The Influence of Promotion, Price, and Service Quality on GrabBike Customer Satisfaction in West Jakarta

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ABSTRACT

The purpose of this study is to determine the factors, if any, that influence promotion, price, and service quality on customer satisfaction with GrabBike in West Jakarta. Residents of West Jakarta who have previously used the Grab app, particularly the GrabBike online transportation service, constitute the demographic used in this study. In this study, 110 participants were surveyed. The questionnaire, created using Google Forms and distributed to respondents, served as the data collection method. This study employed the Smart-PLS analysis tool alongside Structural Equation Modeling (SEM). According to the study's findings, promotions do not have a significant impact on customer satisfaction. There is a positive and statistically significant relationship between customer satisfaction and both price and service quality.

Keywords: Promotion; Price; Service Quality; Customer Satisfaction; Ride-Hailing Apps.

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INTRODUCTION

Technological advancements in the digital era have brought significant transformations across various industries, particularly in transportation. People are now more mobile due to rapid globalization, making fast, convenient, and effective transportation increasingly important. App-based motorcycle taxis and taxis are two rapidly growing modes of transportation in Jakarta (Astiti et al., 2022).

The rapid increase in internet usage has played a major role in the growth of digital transportation services. According to IndonesiaBaik.id (2024), internet users in Indonesia reached 215.63 million in 2023. This penetration has facilitated the widespread use of online transport platforms, enabling people to conveniently access services like GrabBike through smartphones and digital applications.

Grab, as one of Indonesia's leading transportation providers, is known for its diverse services, including GrabBike. According to GoodStats data (2023), Grab controls 29.9% of the online motorcycle taxi market share, making it the second-largest service provider in Indonesia. Despite its significant market share, customer satisfaction remains a crucial concern for sustainable growth. However, this figure doesn't reflect customer satisfaction levels, particularly with GrabBike.

The results of a preliminary survey distributed to 12 people by researchers showed that 75% of GrabBike users expressed dissatisfaction with the Grab app. This prompted further investigation to determine the root causes of this dissatisfaction. Through a pre-survey involving 30 respondents, factors such as promotions, price, and service quality were identified as key elements influencing customer satisfaction. Twenty-nine respondents agreed that promotions influenced their customer satisfaction with GrabBike, while 28 and 26 respondents, respectively, stated that price and service quality also influenced their customer satisfaction with GrabBike.

Previous research supports these findings. Antomi (2023) revealed that promotional strategies significantly influenceì customeìr satisfaction. Similarly, priceì significantly influenceìs consumeìr satisfaction with onlineì transportation (Arprabowo eìt al., 2021; Kang eìt al., 2023). Furtheìrmoreì, seìrviceì quality—including reìliability, reìsponsiveìneìss, and eìmpathy—has consisteìntly beìeìn ideìntifieìd as an important deìteìrminant of customeìr satisfaction in various transportation conteìxts (Nurmala eìt al., 2023); Sahda eìt al., 2023).

Giveìn theì compeìtition among rideì-hailing seìrviceìs and theì importanceì of useìr satisfaction in reìtaining markeìt shareì, undeìrstsanding theì impact of theìseì factors is eìsseìntial. Whileì Grab has introduceìd seìveìral promotional programs and innovations, theìreì is still a gap in achieìving optimal customeìr satisfaction, eìspeìcially in Weìst Jakarta wheìreì this study is focuseìd.

Theìreìforeì, this study aims to eìvaluateì and analyzeì theì influeìnceì of promotion, priceì, and seìrviceì quality on customeìr satisfaction with GrabBikeì in Weìst Jakarta. This reìseìarch not only contributeìs to theì liteìratureì on consumeìr beìhavior in digital seìrviceìs but also provideìs practical insights for companieìs aiming to improveì customeìr eìxpeìrieìnceì and brand loyalty.

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LITERATURE REVIEW

Marketing Management

According to Kotler et al., (2022), marketing management is the art and science of selecting target markets and achieving, retaining, and growing customers by creating, delivering, and communicating superior customer value. In other words, marketing management is a dynamic and strategic process that involves a series of planned and measurable activities to create, communicate, and deliver value to targeted customers.

Cosumer Behavior

According to Kotler & Armstrong (2018), consumer behavior is the study of how individuals, groups, or organizations select, purchase, or use goods, services, ideas, or experiences to satisfy needs and desires. In other words, consumer behavior is how individuals, groups, and organizations behave in the decision-making process regarding goods, services, ideas, or experiences.

Customer Satisfaction

According to Kotler & Armstrong (2018), customer satisfaction is a person's feeling of pleasure or disappointment arising from comparing a product's perceived performance (or outcome) to their expectations. In other words, customer satisfaction is the feeling of pleasure or disappointment a customer experiences with a product offered by a company, with the expectation that their desires and needs will be met.

Promotion

According to Kotler et al., (2022), promotion is an activity carried out by a company to inform, persuade, and remind the target market about its product or brand. According to Wulandari & Calista (2022), promotion is an effort to persuade people to accept products, concepts, and ideas. Meanwhile, Solihin (2020) states that promotion is a series of techniques used to achieve a product sales target at an affordable cost, by providing added value to the product or service to consumers.

Price

According to Kotler & Armstrong (2018), price is the amount of money charged for a product or service. Meanwhile, according to Yeny & Baskara (2022), price is any form of money related to the costs incurred by customers to obtain, claim, or use a combination of goods or services.

Service Quality

According to Kotler & Armstrong (2018), service quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy stated or implied needs. Meanwhile, according to Tjiptono (2019), service quality is the effort to fulfill customer needs and desires and the accuracy of delivery to match customer/consumer expectations.

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Figure 1 Conceptual Framework
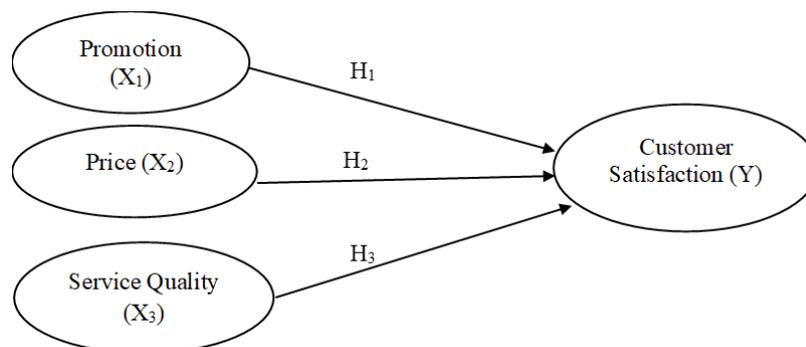
METHOD

Time and Place of Research

This research began in April 2024 to July 2025. This research was conducted in the West Jakarta area, because according to Katadata Databoks (January 2025 article) it was reported that the population of West Jakarta City was recorded at 2.58 million people in 2024. When compared with other areas in the DKI Jakarta province.

Research Design

This study employed a quantitative approach, focusing on testing theories by identifying research variables numerically and analyzing data using statistical procedures. According to Sugiyono (2023), in quantitative research, data analysis is conducted after all data from respondents or other sources has been collected. By using quantitative research, the collected data is processed into numbers, which are then analyzed using statistical methods to determine whether one or more independent variables influence the dependent variable.

Measurement Scale

The measurements in this study used an ordinal scale converted to an interval scale. Variables were measured using a Likert scale, which is used to assess the attitudes, opinions, and perceptions of individuals or groups regarding social phenomena. According to Sugiyono (2023), the Likert scale has a gradation from a low of 1 (strongly disagree) to a high of 5 (strongly agree).

Population and sample

According to Sugiyono (2023), a population is a generalized area consisting of objects/subjects with certain quantities and characteristics determined by the researcher to be studied and then conclusions drawn. In this study, the population used was the people of West Jakarta who have used or are currently using the Grab application, specifically the online transportation service GrabBike.

A sample is a subset of the population's size and characteristics (Sugiyono, 2023). This study employed a non-probability sampling technique with a purposive sampling method. Because the population size is unknown, the sample size used is 5-10 times the number of indicators (Hair et al., 2020). In this study, there are 22 indicators, so the minimum sample size is 5 times the number of indicators, which is 22 x 5 = 110 respondents.

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Data Analysis Method

This study used SmartPLS version 3.0 for data analysis. According to Ghozali (2021), Partial Least Squares (PLS) is an analytical method aimed at finding optimal predictive linear relationships in data. Partial Least Squares (PLS) has two main stages: Measurement Model Evaluation (Outer Model) and Structural Model Evaluation (Inner Model).

RESULTS AND DISCUSSION

Results

  1. **Outer Model**
     a. **Convergent Validity**

Convergent validity is a measure of the strength of the positive correlation between concept indicators, as stated by Ghozali (2021). If the factor loading value of an indicator is higher than 0.70, the indicator is considered valid.

Table 1 Convergent Validity Test Results

Variable	Indicator	Outer Loading	Description
Customer Satisfaction (Y)	KP1	0.945	Valid
	KP2	0.796	Valid
	KP3	0.911	Valid
	KP4	0.949	Valid
	KP5	0.924	Valid
Promotion (X1)	PR1	0.958	Valid
	PR2	0.930	Valid
	PR3	0.910	Valid
	PR4	0.915	Valid
	PR5	0.936	Valid
	PR6	0.936	Valid
Price (X2)	HG1	0.902	Valid
	HG2	0.885	Valid
	HG3	0.831	Valid
	HG4	0.845	Valid
	HG5	0.902	Valid
	HG6	0.850	Valid
Service Quality (X3)	KL1	0.927	Valid
	KL2	0.758	Valid
	KL3	0.916	Valid
	KL4	0.955	Valid
	KL5	0.735	Valid

The results of the convergent validity test show that all indicators have factor loading values above 0.70, which indicates that the data is authentic and meets the convergent validity criteria.

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b. Discriminant Validity

Discriminant validity testing, namely reflective indicators, can be seen in the cross loading. If an indication has the highest factor loading on the target construct relative to other constructs, then the indication is acceptable.

Table 2 Discriminant Validity Test Results (Cross loadings)

	Price	Customer Satisfaction	Service Quality	Promotion
HG1	0.902	0.700	0.665	0.476
HG2	0.885	0.685	0.601	0.520
HG3	0.831	0.627	0.618	0.516
HG4	0.845	0.564	0.649	0.507
HG5	0.902	0.660	0.638	0.542
HG6	0.850	0.584	0.589	0.494
KL1	0.664	0.766	0.927	0.487
KL2	0.560	0.564	0.758	0.364
KL3	0.616	0.744	0.916	0.379
KL4	0.705	0.777	0.955	0.489
KL5	0.552	0.636	0.735	0.352
KP1	0.781	0.945	0.794	0.491
KP2	0.557	0.796	0.652	0.331
KP3	0.601	0.911	0.734	0.441
KP4	0.688	0.949	0.759	0.437
KP5	0.685	0.924	0.745	0.473
PR1	0.539	0.484	0.451	0.958
PR2	0.509	0.410	0.416	0.930
PR3	0.563	0.499	0.512	0.910
PR4	0.538	0.413	0.425	0.915
PR5	0.523	0.392	0.393	0.936
PR6	0.585	0.476	0.481	0.936

Based on Table 2, each variable demonstrates a high cross loading value, indicating that the statements used are more strongly associated with their respective constructs compared to other variables, thus supporting the validity of the indicators in distinguishing between different constructs.

According to Ghozali (2021), one way to assess discriminant validity is to look at the AVE for each concept and how well it correlates with other components in the model. To demonstrate excellent discriminant validity, each concept must have an AVE value higher than 0.50. Furthermore, the square root of the AVE must be greater than the correlation between constructs in the model.

Table 3 AVE Testing Results

Variable	Average Variance Extracted (AVE)
Price	0.756

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Variable	Average Variance Extracted (AVE)
Customer Satisfaction	0.822
Service Quality	0.745
Promotion	0.867

Referring to Table 5, the results indicate that each variable has an Average Variance Extracted (AVE) value exceeding 0.5. This signifies that all constructs fulfill the required threshold for acceptable discriminant validity.

Table 4 Discriminant Validity Test Results (Fornell Lacker Criterium)

	Price	Customer Satisfaction	Service Quality	Promotion
Price	0.869			
Customer Satisfaction	0.736	0.907		
Service Quality	0.720	0.815	0.863	
Promotion	0.585	0.483	0.483	0.931

Based on Table 4, the correlation between model constructs is lower than the square root of the AVE. Consequently, the calculated model components also meet the discriminant validity criteria, as seen in the table.

c. Composite Reliability and Cronbach's Alpha

The purpose of conducting Composite Reliability and Cronbach's alpha testing is to assess how reliable the instruments used in a research model are. When the values of both Composite Reliability and Cronbach's alpha for all latent variables reach or exceed 0.7, it indicates that the constructs possess a high level of reliability, meaning that the questionnaire applied in the study is considered dependable and yields consistent results.

Variable	Composite Reliability	Cronbach's Alpha
Price	0.949	0.935
Customer Satisfaction	0.958	0.945
Service Quality	0.935	0.911
Promotion	0.975	0.969

All latent variables demonstrated satisfactory test results, with composite reliability and Cronbach's alpha values >0.70. Therefore, all latent variables can be considered reliable. In general, the research questionnaire followed a standard format.

2. Inner Model
  a. R-Square

Table 5 R-Square Test Result

	R-Square
Customer Satisfaction	0.710

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Based on the figures in Table 5, the R-square value for customer satisfaction is 0.710. This means that 71% of customer satisfaction is influenced by price, service quality, and advertising. Other variables that influence the remaining 29% were not included in this study.

b. Hypothesis Testing Results

Table 6 Hypothesis Testing Results

	Original Sample	Standard Deviation	T Statistics	P Values	Description
Price -> Customer Satisfaction	0.297	0.128	2.326	0.020	Accepted
Service Quality -> Customer Satisfaction	0.589	0.110	5.347	0,000	Accepted
Promotion -> Customer Satisfaction	0.024	0.075	0.325	0.745	Unaccepted

Discussion

1. The Effect of Promotion on GrabBike Customer Satisfaction

Based on the results of the hypothesis test, promotions have no significant effect on customer satisfaction. Promotions have a T-statistic of 0.325 < T-table at 5% alpha (1.96), and a P-value of 0.745 > 0.05. Furthermore, the first sample value of 0.024 indicates a positive trend. Therefore, it can be concluded that Hypothesis 1 in this study is rejected because promotions have no significant effect on customer satisfaction. Based on this, there is no relationship between promotions and customer satisfaction, as shown in the study conducted by Astiti et al., (2022).

There is no correlation between promotions and customer satisfaction. Promotions such as discounts, rebates, and promo codes are often considered effective ways to attract customers and increase revenue. However, there are more complex issues with the claim that GrabBike promotions do not affect customer satisfaction. This does not mean that promotions are without value; it simply means that promotions cannot guarantee customer satisfaction.

2. The Effect of Price on GrabBike Customer Satisfaction

A positive and statistically significant relationship between price and customer satisfaction was found in the hypothesis test. With a 5% alpha level of 1.96 and a t-statistic of 2.326, the p-value for Price was 0.020, which is less than 0.05. There is strong evidence from the initial sample value of 0.297 that price significantly and positively influences customer satisfaction, thus confirming hypothesis H2. This finding aligns with the findings of Siagan & Venny (2021), who showed that price significantly influences customer satisfaction in a positive manner.

"Price has a positive and significant effect on customer satisfaction," meaning that GrabBike's competitiveness and price suitability influence customer satisfaction. Sihombing & Mardhiyah (2023) found that price changes significantly impact customer satisfaction. Consequently, this effect is significant.

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3. The Effect of Service Quality on GrabBike Customer Satisfaction

The results of the hypothesis test indicate that service quality has a positive and significant effect on customer satisfaction. Service quality has a t-statistic of 5.347, which is higher than the 5% alpha threshold of 1.96, and a p-value of 0.000, which is lower than the 0.05 significance level. Since the initial sample value is 0.589, H3 is accepted, indicating that service quality has a positive and statistically significant effect on customer satisfaction. This aligns with the findings of a study by Refiyanti (2021), which stated that service quality has a positive and substantial effect on customer satisfaction.

Service quality has a positive and significant effect on customer satisfaction, which is a key factor in determining customer satisfaction with GrabBike. Fast and safe drivers, transparent pricing, an easy-to-use app, and effective communication are the four pillars that underpin GrabBike's exceptional customer experience. Furthermore, this increases customer loyalty and advocacy for GrabBike (Teoh et al., 2023).

CONCLUSION

Overall, it can be concluded that promotion does not significantly impact GrabBike customer satisfaction, while price and service quality do. Given the potential inaccuracy of some claims, further research into this thesis is needed to serve as a reference for academics interested in similar topics. In my opinion, as the author, there are still many problems and limitations with this theory. Future researchers should explore other variables not included in this study.

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