

Analysis Of Factors Affecting Online Transport Purchase Decisions (Case Study: Go-Ride From Pt. Go-Jek Indonesia)

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ABSTRACT: The development of communication and information technology is increasingly fast, will encourage creating something more efficient, easy and bring benefits. GO-JEK is a transportation service business that utilizes the development of communication and information technology in running its business. By implementing a real-time ride sharing system with an online ordering system, Go-jek provides efficiency, convenience and benefits for its users. As one of the trusted online transportation services, GO-JEK must have an effective and innovative marketing strategy to obtain and retain its customers. The purpose of this study is to identify and analyze what factors influence GO-JEK consumer decision making. The sampling method used in this study is purposive sampling and research data obtained using a questionnaire with 130 respondents. The data obtained by using Path Analysis. From the results of the data that has been processed can be concluded that the results of this study are word of mouth, price, service quality and brand image affect the purchase decision.

KEYWORDS: Price, Promotion, Service Quality, Word of Mouth, Brand Ambassador, Brand Image, Buying Decision, SPSS, Go-jek

Date of Submission: 23-02-2019

Date of acceptance: 13-03-2019

I. INTRODUCTION AND LITERATURE REVIEW

The development of communication and information technology is increasingly rapid, will encourage creating something more efficient, easy and bring benefits, both for users and their own creators. Indeed the development of information technology aims to provide convenience for its users for several issues that continue to be received in daily life. The era of information technology is a revolutionary era of development, namely changing a system that has gone from conventional methods to conventional or modern methods in everyday life both in the fields of finance, marketing, transportation, distribution and others. Winardi (2008) states that innovation is one form of change management chosen by the organization in response to the dynamics of the business environment. The development of innovation in information technology is very much the kind. One of the biggest business innovation potentials can be done by maximizing the role of smartphones in implementing their business. As KATADATA has published on its website by referring to digital marketing research institutions, eMarketer that the projection of smartphone users in Southeast Asia, especially Indonesia continues to excel far from other countries and provides an increase every year from 2016 - 2019 (picture 1).

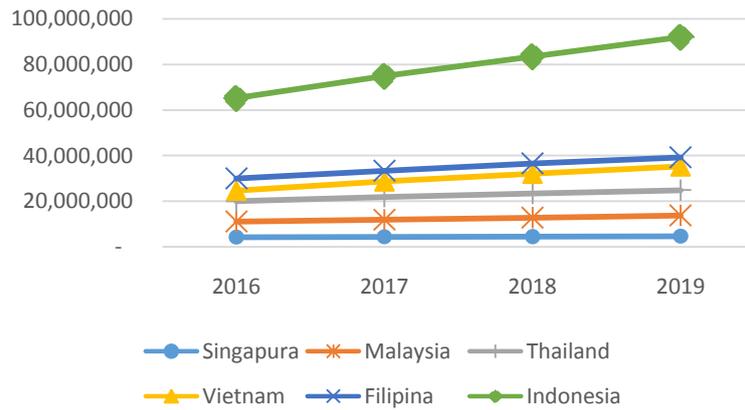


Figure 1 Projections of Smartphone Users in Southeast Asia (2016 - 2019)

If you look at smartphone user projections as above. It can be concluded that this is a big business opportunity if the company can use a smartphone as an intermediary for delivering information or selling products or services.

PT. Gojek Indonesia or Go-Jek, which was founded in 2011, is one of the companies that is engaged in saying that it provides mobile phone-based online transportation services that can be enjoyed by the general public through an application called GO-JEK. This GO-JEK application is an innovation that at the beginning of its presence tried to provide comfort in structured public transportation. The existence of alternative public transport service innovations is known as the real-time ride sharing system. Fulfillment of lower transportation costs, environmental protection business, technology development, service flexibility, and more satisfying services are claimed aspects as the advantages of Ridesharing's real-time system (A Better City, 2015: 5). According to Udo (2010), the challenge of technological change has been a classic issue for a long time, a sociotechnical approach that focuses on social values by involving the direct role of users is very necessary. Study conducted on science Data with data sources obtained from comScore in 2017 Gojek users outperformed several other companies with the same business fields, Grab and Uber. The average user every month Gojek outperforms the 8,800,000 users per month while Grab can compete with 8,600,000 users and Uber can only compete with 2,300,000 users.

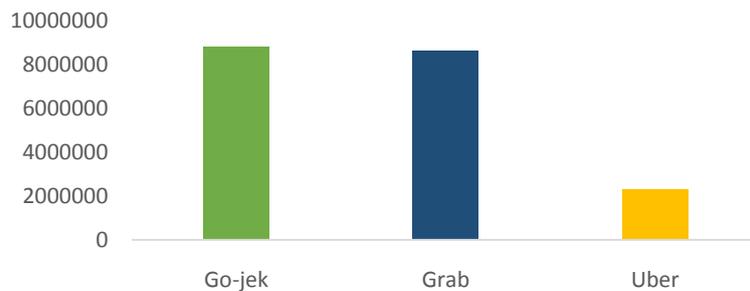


Figure 2 Number of users according to comScore in 2017

If seen from the Top Brand Award site, where as the top brand label provider every year, based on the survey, GO-JEK outperformed competitors in similar fields. Figure 3 below is the percentage carried out by Top Brand Award in 2016 & 2017 for the category of online-based transportation services.

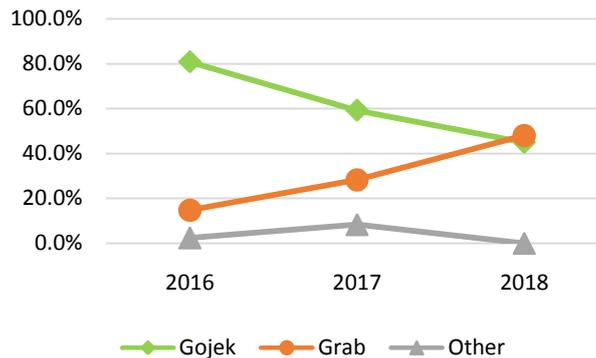


Figure 3. TBA value for the online transportation category

But DeLone and McLean (2003) re-developed a theory about the success of an information system by adding elements of service quality and combining individual impacts and the impact of the organization on net benefits. The condition that must be fulfilled by a company in order to be successful in competition is trying to achieve the goal of creating and retaining customers. In order for this goal to be achieved, each company must strive to produce and deliver goods and services desired by consumers at reasonable prices. Thus each company must be able to understand consumer behavior in the target market, because the survival of the company as an organization that seeks to meet the needs and desires of consumers is highly dependent on consumer behavior (Tjiptono, 1997: 19). In transportation services, of course, price is the main factor that is considered by customers because of the large amount of tariffs set related to the income owned by passengers. Kotler and Keller (2008: 234) explain that smart companies will try to fully understand the customer's decision-making process, all their experiences in learning, choosing, using, even in dispensing products. To understand the making of consumer purchasing decisions, it must first be understood the characteristics of consumer involvement with products or services (Sutisna, 2003: 11). Understanding the level of consumer involvement in the product or service means that marketers try to identify things that cause someone to feel they must be involved or not in purchasing a product or service.

II. LITERATURE REVIEW

Services

According to Tjiptono (2004) services are activities, benefits, or satisfaction offered for sale, while according to Kotler quoted (Tjiptono, 2004) services are actions or actions that can be offered by a party to another party, which are basically intangible (not physical) and does not produce ownership of something.

Price

Price is a sum of money added (some items if possible) needed to get a number of combinations of several items and their services (Swastha and Irawan, 1983: 241). Whereas according to Kotler (1994: 78), price is the amount of money charged to a product or service or the amount of value that consumers exchange with the benefits of owning or using the service products exchanged.

Promotion

Alma (2013) states that promotion is an effort made by marketers to communicate with the audience. Kottler (2006) divides promotion into five important elements, namely personal selling, mass selling, promotion of selling, public relations and direct selling.

1. Personal selling is a way of selling that uses direct communication between the seller and prospective customers to introduce a product.
2. Mass selling or often called advertising is a sales approach by using certain communication media to convey information to the public at a certain time.
3. Promotion selling is a form of short-term incentives to encourage product purchases. This method is usually done by a product that is experiencing a decline in sales turnover.
4. Public relations is one element of promotion that can embrace new consumers that have never been achieved before through personal selling or advertising.
5. Direct selling, this method is interactive by utilizing one or several media to generate communication aimed directly at individual consumers, whether by telephone, mail, online marketing, e-mail or catalog shipping.

Perceived Service Quality

According to Kotler and Keller (2002: 83) the definition of service is any action or activity that can be offered by a party to another party, which is basically intangible and does not result in any ownership. Service

quality is influenced by two things, namely perceived service and expected service. If the service perceived is smaller than expected, the customers will become uninterested in the service provider, but if what is happening is (perceived>expected), there is a possibility that the customer will use the service provider again (Rangkuti, 2006).

Word of Mouth

Sernovitz (2012) states that there are 5T as assessment indicators that must be considered to seek WOM which can increase company profitability, namely:

1. Talkers / Speakers, namely people who tell or provide information about a product brand.
2. Topics / Topics, namely simple but interesting information from a product that is the subject of talks between consumers and prospective consumers.
3. Tools / tools or media, namely tools or facilities used by consumers in carrying out the WOM process.
4. Taking part, namely things that require participation or the role of the company in the WOM process.
5. Tracking, which is the supervision of the company against the WOM process that occurs so that the company can anticipate the occurrence of negative WOM regarding the products sold.

Brand Image

According to Kotler (in Krystia: 2012) Brand Image is consumer perception of the company or its products. According to Wicaksono (in Krystia: 2012) arguing the importance of developing a Brand Image in purchasing decisions, a well-managed Brand Image will produce positive consequences, including:

1. Increase understanding of aspects of consumer behavior in making purchasing decisions.
2. Enriching consumption orientation towards things that are symbolic more than product functions.
3. Increase consumer confidence in the product.
4. Increase sustainable competitive advantage, considering that technological innovation is very easy to emulate by competitors.

Consumer behavior

Schiffman and Kanuk (2010), provide definitions of consumers' conscience as a need for consumers to look for, buy, use, evaluate and spend the products and services they hope will satisfy their needs.

Purchasing Decision Process

According to Schiffman, Kanuk (2004, p. 547), purchasing decisions are the choice of two or more alternative purchasing decision choices, meaning that someone can make a decision, there must be several alternative choices available. According to Engel et al. (1995) and Kotler and Keller (2009) consumer decisions go through five stages, namely: Introduction of needs / Introduction to problems; Information search; Alternative evaluation; Purchase; Results.

III. RESEARCH METHODOLOGY

The mindset is based on theoretical reviews and previous research studies. Previous research is a good reference source for further research to develop a framework of thinking.

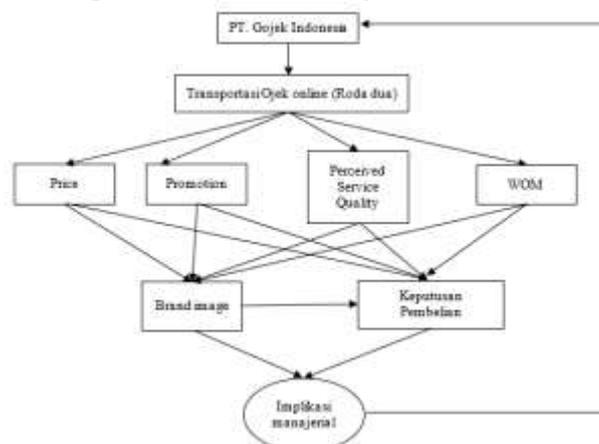


Figure 4. Research framework

Research Hypothesis

Where the hypothesis is described as follows:

H11: Price, Promotion, Perceived Service Quality, Word of Mouth (WoM) jointly or simultaneously has a direct effect on Brand Image

H12: Price, Promotion, Perceived Service Quality, individual or separate Word of Mouth (WoM) directly affects Brand Image

H13: Price, Promotion, Perceived Service Quality, Word of Mouth (WoM), Brand Image jointly or simultaneously has a direct effect on purchasing decisions

H14: Price, Promotion, Perceived Service Quality, Word of Mouth (WoM), Brand Image individually or separately has a direct effect on purchasing decisions.

IV. RESULTS AND DISCUSSION

Test Validity and Reliability of Instruments

Validity test is used to measure the validity or validity of a questionnaire. according to Prayatno (2011), the validity test of items is used to measure the accuracy of an item in a questionnaire or scale, whether the items in the questionnaire are appropriate in measuring what you want to measure, or can be directly assessed by the person correlation method or the total corrected item method corolation. Testing the validity of the instrument is done using SPSS Statistic with the criteria $r_{count} > r_{table}$, then the question is declared valid. The results of the validity test on all questionnaire indicators in this study meet the validity requirements where $r_{count} > r_{table}$ so that the questionnaire is declared valid.

Reliability Test is needed to measure the reliability level of the questionnaire, a questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent or stable over time. Each construct used in this study uses Cronbach's alpha. A vaiabel is said to be reliable if it gives Cronbach's alpha value > 0.6 (Ghozali 2012). In this study the value of Cronbach's alpha obtained is 0.959 where the value meets the requirements of Cronbach's alpha $(0.959) > 0.6$, it can be concluded that the items of the question (indicators) are reliable.

Path Analysis

Sub-structure 1 (Indirect Effects)

In sub-structural testing 1 or the indirect influence of the research variables tested were the effect of price, promotion, word of mouth, and service quality on brand image. Next is the output of the equation in the research model as shown in figure 5 below.

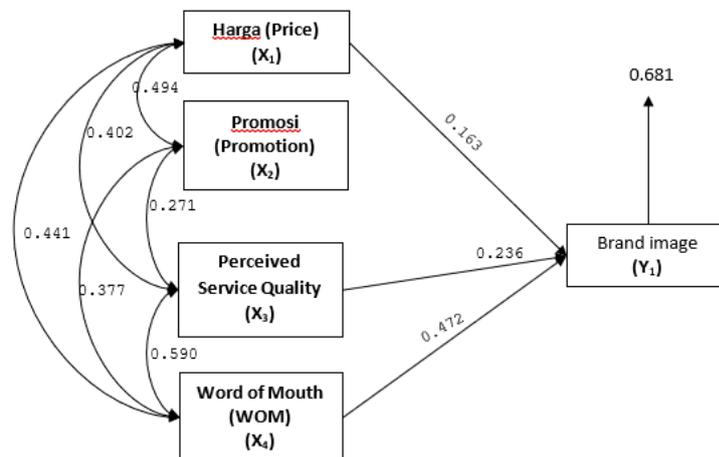


Figure 5 An indirect influence path analysis diagram

The indirect influence of research variables on purchasing decisions in figure 6 above. In the output image above to obtain the path coefficient, it can be seen from the Standarized Beta Coefficient (phase 2008), obtained the value for each relationship between the price variable (price) 0.163, service quality 0.236, word of mouth 0.472. While the promotion variable (promotion) does not significantly influence the level of 10% where the significant value obtained is 0.170 (> 0.1). In other words, the effect of prices related to the price given is appropriate or the price difference on Go-pay with cash prices has a positive impact on brand image (brand Image) is supported by previous researchers namely Nugraha (2017) and Leksono and Herwin (2017) with the results of his research the perception of prices has a positive effect on brand image. The better the perception of

the price of a product / service will affect the increase in the brand image. Just as the quality of service and word of mouth that are in the community is a positive impact on the brand image of PT. Gojek Indonesia itself. Then it can be concluded that the structural equation for sub-structural testing 1 (indirect influence) is as follows:

Brand Image = 0.163 Price + 0.236 Service Quality + 0.472 Word of mouth

From the results of these calculations it can be interpreted as follows:

1. Path variable price (price) coefficient of = 0.163 states that every time there is an increase in service quality the price (price) dimension, it will increase the level of purchasing decisions by 0.163.
2. The path coefficient of service quality variable is = 0.236 stating that every time there is an increase in the quality of service dimensions of service quality, it will increase the level of purchasing decisions by 0.236.
3. Path coefficient Word of mouth variable = 0.472 states that every time there is an increase in the quality of service dimensions of Word of mouth, it will increase the level of purchasing decisions of 0.472.

After the path coefficients are obtained, the influence of service quality variables consisting of price, promotion, word of mouth, and service quality on brand image can be determined by multiplying the path coefficient to the correlation matrix between variables because X with dependent variable Y. Based on the calculation of the coefficient of determination from path analysis, the influence of price (price), promotion (promotion), word of mouth, and service quality on brand image amounting to 53.6% while other factors amounted to 46.4%. meaning that the tested variables on brand image can explain the brand image of 53.6% while the remaining 46.4% is explained by other variables outside of this study that are not identified.

Sub-structure 2 (Direct Effect)

In sub-structural testing 2 or the direct effect of the research variables tested were the effect of price (promotion), promotion (word), word of mouth, and service quality (service quality), brand image (brand image) on purchasing decisions. Next is the output of the equation in the research model as shown in Figure 7 below.

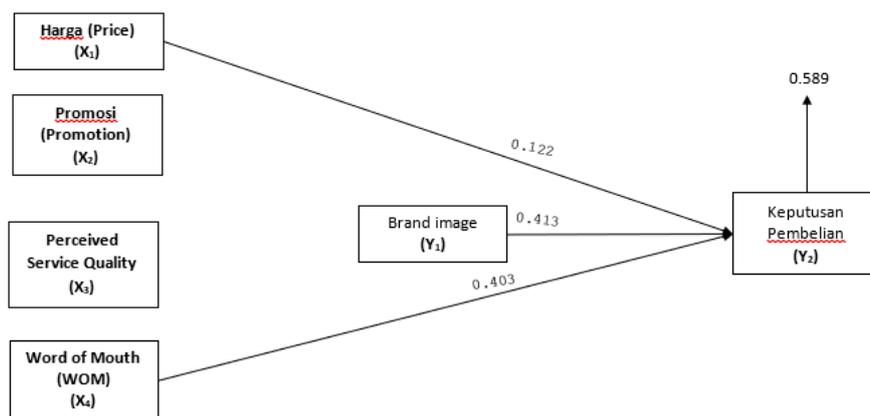


Figure 6 Diagram of direct influence analysis pathway

Direct influence of research variables on purchasing decisions in figure 7 above. In the output image above, the value obtained for each relationship between the price variable is 0.122, word of mouth 0.403, brand image 0.413. Whereas the promotion variable and service quality did not significantly influence the 10% level where the significant values obtained were 0.538 (> 0.1) and 0.210 (> 0.1). Then it can be concluded that the structural equation for sub-structural testing 2 (direct effect) is as follows:

Brand Image = 0.122 Price + 0.413 Word of mouth + 0.403 Brand Image

From the results of these calculations it can be interpreted as follows:

1. Path variable price (price) coefficient of = 0.413 states that every time there is an increase in service quality the price (price) dimension, it will increase the level of purchasing decisions by 0.413.
2. The path coefficient of Word of mouth variable = 0.413 states that every increase in the quality of service dimensions of Word of mouth, it will increase the level of purchasing decisions by 0.413.
3. The brand image variable coefficient of = 0.403 states that every time there is an increase in service quality the dimensions of the brand image (brand image), it will increase the level of purchasing decisions by 0.403.

After the path coefficients are obtained, then the influence of service quality variables consisting of price, promotion, word of mouth, service quality, brand image on purchasing decisions can be determined from the results of multiplication path coefficient on the correlation matrix between variables because X with

dependent variable Y. Based on the calculation of the coefficient of determination from path analysis, the effect of price variables, promotion, word of mouth, service quality, brand image of purchasing decisions is 65.3% while other factors are 34.7%. meaning that the variables tested on the brand image are able to explain the purchasing decision of 65.3% while the remaining 34.7% is explained by other variables outside of this study that are not identified.

Total Influence (direct and indirect on purchasing decisions)

The following are the direct, indirect and total effects of the effect of price (X1), promotion (X2), service quality (X3), Word of Mouth (WoM) (X4), on brand image (brand image) (Y1) and purchasing decision (Y1). Described as follows:

- a. Direct variable influence (X1) to (Y1) = $0.163 = 2.66\%$ total influence
- b. The direct effect of variables (X3) on (Y1) = $0.236 = 5.57\%$ of total influence
- c. Direct variable influence (X4) to (Y1) = $0.472 = 22.28\%$ total influence
- d. Direct variable influence (Y1) to (Y2) = $0.403 = 16.24\%$ total influence
- e. The direct effect of the variable (X1) on (Y2) = 0.122
 - Indirect variable influence (X1) to (Y2) = $0.163 * 0.403 = 0.066$
 - Total influence = $0.122 + 0.066 = 0.188 = 3.52\%$
- f. Indirect effect of variable (X3) on (Y2) = $0.236 * 0.403 = 0.095 = 0.90\%$ total effect
- g. Direct variable influence (X4) to (Y2) = 0.413
 - Indirect variable influence (X4) to (Y2) = $0.472 * 0.403 = 0.190$
 - Total effect = $0.413 + 0.190 = 0.603 = 36.39\%$

Uji Hipotesis

1. Based on the results of the overall calculation, it can be interpreted to provide objective information as follows.
2. 1. The first hypothesis that reads "Price, Promotion, Perceived Service Quality, Word of mouth (WoM) together or simultaneously has a direct effect on Brand Image". In the path analysis test which was done through the help of SPSS v24 software, that simultaneously (all) all sub-variables had an effect on Brand Image.
3. 2. The second hypothesis which reads "Price, Promotion, Perceived Service Quality, Word of mouth (WoM) individually affects directly on Brand Image". When testing individually not all sub-variables have an effect, because based on testing the path coefficient only the promotion variable which is not statistically significant can be seen from the Sig. equal to $0.597 > \text{Alpha } 10\%$.
4. 3. The third hypothesis that reads "Price, Promotion, Perceived Service Quality, Word of mouth (WoM), Brand Image together or simultaneously has a direct effect on Purchasing Decisions.". In the path analysis test, it is explained that simultaneously all sub-variables influence the purchasing decision and have a contribution of 63.6 percent in explaining the changes that occur in the purchasing decision.
5. 4. The fourth hypothesis which reads "Price, Promotion, Perceived Service Quality, Word of mouth (WoM), Brand Image individually has a direct effect on Purchasing Decisions". When testing individuals it was found that the Promotion and Perceived Service Quality were not statistically significant for purchasing decisions, because significant values were less than Alpha 10%, namely Promotion: $0.16 > 0.1$ and Perceived Service Quality: $0.112 > 0.1$.

Managerial Implications

Steps that must be taken by the company in the face of intense competition, one of which is to find what influences purchasing decisions and then increase consumer purchasing decisions. With increased purchasing decisions will make the company more able to survive in the competition that is happening. Based on research on the factors that allegedly influence consumers in using the Go-Jek transportation services carried out to respondents who are active in Jakarta.

According to Hasan (2010), word of mouth is a compliment, recommendation, and comment on customers around their experience of services and products that really influence customer decisions or their buying behavior. Word of mouth can shape customer trust. So from the plan for the short and long term it needs to be considered well. For the short term, companies can socialize both the latest promos and innovations through media such as mobile phones and the internet. For the long term, companies can respond to post-purchase services better. Corporate Social Responsibility (CSR) can be done better and more in order to establish relationships between companies and communities so as to create communication between communities.

Price is the second factor that has the most influence on purchasing decisions. Therefore it is also important for companies to always maintain price stability and increasingly tight price competition. Go-pay as

an alternative payment tool provided by PT. Go-Jek Indonesia can also be used as a good strategy to suppress price competition. The price difference between Go-pay and cash can be used as a "fishing rod" to get consumers. Consumers will usually be more interested in lower prices, so the transition from cash to cashless payments / transactions not using money can be easier.

Service quality is also one of the influential factors. To improve the image through the quality of service the company can implement several strategies for the short and long term. Short-term physical services, service reliability, and responsiveness can be improved. There needs to be a gradual meeting with Go-jek drivers to discuss their work performance. In the procedure how it works, customers can report if there are Go-Jek drivers who do not provide good service. PT. Go-Jek Indonesia can provide sanctions or penalties in the form of suspend or ban on operation if it has not received a continuous low performance value.

Brand image is considered good. Companies can focus on trust in a brand factors. Trust in a brand is an important factor in building and fostering a relationship with consumers. Consumer trust in a brand is based on the experience of consumers who have a positive and positive impact on consumer confidence in the brand. So from that in terms of price, quality of service, and word of mouth that has been created in the community, companies need to maintain whatever points have been created in the community.

V. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of the research that has been done, it can be concluded as follows:

The number of respondents who use Go-Jek transportation services is dominated by men by 62% with age vulnerable dominated by 25-34 years by 49%. These respondents carried out activities in Jakarta with 50% as private employees whose 32% of respondents spent one month on average spending for the needs of transport more than Rp. 500,000.

Purchasing decision making behavior is divided into five stages. In the introduction of the problem, the motivation of consumers to use the Go-Jek transportation service is because of supporting the activities of their work activities. At the information seeking stage, information sources about Go-Jek are obtained from friends, then the focus of attention in using GO-JEK is price / tariff and service quality. In the alternative evaluation phase, the thing that is considered as choosing GO-JEK is that there are many variations of services compared to other brands, making it one reason to use Go-jek. At the purchase stage, the way consumers make choices is the product offered has received positive reviews or comments from other users that Go-jek has a good image. Then in the post-purchase stage, the level of customer satisfaction in using GO-JEK is satisfied and will advise others to use GO-JEK transportation services.

Factors that influence consumers in using Go-Jek transportation services are price, service quality, word of mouth and brand image. The most dominant factor is word of mouth to establish a brand image to make purchasing decisions.

Rekomendasi

Based on the conclusions obtained, the suggestions put forward are as follows:

The Go-Jek party can focus on the formation of strategies for price, service quality, word of mouth, and brand image. Good price and quality of service will make word of mouth strong among consumers and will make a strong brand image too.

Future research is expected to conduct research with different factors and can see the influence of these factors on the level of customer loyalty. Then see the effect of respondent characteristics on consumer decision making processes.

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Dhimas Wira Lesmana" Analysis Of Factors Affecting Online Transport Purchase Decisions"
International Journal of Business and Management Invention (IJBMI), vol. 08, no. 03, 2019, pp
09-17