>
Price (X1)	1,191	0,001
Promotion (X2)	1,126	0,002
Service Quality(X3)	1,093	0,002

Based on the table, the price variable has a t value of 1.191 and a significance of 0.001 <0.05 which means it has an effect on customer satisfaction. This proves that customer satisfaction is significantly and positively influenced by price.

While the promotion variable obtained t count 1.126 and a significance of 0.002 <0.05 . This proves that promotion has a significant positive effect on customer satisfaction.

Furthermore, the variable service quality obtained t count of 1.093 and a significance of 0.002 <0.05. This proves that service quality has a significant positive effect on customer satisfaction.

**Table 8. Simultaneous Test Results (Test f)**

	<b>Value F</b>	<b>Significance Value</b>
Regression	1.546	,000 <sup>b</sup>

Based on the table it is obtained, because the calculated F is 1.546 and the F table is 3.09 and the significance level is less than 0.05 so that it can be concluded that the F value is 1.546 with a significance level of 0.00. Thus, price, promotion, and service quality all have a significant effect on customer satisfaction simultaneously.

**Table 9. Test Results for the Coefficient of Determination (R2)**

<b>R</b>	<b>R Square</b>	<b>Adj R Square</b>
,215 <sup>a</sup>	0,046	0,016

Based on the table it can be concluded that the determination coefficient test is obtained from the value (R2) *Adjusted R Square* is 0.016. Price, promotion, and quality of service all had an impact on customer satisfaction by 16%, while additional variables not included in this study had an impact on 84%.

#### **4. Conclusion**

It can be concluded based on the findings of the research that has been done, that price has a significant beneficial effect on customer satisfaction. Promotional variables also have a significant and positive effect on customer satisfaction. Service quality has a significant impact on customer satisfaction. Customer Satisfaction (Y) is influenced by Price (X1), Promotion (X2), and Quality of Service (X3) simultaneously.



It is hoped that readers can add to their knowledge and insights from this research, as well as being a source for further research. In addition, it is hoped that readers of this study will be able to find out how much price, promotion and service quality affect how satisfied customers are. This will help customers feel satisfied when using the business and enhance the company's ability to improve its competitiveness.

Users who frequently subscribe to Kota Kediri are still the only ones who are entitled to take part in this research. Thus, additional researchers are expected to broaden the topic. However, there are still limitations that need to be considered so that further research can be addressed. In addition, future researchers are encouraged to add other independent variables that affect satisfaction so that the scope of research becomes wider.

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