The Effect of Service Quality, Price, and Brand Image on the Decision of Using Go-Jek Online Transportation in Padang

Rika Octaviani[1], Yunia Wardi[2]
[1]Universitas Negeri Padang, Padang, Indonesia,✉ rikaocthaviani@gmail.com
[2] Universitas Negeri Padang, Padang, Indonesia,✉ yuniawardi@fe.ac.id

Abstract:

This study aims to analyze 1) The effect of service quality on brand image of consumers who use Go-Jek in Padang, 2) The effect of price on brand image of consumers who use Go-Jek in Padang, 3) The effect of service quality on the decision of using Gojek in Padang, 4) The effect of price on the decision of using Go-Jek in Padang, 5) The effect of brand image on the decision of using Go-Jek in Padang The population in this study were Go-Jek online transportation users targeting the people of Padang city with 205 respondents as the sample. Field surveys by distributing questionnaires were conducted to collect data. The obtained data were analyzed by applying structural equation modeling (SEM) with Smart PLS 3. The results of this study indcate that 1) Service quality has an significant effect on brand image of consumers who use Go-Jek in Padang, 2) price has an significant effect on brand image of consumers who use Go-Jek in Padang, 3) Service Quality has an significant effect on the decision of using Go-Jek in Padang, 4) Price has an significant effect on the decisions of using Gojek in Padang, 5) Brand image has an significant effect towards the decision of using Go-Jek in Padang.
Keywords: *service quality, price, brand image, decision of using Go-Jek*

Introduction

Transportation is an important part of people's lives along with population growth. The high community dependence on transportation is a reason to continue to develop the transportation business that is appropriate with the needs of today's society. The rapid progress of information technology influences the development of the transportation business. Technological advancements provide changes to business processes, especially in the transaction process. One of the advancements in information technology that has a major contribution to these changes is the internet.

According to a released survey by the Indonesia internet service providers association, in 2017, there were 143.26 million people or 54.68% of the total population of Indonesia became internet usersAssociation, (2017). The huge number of internet users in Indonesia makes application-based businesses widespread in Indonesia. One of the growing businesses based application is the online trasnportation services business such as Go-Jek and Grab, therefore every company must be able to understand the desires of its costomers so that consumesrs will feel a strong desire to make purchasing decisions.

Purchasing decisions are the choice of consumers from several alternatives faced in, such as buying or not buying decisions choose between brand A and brand B.Olson & Peter, (2013)reveal the decision to use as an integration process used to combine the knowledge and to evaluate two or more alternative and then choose one of them. The following are the Top online transportation brands in 2017 and 2018.

Table 1. Top 1 Brand Tables 2017 & 2018 Phase 2 Category Online Transportation

BRAND	2017		2018	
	TBI	TOP	TBI	TOP
Go-Jek	59.2%	TOP	44.9%	TOP
Grab	28.2%	TOP	48.0%	TOP

Source: www.topbrand-award.com

   Table 1 explains that the Go-Jek online transportation brand from 2017 to 2018 has seen a decline. Where in 2017 the brand reached 59.2%, whereas in 2018 the Go-Jek brand declined at 44.9%, which means that there was a decline in the public's view of the Go-Jek brand by 14.3%. This proves that there is a decrease in consumer decisions using Go-Jek in meeting needs. Factors that cause a person to make consumer decisions in choosing transportation services consist of internal factors and external factors, namely price and service quality(Pramita, 2017). While Mambu, (2015) revealed that consumer decisions in buying goods or services are strongly influenced by brand image.

   Service quality factors are external factors that can influence consumer decisions in using online transportation. .Service quality is a benchmark in determining how well the level of service provided can be in accordace with customer expectations(Yudhya, 2017). This means that service quality is all forms of activities carried out by the company in order to measure the level of excellence felt by someone for a service to meet customer expectations.Following the research of Wu, et al, (2011) which states that when a company provides good quality service,it has an impact on purchasing decisions that will also increase. Novansa & Ali, (2017)states that service quality has positive and significant effect on purchasing decision.(Parasuraman, Zeithaml, & Berry, 1994)suggested that there are five dimensions that can be used to measure service quality, namely, reliability, responsiveness assurance, empty, tangibles.

   Besides, the price factor, in general, for low-price sensitive customers is the source of consumers' decision to use online transportation because they will get higher profits.Moh, Rommy, & Nur, (2018)price is a measure of the value of an item or service made by a customer that can influence consumers in decision making. This means that prices are a measure of the value of goods or services that customers do that can influence consumers in decision making.Harahap, (2017)states that the price factor is one of the variables that can significantly influence consumer purchasing decisions. Prices are things that can be controlled and determine whether or not a product or service is accepted by consumers. Often people tend to choose prices that are cheaper and profitable for them in their decision to use transportation.Wibowo, (2012) research shows that prices have a great influence on purchasing decisions. But a similar case by researchArslan, (2014) reveals that the price has no significant relationship with purchasing decisions.According toNovansa & Ali, (2017) indicators to measure prices consist of, affordability, price compatibility with quality, price competitiveness, price suitability with benefits.

   Another factor that influences consumer decision making using online transportation is the brand image. Mambu, (2015)revealed that brand image strongly affects consumer decisions in buying goods or services. Brand image is a perception reflected in the minds of consumers when they think about a product. Positive perceptions of consumer trust in the brand will also create a good brand imageHe, et al, (2013). Therefore the formation of a brand image is significantly crucial for the business. Furthermore, based on the findings of Liu & Liang, (2014)they believe that the number of product sales depends largely on the brand. Yasmin, (2017) in his research suggested that if a company has an attractive brand image then they directly can impact on consumer purchasing decisions. Amron, (2018) in his research shows that brand image is able to influence consumer decisions in determining purchases. However, different from the research of Saeed, et al, (2013), which examined the factors that influence purchasing decisions, the brand image does not

significantly influence purchasing decisions.According toSasmita, (2015) in measuring brand image using the following indicators, the brand is already known in the community, the brand has a clean image, the brand has a different image from other brands.

The greater the public interest in using transportation services with online-based bookings, this research is needed so that the Gojek can continue to improve the quality of their services to find out what consumers expect and want. Based on the phenomena that have been described above and several theories that have been explained, with the growing development of online transportation services such as Go-Jek and Grab, and the large interest of consumers to enjoy transportation services makes the writer want to examine from the consumer perspective. How a consumer considers and decides to use Go-Jek in meeting their needs.

Research Methodology

This research applies the associative descriptive research and was conducted on consumers using Go-Jek online transportation in Padang 2019. With an unknown population and 205 respondents as the sample by using the non-probability sampling method. This study specifically uses primary and secondary data.
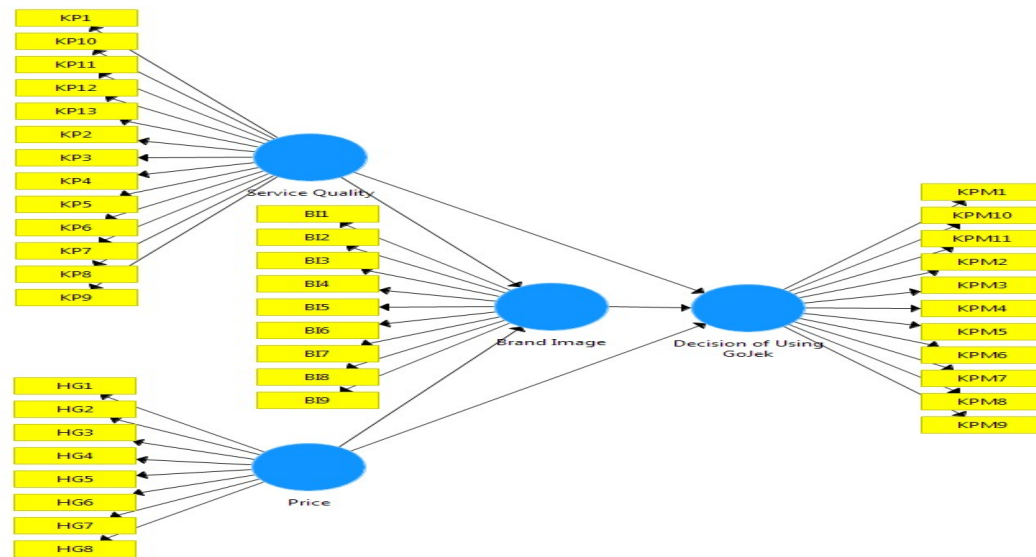

Figure 1

To support collecting data, this study attaches questionnaires which distributed directly to respondents by using a Likert scale. Measurements are made based on indicators, then used as a starting point for making instrument items in the form of statements. The Likert Scale consists of five answers and the alternative statement in the questionnaire is a positive statement. Each positive statement will be scored as follow: 5 for strongly agree, 4 for agree, 3 for doubt, 2 for disagree, and 1 for strongly disagree.

The techniques of data analysis used descriptive analysis and inductive analysis by applying structural equation modeling (SEM)analysis tools with smart PLS 3.0. This study evaluates the outer model and evaluation of the inner models before testing the hypothesis. Evaluation of the outer model is done by using validity and reliability tests to get representative data that will be analyzed further. In testing the validity, it used convergent validity and discriminant validity. Then, reliability is tested by using composite reliability. The evaluation of inner model conducted to test the goodness of fit by using predictive-relevance (R-Square). The test results of this research model can be seen in figure 1.

Results

Evaluation of Outer models

This method conducted an Evaluation of outer models to examine the validity and reliability of data. Validity tests consist of *convergent validity*, *discriminant validity*, where reliability is tested using *statistical composite reliability*.

Table 2. *Covergent Validity*

Variable	Indicator	Loading Factor	Spesivication
Decision of Using Gojek	KPM1	0.832	Valid
	KPM2	0.727	Valid
	KPM3	0.823	Valid
	KPM4	0.765	Valid
	KPM5	0.812	Valid
	KPM6	0.816	Valid
	KPM7	0.830	Valid
	KPM8	0.768	Valid
	KPM9	0.735	Valid
	KPM10	0.828	Valid
	KPM11	0.785	Valid
Service Quality	KP1	0.871	Valid
	KP2	0.717	Valid
	KP3	0.743	Valid
	KP4	0.750	Valid
	KP5	0.723	Valid
	KP6	0.867	Valid
	KP7	0.717	Valid
	KP8	0.761	Valid
	KP9	0.738	Valid
	KP10	0.795	Valid
	KP11	0.766	Valid
	KP12	0.761	Valid
	KP13	0.730	Valid
Price	HG1	0.728	Valid
	HG2	0.736	Valid

Cont's Table

	HG3	0.795	Valid
	HG4	0.783	Valid
	HG5	0.723	Valid
	HG6	0.713	Valid
	HG7	0.630	Valid
	HG8	0.661	Valid
Brand Image	BI1	0.657	Valid
	BI2	0.688	Valid
	BI3	0.779	Valid
	BI4	0.722	Valid
	BI5	0.805	Valid
	BI6	0.710	Valid
	BI7	0.811	Valid
	BI8	0.756	Valid
	BI9	0.711	Valid

Source: Processed Primary Data (2019)

Table 2 presents the score of the outer loading of various indicators on the variable. The results that have been shown by the table, it can be stated having convergent validity because each indicator has fulfilled the outer value requirements loading> 0.50 Ghozali, (2008).

Table 3. *Average Variance Extracted* **(AVE)**

Variable	AVE
Service quality	0.547
Price	0.523
Brand Image	0.587
Decision of using Go-Jek	0.630

Source: Processed Primary Data (2019)

Table 3 shows that all variables have AVE values greater than 0.5 Ghozali, (2008). The conclusion by the above data is that all variables in this study can explain the average of more than half the variants of each indicator which has good convergent validity.

Reliability test

In this reliability test there is *composite reliability* tables that must be observed. The value of *composite reliability* above 0.7 is the expected value. The result of the reliability test are shown in table 4

Table 4. Cronbach's Alpha and Composite Relibility

Variable	Cronbach's Alpha	Composite Reliability
Service quality	0.941	0.948
Price	0.869	0.897
Brand Image	0.896	0.915
Decision of using Go-Jek	0.941	0.949

Source: Processed Primary Data (2019)

Based on table 4, it can be seen that the value of composite reliability of the fourth variable value are above 0.7, thus it can be conclude that all of variable namely service quality, price, brand image and decision of using Gojek have been reliable.

Evaluation of Inner Model

Testing the goodness of fit models structural in the inner model is using model predictive-relevance (R-Square). The value of R-square from each endogenous variables can be seen in table 5

Table 5. *R-Square*

Variable	R Square
Brand Image (X3)	0.414
Decision of using Go-Jek (Y)	0.542

Source: Processed Primary Data (2019)

Table 5 shows that the value of R-Square variable brand image (X3) is equal to 0.414 it shows that service quality (X1), price (X2) contribute to the brand image of about 41.4%. The rest influenced by other variables that not included in this research model.

Similarly, the decision variable (Y) from table 4 highlights that the point of the R-Square is equal to 0.542. This illustrates that the different variables among service quality (X1), price (X2), and brand image (X3) contribute to the decision (Y) approximately 54.2%. The rest is influenced by others that are not intended for this research type.

Hypothesis Test

Table 6 shows the effect of service quality variables (X1) on the brand image (X3). It is indicated by a significance level of 0.000 <0.050, in other words, the value of P meets with the significant requirements at a significant level of 5%.The results obtained indicate **H1 is accepted**. While the influence of the price varibel (X2) on the brand image (X3) is indicated by a significance level of 0.000< 0.050, in other words, the P-value meets with the significant requirements at a significant level of 5%. The results obtained indicate that **H2 is accepted**. Then the effect of service quality variables (X1) on decisions using (Y) is indicated by a significance level of 0.000 < 0.050, in other words, the value of P meets with the significant requirements at the significant level of 5%. The results obtained indicate that **H3 is accepted**. Furthermore, it can be seen in the price variable (X2) which influences the decision to use (Y). It is indicated by the significance level of 0.006 < 0.050, in other words, the P value meets with the significant requirements at the significant level of 5%. The results obtained indicate that **H4 is accepted**. Then the influence of brand image variable (X3) on the decision to use (Y) is indicated by a significance level of 0.000 < 0.050, in other words, the value of P meets with the significant requirements at the significant level of 5%. The results obtained indicate that **H5 is accepted**.

Table 6. *Path Coefficient*

Variable	Original Sample	Sample Mean	Standart Deviation	T Statistics	P Values	Hypothesis Review
Service Quality ➔ Brand Image	0.267	0.269	0.050	5.364	0.000	**Accepted**.
Price ➔ Brand Image	0.472	0.476	0.052	9.010	0.000	**Accepted**.
Service Quality ➔ Decision of using Go-Jek	0.416	0.420	0.057	7.280	0.000	**Accepted**.
Price ➔ Decision of using Go-Jek	0.165	0.156	0.060	2.767	0.006	**Accepted**.
Brand Image ➔ Decision of using Go-Jek	0.304	0.307	0.058	5.276	0.000	**Accepted**.

Source: Processed Primary Data (2019)

Discussion

Service quality on brand image Go-Jek online transportation in Padang

This study found that there was a great impact on the service quality on brand image Go-Jek online transportation in Padang. These results indicate the more Go-Jek provides service quality in better terms, means the more Go-Jek had better brand image Go-Jek Company. Therefore, it is a must for Go-Jek companies to give great attention to improving service quality. Consumers hope to obtain maximum service from service providers by providing services that meet their expectations, thus influencing the brand image of the Go-Jek Company. The results of this study have the same point view with previous studies conducted by Wu et al., (2011) and Yoestini & Rahma, (2007), namely service quality has positive and significant effect on brand image.

Price on brand image Go-Jek online trasnportation in Padang

This study found that there was a great impact against prices on the brand image Go-Jek Online trasnportation in Padang. price is the most important attribute that is evaluated by consumers, the brand image built by the company is the perception of consumers and the beliefs on the services offered that are inherent in the minds of consumers. These results indicate that when a Go-Jek company can provide an appropriate and affordable price indirectly, consumers will feel interested in using Go-Jek in meeting the needs, suitable and affordable prices that are embedded in the minds of the people will have a direct impact on Go-Jek's brand image. This research is in line with the researchLeksono & Herwin, (2017) and Noerchoidah, (2013), namely price has a significant effect on brand image.

Service quality on decisions of using Go-Jek online trasnportation in Padang

This study found that there was a great impact of service quality on people decisions of using Go-Jek online transportation in Padang. These results indicate that to improve purchasing decisions it is important to pay attention to service quality. This means that when a Go-Jek company can provide competitive service quality to customers it will affect consumers' decisions to use Go-Jek in the city of Padang which will also increase. This study has the same results with research Hapzi, Evi, & Adi, (2018)and Lahindah & Siahaan, (2018)that a positive and significant effect on consumer is reflected by service quality on purchasing decisions. The results also state that to improve purchasing decisions, it is important to pay attention to the quality of service.

Price on decisions of using Go-Jek online trasnportation in Padang

This study found that the price on the decision of using Go-Jek online trasnportation in Padang has great impact.These results indicate that the better the price offered by Go-Jek, the higher the consumer's decision to use Go-Jek in Padang, the price will be a vital consideration for consumers to decide purchases. Consumers will compare the prices of their chosen services and evaluate the suitability of these prices with the value of services obtained then. This study has a similar point with the research Amron, (2018)and Wibowo, (2012)that prices have a good mark and great impact on purchasing decisions. The results also show that the price variable is very competitive in influencing consumer's purchasing decisions.

Brand image on decisions of using online Gojek trasnportation in Padang

This study found that there was a great impact of the brand image on decision of using Gojek online trasnpostatiton in Padang.This study found that there was a great impact of the brand image on the decision to use Go-Jek online transportation in Padang. These results indicate that the brand image that is considered well can positively influence consumers and encourage them to use Go-Jek in meeting needs. This shows that the more Go-Jek brand image in consumers' minds reflecting better mood, the consumer's decision in higher terms to use Go-Jek; and the more the company can build a good brand image, the impact directly will set on the consumer's decision to use. This research is in line with research Moh, Rommy, & Nur, (2018) and Yasmin, (2017) that the brand image has a good mark and significant effect on consumers' purchasing decisions.

Conclusion

The decision to use is a process of appraisal and selction of various alternatives following certain interests by establishing a choice that is considered to be the most profitable which is carried out consistently and wisely to meet needs.

The results of this study reveal an indirect and direct influence on decisions to use Go-Jek. First,service quality and price have an indirect effect on decision to use Go-Jek through the brand image. This shows that service quality and price play a role building a good brand image so that it can be used by consumers to present the overall peception of the brand and from information about the brand. Second, service quality, price and brand image have a direct effect on decision of using Go-Jek

Acknowledgments

Daftar Pustaka

Amron, A. (2018). The Influence of Brand Image , Brand Trust , Product Quality , and Price on the Consumer's Buying Decision of MPV Cars. *European Scientific Journal*, *14*(13), 228–239. https://doi.org/10.19044/esj.2018.v14n13p228

Arslan, M. (2014). Impact of Brand Image and Service Quality on Consumer Purchase Intention : A Study of Retail Store in Pakistan. *Research on Humanities and Social Sciences*, *4*(22), 98–106.

Association, I. I. S. P. (2017). Penetrasi & perilaku pengguna internet indonesia. Retrieved from https://www.apjii.or.id/

Ghozali, I. (2008). *Structural Equation Modeling metode alternatif dengan partial least square (PLS)* (edisi 2). Semarang: Badan Penerbit Universitas Diponegoro.

Hapzi, A., Evi, N., & Adi, N. (2018). Saudi Journal of Business and Management Studies (SJBMS) The Influence of Service Quality , Brand Image and Promotion on Purchase Decision at MCU Eka Hospital. *Saudi Journal of Business and Management Studies (SJBMS)*, *6663*, 88–97. https://doi.org/10.21276/sjbms.2018.3.1.12

Harahap, D. A. (2017). Analisis Faktor-Faktor Yang Mempengaruhi Keputusan Pembelian Konsumen Di Pajak USU (Pajus) Medan. *Keungan Dan Bisnis*, *7*(3), 227–242. https://doi.org/10.17605/OSF.IO/KGXDM

He, M., Sha, Z., & Yang, Y. (2013). An Empirical Study on Impacts of Brand Image of Travel Agencies on Customer Purchase Intentions. *Proceedings of the 2nd International Conference On Systems Engineering and Modeling*, 376–380.

Lahindah, L., & Siahaan, R. A. (2018). The Influence of Product Innovation and Service Quality to Buying Decision and the Impact to Repeat Buying at Progo Road Bandung Literature Study. *The Asian Journal of Technology Management*, *11*(2), 118–124. https://doi.org/http://dx.doi.org/10.12695/ajtm.2018.11.2.4

Leksono, R. B., & Herwin. (2017). Pengaruh Harga dan Promosi Grab Terhadap Brand Image Yang Mempengaruhi Keputusan Pembelian Konsumen Pengguna Transportasi Berbasis Online. *Jurnal Riset Manajemen Dan Bisnis*, *2*(3), 381–390.

Liu, C., & Liang, H. (2014). The Deep Impression of Smartphone Brand on the Customers ' Decision Making. *Procedia - Social and Behavioral Sciences*, *109*, 338–343. https://doi.org/10.1016/j.sbspro.2013.12.468

Mambu, E. (2015). The Influence Of Brand Image , And Service Quality Toward Consumer Purchase Intention Of Blue Bird Taxi Manado.*EMBA*, *3*(4), 645–654.

Moh, N. B. H. H., Rommy, A. sinarwaty N., & Nur, A. razak yusuf nofal. (2018). Effect Of Brand Image And Price Perception On Purchase Decision. *IOSR Journal of Business and Management*, *20*(8), 76–81. https://doi.org/10.9790/487X-2008027681

Noerchoidah. (2013). Analisis Pengaruh Harga , Kualitas Produk Dan Iklan Terhadap Brand Image Dan Keputusan Pembelian Sepeda Motor Merek Kawasaki. *Jurnal WIGA*, *3*(1), 48–60.

Novansa, H., & Ali, H. (2017). Purchase Decision Model: Analysis of Brand Image, Brand Awareness and Price (Case Study SMECO Indonesia SME products). *Saudi Journal of Humanities and Social Sciences*, *2*(8), 621–632. https://doi.org/10.21276/sjhss

Olson, & Peter. (2013). *Perilaku Konsumen dan Strategi Pemasaran* (Kesembilan). Jakarta: Salemba Empat.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1994). Alternative Scales for Measuring Service Quality — A Comparative- Assessment Based on Psychometric and Diagnostic Criteria. *Journal of Retailing*, *3*(70), 201–230. https://doi.org/10.1016/0022-4359(94)90033-7

Pramita, N. I. (2017). Analisis Faktor Yang Mempengaruhi Keputusan Konsumen Dalam Memilih Jasa Transportasi Taksi Roda Dua (Studi Pada PT . Sahabat Solusi Intermoda-Cak Transport , Surabaya), 1–10.

Saeed, R., Lodhi, R. N., Muhammad, A., & Mukhtar, J. (2013). Factors Affecting Consumer Purchase Decision in Clothing Industry of Sahiwal , Pakistan. *World Applied Sciences Journal*, *24*(7), 844–849. https://doi.org/10.5829/idosi.wasj.2013.24.07.1339

Sasmita, J. (2015). Young consumers ' insights on brand equity (Effects of brand association, brand loyalty, brand awareness, and brand image). *International Journal of Retail & Distribution Management*, *43*(3), 276–292. https://doi.org/10.1108/IJRDM-02-2014-0024

Wibowo, S. F. & M. P. K. (2012). Pengaruh Iklan Televisi Dan Harga Terhadap Keputusan Pembelian Sabun

Lux (Survei Pada Pengunjung Mega Bekasi Hypermall). *Jurnal Riset Manajemen Sains Indonesia (JRMSI)*, *3*(1), 1–15.

Wu, P. C. S., Yeh, G. Y., & Hsiao, C. (2011). The effect of store image and service quality on brand image and purchase intention for private label brands. *Australasian Marketing Journal (AMJ)*, *19*(1), 30–39. https://doi.org/10.1016/j.ausmj.2010.11.001

Yasmin, A. (2017). Impact of Brand Image on consumers ' Purchase Decision. *Internasional Journal of Research in Social Sciences*, *7*(10), 627–644.

Yoestini, & Rahma, E. S. (2007). Analisis pengaruh kualitas layanan dan citra merek terhadap minat beli dan dampaknya pada keputusan pembelian (studi pada pengguna telepon seluler merek sony erection di kota Semarang). *Sains Pemasaran Indonesia*, *VI*(3), 261–276. https://doi.org/htttp://doi.org/10.14710/jspi.v6i3.261-276

Yudhya, B. T. (2017). The Effects Of Service Quality and Brand Image toward Consumer Loyalty (Study at consumers of smartphone OPPO in Bandung , Indonesia). *E-Business, Marketing and Branding*, 1–8.