

Review of the Use of Indrive Online Transportation Services from the Aspects of Service Quality, Price, and Promotion on Purchasing Decisions in Manado City

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ABSTRACT

This research aims to analyze the user perspective on the use of Indrive online transportation, focusing on service quality, pricing, and promotions in relation to purchase decisions. The research employs a quantitative approach, utilizing a questionnaire as the data collection tool. The study population consists of residents of Manado City who use the Indrive application. The sample size includes 30 respondents, comprising 6 male and 24 female participants. The research findings indicate that the utilization of Indrive online transportation services in Manado City significantly influences respondents' purchase decisions, particularly in terms of service quality, pricing, and promotional activities.

Keywords: Service Quality, Price, Promotion, Purchase Decision

1. INTRODUCTION

In today's modern era, transportation has become an essential support system in daily activities, especially in urban areas. A well-managed transportation system reflects a well-organized city, as transportation plays a crucial role in guiding urban development. Additionally, transportation serves as an important strategic tool for economic growth, strengthening unity, and influencing various aspects of life.

In Indonesia, the online transportation business has existed since 2010, but application-based online transportation services only began to develop significantly in 2015. Online-based transportation is now gaining more popularity in society due to several factors, including its affordable pricing and ease of access. Users only need to download an application on their smartphone, allowing them to book rides effortlessly—making it highly convenient and practical.

With all these advantages, it is no surprise that the number of online transportation users continues to grow. According to reports, Indrive services are now available in more than 700 cities across 47 countries, with the company having over 600 driver partners and its application downloaded more than 150 million times (Indrive.com). The excellence of a service depends on its uniqueness and the quality it delivers. If the service received by consumers meets or exceeds their expectations, it is perceived as high-quality and satisfying. Therefore, service quality is largely determined by the provider's ability to consistently and continuously meet customer expectations, which ultimately impacts brand perception.

Price plays a crucial role in shaping customer satisfaction and ensuring customer loyalty to a particular online transportation service. Pricing decisions are essential in determining how customers perceive a service and contribute to building a brand image. Additionally, price influences consumers' assessment of service quality. Generally, pricing is set by adding a certain percentage to the base production cost.

Several factors influence consumer decision-making in using a service, one of which is promotion. Promotion significantly impacts purchasing decisions, as promotional activities conducted by a company are closely related to customer choices (Muhammad Nur Fadli & Dody Salden Chandra, M, S.E., 2021). One of Indrive's promotional strategies is through social media, which plays a crucial role in quickly delivering information and introducing products or services to a broad audience at a relatively low cost.

In this regard, pricing, promotions, and service quality can be evaluated through customer responses to the offered service. Customer responses may be either positive or negative. A positive response to pricing and service quality is often reflected in repeat purchases, where customers choose to continue using a particular service.

Service Quality

Based on data analysis, service quality is a crucial factor influencing consumers' decisions to use Indrive online transportation services. Therefore, Indrive must maintain its existing service quality. According

to Kotler (2009), service quality is closely related to consumers' decisions in using Indrive. The higher the quality of service, the more likely people are to use Indrive's online transportation services, even repeatedly. Conversely, poor service quality reduces consumer motivation to purchase and use the offered products or services.

Price

Data analysis shows that the price offered by Indrive aligns with the service received. Therefore, Indrive should maintain its pricing strategy while also adjusting to competitors' pricing. This aligns with Haryanto (2010), who defines price as the cost a buyer must pay to receive a product or service.

Similarly, Tjiptono (2015, p. 152) states that consumers generally make decisions regarding the use of Indrive's online transportation services by evaluating alternative choices, comparing prices, and understanding that obtaining good quality service usually corresponds to a certain price level.

Promotion

Promotion is a key variable that influences consumers to use Indrive's online transportation services. Therefore, Indrive must maintain and enhance its promotional programs to ensure consumer awareness, attract new users, and foster customer loyalty through repeat usage. The wider the promotion reaches, the more consumers will recognize and consider the service. The more frequent and effective the promotional efforts, the higher the likelihood of consumers repeatedly using the service.

This aligns with Wibowo (2018, p. 30), who states that promotion plays a crucial role in informing consumers. Additionally, research by Sanjaya (2015), Leksono & Herwin (2017), Kurnia (2016), and Arianty (2016) confirms that promotion has a significant influence on consumers' decision-making in using a product or service.

Consumer Decision-Making

Consumer decision-making refers to the cognitive process undertaken by individuals or groups when selecting, purchasing, and using a particular product or service. This process includes need recognition, information search, evaluation of alternatives, decision-making, and post-purchase evaluation. When choosing an online transportation service like Indrive, various factors influence consumer decisions, including convenience, price, service speed, safety, and the provider's reputation. These factors play a crucial role in shaping consumer preferences and choices regarding online transportation services.

A competitive pricing strategy and the value offered to customers are essential aspects of consumer satisfaction. The impact of price and location on customer satisfaction is a primary focus in marketing management and consumer behavior studies. As Kotler and Keller (2016) state, "Price is one of the most critical marketing elements because it directly affects a company's revenue and a customer's purchase decision." A price that aligns with the perceived value of a product or service can enhance customer satisfaction. When customers feel they are receiving good value for their money, they tend to be more satisfied.

Beyond price, location also plays a key role in shaping customer satisfaction. According to Solomon et al. (2019), "The location of a store or business influences customers' ease of access to products or services." When a location is accessible and convenient, customers are more likely to have a positive experience, leading to greater satisfaction. Conversely, if a location is difficult to reach or does not align with customer preferences, it may reduce overall satisfaction.

Thus, the relationship between price and location is significant in influencing customer satisfaction. A combination of competitive pricing and a strategic location can create a positive customer experience, ultimately increasing customer loyalty and retention. Companies that recognize the importance of these two factors in shaping customer satisfaction are more likely to succeed in attracting and maintaining a loyal customer base.

2. RESEARCH METHOD

This study employs a survey research design, as it selects a sample from a specific population—namely, the residents of Manado City—with a focus on examining the influence of service quality, price, and promotion on purchasing decisions. The approach used in this research is quantitative. According to Rusiadi (2014), quantitative research aims to determine the degree of relationship and the nature of influence between two or more variables.

The data collection techniques used in this study include:

- a. Questionnaire - Conducted by distributing a set of closed-ended questions to respondents.
- b. Research Duration - Specifies the date, month, and year when the research activities were conducted.
- c. Literature Review - Involves gathering references and academic sources related to this research.

The population refers to a generalization area consisting of objects/subjects with specific qualities and characteristics determined by the researcher for study and conclusion drawing (Sugiyono, 2018). Thus, the population is not limited to people but also includes objects and other natural entities. The population in this study consists of the residents of Manado City, with a sample of 30 respondents who are users of the online transportation service inDriver.

3. RESULTS AND DISCUSSION

In this study, the researcher processed questionnaire data consisting of 13 multiple-choice questions and 5 essay questions. The questionnaire was distributed online to 30 consumers who use inDrive services in Manado City.

The distributed questionnaire provided several characteristics of the respondents, namely gender and age. Based on gender, there were 6 male respondents and 24 female respondents. It can be observed that the majority of inDrive consumers in this study were female. Based on age, the respondents consisted of one person aged 17, one person aged 18, 14 people aged 19, 8 people aged 20, 2 people aged 21, one person aged 22, 2 people aged 23, and one person aged 25. From this data, it can be seen that 79.9% of the respondents were aged 17-20 years, while 20% were aged 21-25 years. This indicates that the majority of inDrive users in this study were between 17 and 20 years old.

The percentage of respondents' answers to each multiple-choice question is as follows: (1) Frequency of using the inDrive application: "every day" (23.3%), "several times a week" (50%), "several times a month" (26.7%). (2) Ease of using the inDrive application: "easy" (63.3%), "very easy" (36.7%). (3) Number of times respondents have booked a vehicle through the inDrive application: "1-5 times" (23.3%), "6-10 times" (10%), "more than 10 times" (66.7%). (4) Quality of service provided by inDrive: "good" (76.7%), "very good" (10%), "standard" (13.3%). (5) Accuracy of vehicle booking through the inDrive application (e.g., matching vehicle, driver, or license plate) on a scale of 1-5: "1" (10%), "3" (36.7%), "4" (46.7%), "5" (6.7%). (6) Whether inDrive is essential for daily activities: "yes" (80%), "maybe" (20%). (7) Affordability of inDrive's pricing: "very affordable" (10%), "quite affordable" (90%). (8) Whether respondents have negotiated fares with drivers: "yes" (96.7%), "no" (3.3%). (9) Frequency of using the courier service in the inDrive application: "always" (3.3%), "rarely" (60%), "never" (36.7%). (10) Whether inDrive drivers are friendly to passengers: "yes" (76.7%), "maybe" (23.3%). (11) Availability of inDrive services in all weather conditions: "yes" (93.3%), "no" (6.7%). (12) Whether respondents have installed or used other transportation applications besides inDrive: "yes" (63.3%), "no" (30%), "maybe" (6.7%). (13) If respondents answered "yes" to the previous question, the other transportation applications used were: "Grab" (20%), "Gojek" (23.3%), "Maxim" (16.7%), "others" (40%).

Table 1. Respondents by Gender

Gender	Number	Percentage
Female	24	80,2 %
Male	6	19,8 %
Total	30	100 %

The responses from the respondents indicate that the decision to use inDriver online transportation services is influenced by its ability to provide the required service quality and affordable pricing. Therefore, inDriver must maintain and continuously improve its service quality to encourage consumers to make repeat purchases.

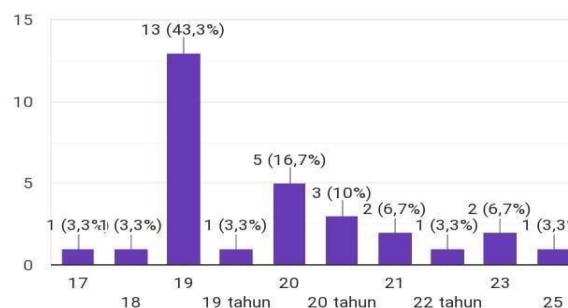


Figure 1. Respondents' Age Distribution Chart

4. CONCLUSION

Based on the research findings and discussions presented in the previous chapters, the conclusions regarding the influence of promotion, price, and service quality on consumer purchasing decisions in using inDriver services are as follows:

- a. Service quality has a significant impact on the decision to use inDriver online transportation services.
- b. Price has a significant impact on the decision to use inDriver online transportation services.
- c. Simultaneously, service quality and price have a significant impact on the decision to use inDriver online transportation services.

5. RECOMMENDATIONS

Based on the conclusions of this study, the following recommendations are suggested:

- a. Enhancing Service Quality - inDriver should further improve its service quality to encourage consumers to choose and repeatedly use its online transportation services.
- b. Price Competitiveness - To increase consumer usage decisions, inDriver should maintain its current pricing while also adjusting its prices to remain competitive with other service providers.
- c. Simultaneous Improvement of Price and Service Quality - inDriver should enhance both its pricing strategy and service quality simultaneously to boost consumer decisions for repeat usage.

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