Effect of Price and Quality Services Transportation Services Decision on Use of Online

Siti, Mubarokah

Surabaya State University Graduate
Corresponding Author: Siti

Abstract: *Business world competition is very tight, so it takes the best way to control the market. The way it could be done by creating a policy in the price, quality of service and other. This study aims to determine the effect of price and quality of service to the decision to use transportation services online. The research is a qualitative research. The data collection technique using Likert scale model questionnaire distributed to 100 users of transport services online. The analysis used the analysis of validity, reliability, and regression. Results of the analysis showed that the price and quality of service are directly proportional. The more attractive the price offered and the better quality of the services provided in the use of transport services online,*
Keywords: *Price, Quality of Service, Transportation Services, Transportation Online*

I. Introduction

Science and technology have always progressed, starting with the traditional into the modern. People used to send information through the mail and then switch to the telegram, from telegraph to telephone switch, telephone switch with the use of smartphones. Similarly, the application on the smartphone. Early emergence of the smartphone can only be used for telephone dam send Short Message Service (SMS) later developed can be used to listen to the radio, see pickle television, there are applications to smartphone camera could put sophisticated applications and can be used to access the Internet.

The presence of Internet access through a smartphone to facilitate the work of man, so that users of smartphones has increased. According to Digital marketing research instituteeMarketerestimates that by 2018 the number of active users of smartphones in Indonesia has increased dramatically. Indonesia will be the country with the fourth largest smartphone active users in the world after China, India, and America. (https://databoks.katadata.co.id/datablog/2017/01/24/indonesia-raksasa-teknologi-digital-asia).

Increased internet access invite their online transportation in Indonesia, such as the GO-JEK, uber and grab, which included Transportation Network Companies (TNC). Transport online has many advantages, among which the price or the cost of the use of transport services online can be viewed before placing the order, so it corresponds to the benefits received and not burdensome, time efficiency and other trips. Based on previous research, the price has more influence on the purchase decision of an item from the distance. If the price is cheaper though a little distance buyer will purchase goods, which are cheaper (Nathan et al. 2018).

In addition to the price of service to consumers is also taken into consideration for the consumer to decide its behavior in buying goods. Quality of service is a distinct advantage for employers, if the service quality is good, then consumers would like to use it continuously menus (Tjiptono, 2006).

Researchers previously on part of affecting consumers themselves devices, such as intrinsic factors (Sofi and Nika in 2016), the intention of consumers to use the online transport (Septiani R., et al.2017) while researching the effect of price and quality of service to the decision to use transportation services online is still a little.

The Aim of this study was to analyze the effect of transport prices online and analyze the quality of service of the decision to use transportation services online. Overview of literacy used to identify problems used as a basis for the development of research, such as how the price and quality of service may influence the decision of the use of transport services online.

Research question
Based on the issues and objectives of researchers identified, then there are some proposed questions:
RQ1   Is use decisions affect the price of transport services online?
RQ2   Is use decisions affect the price of transport services online?

Theoretical framework
Price

Price is one of the important factors to consider before deciding to purchase consumer goods/services. If consumers agree on a price then there was the process of buying and selling goods/services or commonly called the agreement price. Price according to Simamora (2001: 31) is the number of values that are exchanged to obtain a product wanted.

Factors affecting the price level according to Basu Swastha and Irwan (2005: 242) is as follows: (1). The state of the Economy; if the State's economy is having problems, there will be inflation, the price of goods will rise continuously, (2). Supply and Demand; the law of supply and demand if the goods/services offered increases, the price of goods/services down and vice versa, if the goods/services requested up it will lead to price increases (applies ceteris paribus), (3). The elasticity of Demand; if prices rise, sales will decline, and vice versa, (4). Competition; if the number of competitors a lot, then to determine the high price will have difficulty, because of lack of competition, (5). Cost; the higher costs incurred for the production of the higher the selling price of goods/services, (6) Where managers; and (7) Government control; such as maximum and minimum pricing, price discrimination, as well as other practices that encourage or discourage effort toward monopoly.

Based on the explanation of the price above, then the role of prices is very important to control the market. Several ways have been made by the seller to dominate the market, including ethics regulars increases, the company will apply the wholesale price contracts and options contracts. By applying such prices is increasing the number of regular customers (Wang and Chen, 2017).

Quality of Service

In the consumer business is the king for the seller, the consumer should be served as best as possible with consumer expectations will become a regular customer to the seller. Pelayanan is any action or activity that can be offered by one party to another, which is essentially intangible and does not result in any ownership but can lead to satisfaction (Kloter, 2004: 83). So the service is a form of our actions impose someone is the consumer. Zeithaml, Bitner, and Gremler (2009) argue that consumer satisfaction is influenced by the quality of the services provided by a company. There are five dimensions of service quality, that is tangible, reliability, responsiveness, assurance, and empathy (1) Tangibles / Direct evidence Tangibles include appearances in the form of physical facilities such as cleanliness, completeness of facilities and infrastructure etc., (2). Reliability / Reliability Reliability is the ability to provide the promised service, as are friendly, polite and friendly (3). Responsiveness/Responsiveness responsiveness is the willingness of employees to assist customers and provide services with quick and responsive, (4). Assurance / Security Assurance, this can provide assurance to consumer safety, (5). Empathy / Empathy Empathy is individual attention given by the company to the consumer.

The highest dimension of the actual quality of service are tangibles, followed successively by reliability, assurance, empathy, and responsiveness. Passenger perception of service quality basic staff varied (Sricharoenpramong, 2018).

Consumer decision

Consumer decision according to Schiffman and Kanuk (2000: 437) is "the selection of an option from two or alternative choice". Which means the buyer's decision to choose one of the various options. There are five individual roles in deciding to purchase goods/services: (1) Taking the initiative; individuals who have a particular item or purchase initiatives that have a need or desire but do not have the authority to do their own, (2) People who influence; individuals that affect both deliberate and unintentional (3) The decision-maker, that the parties want the goods/services (4) Buyer, individuals who make a purchase, and (5) Users; individuals who use or enjoy goods / services (private and Handoko, 2011).

Results of research conducted by Sofi, Nika. (2017), that the intrinsic factor significantly influencing the impulsive buying decision. Application of Structural Equation Modeling breaks intrinsic factor into a positive and negative effect on impulsive buying behavior. So the factor of the (intrinsic) may influence the decision to buy (enjoy and wear) the goods or service as proposed by Swastha and Handoko (2011).

Hypothesis

H01: The price does not affect the decision to use transportation services online
Ha1: Price affect the decision to use transportation services online
H02: The quality of service does not affect the decision to use transportation services online
Ha2: The quality of service affects the decision to use transportation services online

Research Methods

This study uses a quantitative approach. The reason researchers used a quantitative approach is the data that will be analyzed in this study is the numbers that are objective, measurable, rational and systematic.

Methods or data collection techniques used in this study were spread model of a Likert scale questionnaire of 100 respondents, ie transport service users who are in the Surabaya State University campus environment which is a public university in Surabaya, Indonesia. The data used in this study are primary data results of the questionnaire answers.

Data analysis techniques used in this study was to test the validity, reliability, and regression.

In this study has been set two variables, namely:

a.   The dependent variable (Dependent Variable)

In this study, the dependent variable is the decision of transport services Online (Y).

b.   The independent variable (Independent Variable)

As independent variables in this study are:

1. Price (X_1)

2. Quality of Service (X_2)

Data Analysis Results

Based on questionnaire researchers and researchers share if the SPSS program, it can produce the following data:

Reliability Test Results X1

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	valid	100	100.0
	Excludeda	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
0.549	5

According to analysis looks alpha values obtained by .549, While the critical r (test 2 side) at the 0.05 significance with the amount of data (n) = 100, obtained at 0,197. Because the value is more than 0,197, it can be concluded that the grain of the research instrument is reliable.

Reliability Test Results X2

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	valid	100	100.0
	Excludeda	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
0.749	8

According to analysis shows that the value of alpha of .749, While the critical r (test 2 side) at the 0.05 significance with the amount of data (n) = 100, obtained at 0,197. Because the value is more than 0,197, it can be concluded that the grain of the research instrument is reliable.

Reliability Test Results Y

Scale: All Variables

Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excludeda	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
0.432	5

According to analysis looks alpha values obtained by 0.432, While the critical r (test 2 side) at the 0.05 significance with the amount of data (n) = 100, obtained at 0,197. Because the value is more than 0,197, it can be concluded that the grain of the research instrument is reliable.

Validity of Test Results

The test results revealed that all the statements in the variable price, quality of service and Purchase Decision expressed Valid for sig <alpha of 0.05.

Correlation Test Results

Correlations

		Price	KualiasLayanan	Usage decision JasaTransportasi Online
Price	Pearson Correlation	1	0.702 **	0.698 **
	Sig. (2-tailed)		0.000	0.000
	N	100	100	100
Quality of Service	Pearson Correlation	0.702 **	1	0.740 **
	Sig. (2-tailed)	.000		.000
	N	100	100	100
Usage decision Transportation Services Online	Pearson Correlation	0.698 **	0.740 **	1
	Sig. (2-tailed)	0.000	0.000	
	N	100	100	100

**. Correlation is significant at the 0:01 level (2-tailed).

From the above table diQUALITY SERVICE that: a) the value of Pearson correlation between variables Price (X1) and VariableQUALITY SERVICE (X2) is 0,702meaning that there is a strong relationship between price and quality of service. The correlation between price and quality of service have shown a strong correlation with a correlation value0,702 (Located on the 0.60-.799 when compared with the correlation table), With the P-value / Sig. together with0:00<0.05 can be concluded there is a significant relationship between the two variables. b) the value of Pearson correlation between variables Price (X1) and the Use of Variable Transportation Services Online (Y) of 0.698meaning that there is a strong relationship between price and quality of service. The correlation between the price and the Use of Transportation Online have shown a strong relationship with a correlation value 0.698 (Located on the 0.60-.799 when compared with the correlation table), With the P-value / Sig. together with0:00<0.05 can be concluded there is a significant relationship between the two variables. c) the value of Pearson correlation between variables quality Service (X2) and the Use of Variable Transportation Services Online (Y) of .740meaning that there is a strong relationship between the quality of service with the Use of Transportation Online. The correlation between the quality of service and the Use of Online Transport Services have shown a strong relationship with a correlation value.740 (Located on the 0.60-.799 when compared with the correlation table), With the P-value / Sig. together with0:00<0.05 can be concluded there is a significant relationship between the two variables.

Correlation table

Interval Koefisien	Tingkat Hubungan
0,00 – 0,199	Sangat rendah
0,20 – 0,399	Rendah
0,40 – 0,599	Cukup
0,60 – 0,799	Kuat
0,80 – 1,000	Sangat kuat

The positive sign indicates that the correlation between price (X1), quality Service (X2) and the Use of Transportation Online (Y) namely the relationship "Inversely Straight" means the attractive price offered and the better quality of service, the higher the decision to use transportation services online. So it can be concluded that the relationship Price, quality Service, and the Use of Transportation Online is strong, significant, and direction.

Model Test Results Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.781a	0.611	0.603	1,024

a. Predictors: (Constant), KualiasLayanan, Price

Explanation:

From the model output summary, note the value of the coefficient of determination (R Square) of 0.611 (value 0.611is squaring the correlation coefficient or R, ie 0,781 x 0,781 = 0.611). The magnitude of the coefficient of determination (R Square) 0.611 equal to 61.1%. This figure implies that Price (X1) and quality Service (X2) effect on the Use of Transportation Online (Y) of 61.1%. While the rest (100% - 61.1% = 38.9%) is influenced by other variables outside of this regression model. The magnitude of the effect of other variables is often referred to as an error (e). To calculate the error value can be used formula $e = 1 - R^2$.

Coefficientsa

Model	Coefficients unstandardized B	Coefficients unstandardized Std. Error	Standardized Coefficients beta	T	Sig.
1 (Constant)	8307	1,124		7389	0.000
KualiasLayanan	0.242	0.044	0.492	5,533	0.000
Price	0.276	0.069	0.353	3,973	0.000

PRICE variable regression coefficient test

1. Determine Hypothesis

H0: Partially no significant influence among PRICE with the Use of Transportation Online

H1: Partially no significant effect among PRICE with the Use of Transportation Online

2. Determining the level of significance

The level of significance using □ = 5%.

3. Determine t

According to the table obtained t calculate equal 3.973

4. Determine t table

T distribution table look at □ = 5%: 2 = 2.5% (test 2 sides) with degrees of freedom (df) nk-1 or 100-2-1 = 97 (n is the number of cases and k is the number of independent variables) , By testing the two sides (significance = 0.025) results obtained for t table1.985,

5. Criteria Testing

H0 if t t □ □ table t table

H0 is rejected if t count <t table or t count> t table

6. Comparing t with t table

T count> t table (3.973 > 1.985) Then H0 is rejected

7. Conclusion

Therefore the value of t> t table (3.973 > 1.985) Then H0 is rejected, meaning a partial no significant effect among PRICE with the Use of Transportation Online. So from this case can be concluded that partial PRICES positive effect on the Use of Online Transport Service to users of transport services are located in the campus of State University of Surabaya.

Testing regression coefficient QUALITY OF SERVICE

1. Determine Hypothesis

H0: Partially no significant effect between QUALITY SERVICE with the Use of Transportation Online.

H1: Partially no significant effect between QUALITY SERVICE with the Use of Transportation Online

2. Determining the level of significance

The level of significance using a = 5%

3. Determine t

According to the table obtained t calculate equal 5.533

4. Determine t table

T distribution table look at a = 5%: 2 = 2.5% (test 2 sides) with degrees of freedom (df) nk-1 or 100-2-1 = 97 (n is the number of cases and k is the number of independent variables) , By testing the two sides (significance =

0.025) results obtained for t tableas big as 1.985 (See attachment) or can be searched in Ms Excel by way of the empty cell type = TINV (0.05,97) and then enter.

5. Criteria Testing

H0 if t table <t <t table

H0 is rejected if t count <t table or t count> t table

6. Comparing t with t table

T count> t table (5.533> 1.985) then H0

7. Conclusion

Therefore the value of t> t table (5.533> 1.985), then H0 is rejected, meaning a partial no significant effect between QUALITY SERVICE with the Use of Transportation Online. So from this case can be concluded that partial QUALITY SERVICES effect on the Use of Online Transport Service to users of transport services are located in the campus of State University of Surabaya.

Test F

ANOVAa

Model		Sum of Squares	Df	mean Square	F	Sig.
1	Regression	159 359	2	79 680	76 049	.000b
	residual	101 631	97	1,048		
	Total	260 990	99			

a. Dependent Variable: the Use of Transportation Online
b. Predictors: (Constant), KualiasLayanan, Price

Stages to test F is as follows:

1. Formulate Hypothesis

H0: There is no significant effect between QUALITY SERVICE and PRICES together against the Use of Transportation Online.

H1: There is a significant effect between QUALITY SERVICE and PRICES together against the Use of Transportation Online.

2. Determining the level of significance

The level of significance using a = 5% (5% significance or 0.05 is the standard measure often used in the study)

3. Determine F count

According to the table obtained F count equal to 76.049

4. Determine F table

By using a 95% confidence level, a = 5%, df 1 (the number of variable-1) = 2, and df 2 (nk-1) or 100-2-1 = 97 (n is the number of cases and k is the number of independent variables), the results obtained for the F table 3,090 (See attachment) or can be searched in Ms Excel by way of the empty cell type = FINV (0.05,2,97) and then enter.

5. Criteria testing

- H0 if F arithmetic <F table

- H0 is rejected if F count> F table

6. Comparing F arithmetic with F table.

F count> F table (76.049> 3.090), then H0 is rejected.

7. Conclusion

Since F arithmetic> F table (76.049> 3.090), then H0 is rejected, meaning that there are significant effect between QUALITY SERVICE and PRICE jointly against the decision of Use Transportation Services Online. So from this case can be concluded that QUALITY SERVICE and PRICE jointly influence on the Use of Online Transport Service to users of transport services are located in the campus of State University of Surabaya.

Effect of Price Against the Use of transportation Services Online

The research found that there is a strong relationship between the price with the decision of transport services online as indicated by the value of correlation of 0.698, while based on t-test found that the value of t> t table, so that the price effect on the decision to use transportation services online.

Based on this it is clear that pricing affects the decision to use transportation services online. If the online transport prices attractive enough then it can increase the number of transport users online. An attractive pricing strategy that can be done in various ways, including by providing promo prices to consumers in accordance with the results of research conducted by Nathan, et al (2018) suggest that the application of the promo price can increase the number of buyers. Another strategy is to give a lower price by sellers of high repute (Liu Y, Juan F and KK Wei, 2012)

Influence of Service Quality Transportation Services Usage Decision Against Online

Results of correlation test found that the quality of service with the decision of transport services online have a strong relationship with a correlation value of 0.740, while based on t-test found that the value of $t > t$ table so that the quality of service was also influenced by the use of transport services online. The better the quality of services provided to consumers, consumers will be more satisfied with the use of transport services online which resulted in consumers decide better transport services using online transportation services of the transport services offline.

Quality of service can also increase the level of consumer confidence, the higher the confidence level, the higher the number of consumers. (Wu, JJ et al. 2017). Based on this, the quality of service is important to note that the number of consumers is increasing so that businesses run also growing.

The influence of price and quality service of transportation services usage Decision Against Online

The research found that between price, quality of service and the decision to use transportation services online directly proportional, which means that the attractive pricing of online transportation services offered and the quality of its services, the better the higher the online transport service user's decision to use such services. From the same study price and service quality has a positive effect in attracting consumers, namely by applying the discount given on the website (Wu, JJ, et al, 2017).

II. Conclusions And Recommendations

Competition in the business world is high competition. many ways made by the seller to increase the number of consumers. These can be done by making prices more attractive and provide better service quality. Based on the research conducted by the researchers that the price and quality of service equally positive effect on the decision to use transportation services online. If the price is attractive and the service quality is good then automatically consumers who decide to use the services of online transportation of the transportation services offline.

Suggestion

Suggestions that can be given are:

1. For business people, especially in the field of online transportation should make the price as an appeal for consumers, and the quality of service must always be improved, because the price and service have a positive effect on the decision of the use of online transportation services.

2. The results of this study can be used as a reference for the development of marketing management knowledge, especially in the field of purchasing decisions

3. For further researcher, the addition of sample number, respondent characteristic, and questionnaire distribution should be considered considering in this study the sample is still limited

Bibliography

[1].   Chong Wang, Jing Chen, Xu Chen. 2017'Pricing and order decisions with option contracts in the presence of the customer returns', International Journal of Production Economics', Vol. 193, h.422-436.
[2].   Liu Y, Juan F, KK Wei. 2012,Negative price effect in the online market premium-The impact of competition and buyer informativeness on the pricing strategies of sellers with different levels of reputation, Decision Support Systems, Vol. 54, h.681-890
[3].   Maiti, Giri. 2017 'Two-period pricing and decision strategies in a two-echelon supply chain under price-dependent demand', Applied Mathematical Modeling ', Vol. 42, p. 655-674.
[4].   Schiffman, Leon G. and Leslie L. Kanuk. 2000. Consumer Behavior: Fifth Edition. New Jersey. Prentice-Hall Inc.
[5].   Septiana R., P. Wuri, Azzahro F., 2017. Factorsthat Intention Affecting Online Behavioral Transportation Service: Case Study of GO-JEK. Procedia Computer Science. Vol. 124: 504-512
[6].   Simamaro, Bilson, 2001, Win the market: With an Effective Marketing and Profitable. PT Gramedia Pustaka Utama, Jakarta
[7].   Sofi, Nika. 2016, 'Role of intrinsic factors in Impulsive buying decision: An empirical study of young consumers', The Arab Economic and Busines Journal, Vol. 25, p. 29-43
[8].   Sricharoenpramong, 2018'Service quality improvement of ground staff at Don Mueang International Airport', Kasetsart Journal Of Social Science, vol.39, h.15-21.
[9].   Swastha, Basu & Handoko, Hani. 2011. Marketing Management-Analysis of Consumer Behavior. Yogyakarta. BPFE.
[10].   Wu Yifan, Zhu Ling. 2017 'Joint quality and pricing decisions for service online group-buying strategy', Electronic Commerce Research and Applications, Vol 25, h.1-15
[11].   Wu, JJ et al. 2017. Shopping online and off-line? Complementary service quality and image congruence. Asia Pacific Management of Review, Vol 23, 30-31
[12].   Zeithaml, VA, Bitner, MJ, Gremler, DD 2009. Service marketing (5th ed.). Singapore: The McGraw-Hill Companies, Inc.
[13].   Siti Mubarokah born in Jombang on May 12, 1984. Her mother was a housewife and father is a guard at SDN Grogol 1 Diwek Jombang. She is a graduate student S2 Surabaya State University Department of Economics Education. In 2007 after graduating from the State University of Malang S1 with a GPA of 3.46, she wanted to continue to pursue S2 with a scholarship program. In 2017 she received a scholarship S2 from the Ministry of Religious Affairs of the Republic of Indonesia in 2017. She is a teacher of Economics at Madrasah Aliyah "Miftahul Ulum Cermenan" Sugihwaras Ngoro Jombang.