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The Effect of Competitive Prices and Service Quality on Decisions to use Grabbike Transportation Services: Case Study of Borneo University Tarakan Students

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Abstract
The influence of competitive pricing and service quality on the decision to use GrabBike transportation services is an important aspect of consumer behavior and business strategy. Research shows that competitive pricing influences users' choices, with them tending to choose the economical option. On the other hand, service quality, such as safety and convenience, affects users' perception of the user experience. The balance between competitive pricing and good service quality plays a key role in determining whether users will continue to use GrabBike services. The population in this study were all students of the University of Borneo Tarakan The data analysis technique in this study used multiple regression analysis to determine the effect of variable Competitive prices and service quality on decisions to use grabbike transportation services.

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1. Introduction

In this era of digitalization, business competition in the online transportation sector is increasing, in line with the high level of mobility and movement of people from one place to another, this is a business opportunity for online transportation business actors, the more business actors in the same field in Indonesia, the level of competition between online transportation services will also increase, so of course there will be an increasing number of choices of online transportation services that can be considered by potential consumers. This occurs in online-based transportation services, because currently there are many online transportation service providers that can be accessed easily by the wider community. With different levels of service and also tariffs which of course will be a special consideration for users of online transportation services, where everyone will definitely expect the best service with an affordable amount of payment and in accordance with the benefits that will be felt.

The increasing public interest in using online transportation services now is due to the convenience obtained by using these services, so online transportation service companies are competing to attract consumers to use the services they have. This condition requires every company to display good performance to display a competitive advantage. According to Fandy Tjiptono, (2015) Competitive advantage or competitive advantage is something that allows companies to earn higher profits than average profits. Meanwhile, according to David and Forest R. David, (2015) competitive advantage is defined as everything that a company specifically does compared to other companies, when a company can do what other companies cannot do or has something that other companies want, it describes a competitive advantage. Competitive advantage is an advantage over competitors either through lower prices or by providing more benefits that support higher prices, so as to provide more value to consumers (Kotler and Armstrong, 2005 in Netty Laura. S, 2017).

The high consumer purchasing decision for the products offered by the company is the hope of every company, therefore the company must have strategies that can be used to win the competition and gain competitive advantage, so that the company chooses the right strategy to use such as the marketing mix strategy or 8P marketing mix according to (Lovelock and Wright, 2002 in Saputra et al., 2018), namely Product, Price, Promotion, Place, People, Process, and Physical Evidence, as well as Productivity and Quality. The marketing mix is a group of marketing tips that companies use to achieve their marketing goals in target markets (Kotler, 2000 in Saputra et al., 2018). Some of these components are used by companies to respond to the desires of the target market, including price and quality of service which are increasingly developing trying to satisfy their customers by providing the best starting with providing affordable prices and prices given according to the benefits of the product or service, and providing quality service for consumers. These efforts need to be made by every company to win the competition and retain consumers.

With the existence of online-based transportation, it will greatly facilitate people's daily activities. In Indonesia, there are currently several online transportation services including Gojek, Grab, Maxim, Anterin, Bonceng, and FastGo. With the presence of various choices of online transportation services, consumers have a variety of choices to use when traveling somewhere. In using a product or service, consumers will pay attention to the price of a product or service. Price is very influential on consumer decisions to use a product or service. According to (Kotler and Armstrong, 2018 in Lubis and Hidayat, 2021) price is the value of money that must be spent by consumers on the benefits that will be obtained from a product or service that will be owned or used. Consumer decisions to buy or not a product or service depend on whether the price is affordable to consumers and the price paid is in accordance with the benefits and quality of the perceived service. to use a product, consumers will compare prices of similar products or services sold by other companies and then consumers will consider and evaluate whether the service is appropriate or not.

An important factor that supports consumer decisions to use a service is the quality of service provided by the service provider. According to (Tjiptono, 2011 in R. T. Putra, 2019) explains that what is meant by service quality is the level of perfection expected and control over that perfection

to fulfill customer desires. Service quality is a measure of how good the level of service provided is able to match customer expectations. Therefore, improving and improving the quality of a service is very important for service companies, the better the service provided, the more it will attract the attention of customers because, customers who will feel good, bad, or comfortable or not the service provided.

In this study, researchers chose to make Grab the object of research in Tarakan City, Grab became the first online transportation service company to operate in the city of Tarakan starting in 2018 after first obtaining an official permit from the Kaltara Provincial Government, Grab's presence is considered an effort to provide practical and fast public services. The utilization of this online-based technology has targeted almost all aspects of life, followed by Gojek in 2019 and the latest is Maxim in 2022. There are differences in prices or tariffs between motorcycle transportation services from each transportation service in Tarakan city, namely Grab, Gojek and Maxim.

Table 1. Price Comparison between Grab, Gojek, and Maxim

Transportation service	Pickup	Destination	Price
			Motorcycle services
GRAB	Puskesmas	Borneo Tarakan	Rp. 25.000
GOJEK	mamburungan RT.07	University	Rp. 24.000
MAXIM			Rp. 16.000

In the table above, it is obtained information that researchers by trying to compare the prices of each online transportation service company between Grab, Gojek, and Maxim by ordering motorcycle transportation services with the same pick-up place and consumer destination in each online transportation service application, it can be seen in the table above that the services provided by Grab are slightly more expensive than Gojek and Maxim. The above phenomenon can affect consumer decisions in using Grab transportation services. this is of course a serious problem that must be addressed wisely by Grab so that the Grab company can survive and excel in competition. Therefore, the researcher is interested in conducting research based on the background description above, the researcher is interested in conducting research by taking the title "The Effect of Competitive Prices and Service Quality on Decisions to Use GrabBike Services" (Case Study of Tarakan Borneo University Students).

2. Method

2.1. Scope of Research

According to Sugiyono, (2013) research methods are scientific ways to obtain data with the aim of discovering, proving, and developing certain knowledge so that it can be used to understand, solve, and anticipate problems. This research method uses quantitative methods. Quantitative methods are research methods used to examine certain populations or samples, collect data that have statistical properties and aim at testing hypotheses determined by researchers. The scope of this research is the price reflected by the tariff given by consumers, the service quality variable which is reflected by customer perceptions of the real service they receive (perceived service) with the actual service expected (expected service) in using the grab transportation application.

2.2. Types of Data and Details Required

Primary data is research data obtained directly from sources or respondents without going through intermediaries. Primary data is specifically collected by researchers to answer research questions. In this study, data was taken based on a questionnaire given to respondents. This research was conducted on Grab online transportation services with the object of research being users of Grab transportation services who use GrabBike services. The research location was conducted in Tarakan City.

2.3. Data Collection Technique

The data collection method used to obtain the data needed to achieve the objectives in the study. The data collection technique used in this research is a questionnaire. According to Sugiyono (2016: 142) a questionnaire is a data collection technique that is done by giving a set of questions and written statements to respondents to answer. In the list of questions submitted to respondents, it must be in accordance with the problem under study and obtain data relating to competitive prices and service quality to purchasing decisions on Grabbike online transportation services.

2.4. Population and Sample

According to Sugiyono, (2013) Population is a generalization area consisting of objects or research subjects that have certain qualities and characteristics determined by research and studied and then drawn conclusions. The population in this study were Borneo Tarakan University students who used Grab online transportation services. Samples are taken if the population size is large or large. This is intended to make it easier for researchers to conduct research with limited funds, time, and energy. This sample size was taken based on the opinion of Joseph F. Hair et al., (2017) that if the research uses multiverse analysis (correlation or multiple regression) then the minimum sample taken is 10 times the number of indicators studied. This approach was chosen because the population size of Grab transportation service users among Borneo Tarakan university students is not known with certainty. Because in this study there are 14 research indicators (independent and dependent), the number of sample members is 10 × 14 = 140 people.

In this study, the sampling technique used was Non probability sampling, which is a sampling technique that does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample Sugiyono, (2013). By using a Purposive Sampling approach, namely determining sampling by determining specific characteristics in accordance with the research objectives so that it is expected to answer research problems. The conditions in the study include:

1) Men and women aged at least 17 years and over.
2) Active students of borneo university Tarakan
3) A Grab user who uses GrabBike services to travel at least once or twice, this is based on the assumption that users already know, feel, or are able to provide responses related to the performance of GrabBike transportation services.

2.5. Data Analysis Methods

Data analysis is a way to process data that can become information so that the characteristics of the data can be understood and provide benefits for solutions to problems in the research conducted. The data analysis method used in this research is quantitative analysis. In this study using an analysis tool, namely SPSS. In SPSS software, data that can be concluded in the form of numbers and numerical, SPSS analysis tools can make it easier to manage the data you want to conclude.

2.6. Validity Test

According to santoso (2011: 268) states that validity in research is defined as one degree of researcher measuring instruments about the actual content or meaning being measured. The validity test is used to show the extent to which the measuring instrument is able to measure what you want to measure so that it can be trusted or not (Siregar. 2014). A questionnaire is declared valid if the questions on the questionnaire are able to reveal what the questionnaire is intended to measure. The basis for decision making is according to (Ana Abdillah.2019) for testing in determining whether a questionnaire is valid or invalid is to compare the value of r count and r table. If r count> r table then the question item or statement on the questionnaire is said to be valid.

2.7. Reliability Test

The reliability test is a tool used to measure questionnaires which are indicators of variables (Muchlis. 2015). Data is said to be reliable if two or more researchers on the same object produce the same data, or a group of data when split into two shows different data. The questionnaire is said to be reliable if a person's answer to a question is consistent or stable over time. Reliability testing is done using Cronbach Alpha. A data is said to be reliable if Cronbach Alpha> 0.60 then the data is said to be reliable.

2.8. Classical assumption test

The classical assumption test is also used in this study with the aim of knowing the regression method used in analyzing this study whether it can meet the classical assumptions or not by using the normality test, multicollinearity test, heterocedacity test, and autocorrelation test.

1) Normality Test
   The normality test has a function to determine whether the dependent variable and the independent variable obtained are normally distributed or close to normal. The normality test can be done by means of the Kolmogrov Smirnov test. If the probability value> 0.05 then the data is declared normally distributed (Ghozali, 2018)
2) Multicollinearity Test
   The multicollinearity test aims to test whether the regression model finds a correlation between independent variables (independent). A good regression model should not have a correlation between independent variables (Ghozali, 2012). According to Muchlis (2015) to detect the presence or absence of multicollinearity in regression, it can be seen from the tolerance value and variance inflation factor (VIF). A low tolerance value is the same as a high VIF (Because VIF = 1 / tolerance). The general cut off value used to indicate the level of multicollinearity is a tolerance value <0.10 or >10.
3) Heteroscedasticity Test
   The heteroscedasticity test is used to test whether there is an inequality of variance between the residuals from one observation to another in the regression model. The test in this study uses the Glejser test. The significance level if the correlation is more than 0.05 then the regression contains heteroscedasticity and vice versa.
4) Autocorrelation Test
   The Autocorrelation test aims to test whether in the linear regression model there is a correlation between confounding errors in period t and confounding errors in period t-1 (previous). If there is a correlation, it is called an autocorrelation problem. In this study, to test whether or not there are symptoms of autocorrelation using the Durbin waston test (DW test) (Ghozali, 2018).

Table 1. Decision making on the presence or absence of autocorrelation

Null Hypothesis	Decision	If
No positive autocorrelation	Reject	0 < d < dl
No positive autocorrelation	No Decision	Dl < d < du
No negative autocorrelation	Reject	4 – dl < d < 4
No negative autocorrelation	No Decision	4 < dua < d - dl
No positive or negative autocorrelation	Not rejected	Du < d < 4 – du8

5) Hypothesis Testing
   Hypothesis testing is testing questions that describe a variable related to the case. The purpose of hypothesis testing is to provide benefits to researchers to determine the truth of a theory, in this study the analysis used is multiple regression analysis.

2.9. Multiple Regression Analysis

Multiple regression analysis is used to test how much influence the independent variables, namely competitive prices and service quality, have on the dependent variable purchasing decisions. In multiple regression analysis, the number of independent variables used is more than one variable. Thus the multiple linear regression equation model is as follows.

$$\mathbf{Y = a + b_1X_1 + b_2X_2 + e}$$

Description :

Y	: Dependent variable (Purchase decision)
a	: Constant
X1	: First independent variable (Competitive price)
X2	: Second independent variable (Service quality)
b1,b2	: Regression coefficients
e	: error

2.10. Test t (Partial)

1) If the t value> t table, then the null hypothesis (H0) is rejected Ha is accepted, which means that the variables of competitive price and service quality have a significant effect on purchasing decisions.
2) If the calculated t value < t table, the null hypothesis (H0) is accepted and rejects Ha, which means that the competitive price and service quality variables do not have a significant effect on purchasing decisions.

3. Results and Discussion

3.1. Research Results

This study focuses on the effect of competitive prices and service quality on decisions to use grabbike transportation services. This study used a total sample of 140 respondents. The results of data validity testing are described in Table 1 and Table 2 below:

Table 2. Reliability test

Variable	Cronbach's Alpha	Standar value Cronbach's Alpha	Description
Competitive price (X1)	0,704	0,70	Reliable
Service quality (X2)	0,850		Reliable
Purchase decision (Y)	0,788		Reliable

Table 3. Uji Validity test

Variabel	Statement code	Value Pearson Correlation (R Hitung)	Value R Tabel	Description
Competitive price (X1)	X1.1	0,504		Valid
	X1.2	0,760	0,166	Valid
	X1.3	0,839		Valid
	X1.4	0,757		Valid
Service quality (X2)	X2.1	0,752		Valid
	X2.2	0,780		Valid
	X2.3	0,790	0,166	Valid
	X2.4	0,805		Valid
	X2.5	0,828		Valid

Variabel	Statement code	Value Pearson Correlation (R Hitung)	Value R Tabel	Description
Purchase decision (Y)	Y1.1	0,799	0,166	Valid
	Y1.2	0,760		Valid
	Y1.3	0,768		Valid
	Y1.4	0,676		Valid
	Y1.5	0,684		Valid

Table 4. Normality test

		Unstandardized Residual
N		140
Normal Parameters	Mean	,0000000
	Std. Deviation	195206704
Most Extreme Differences	Absolute	,036
	Positive	,034
	Negative	-,036
Test Statistic		,036
Asymp. Sig. (2-tailed)		,200[c.d]

From the table presented above, it shows that the data is normally distributed as evidenced by Asymp. Sig (2-tailed) of 0.200 which is greater than the 5% significance level (0.200> 0.05).

Table 5. Multikolinearity test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Competitive Price	,997	1,003
	Service Quality	,997	1,003

a. Dependent Variable: Purchase decision

Based on the table above, it is known that the tolerance value of each independent variable is greater than 0.10 with the value of each variable, namely competitive price of 0.997 and service quality of 0.997 Then the VIF value of each independent variable is less than 10 with the value of each variable, namely competitive price = 1.003 and service quality = 1.003. From these results, it can be concluded that the regression model does not occur multicollinearity.

Table 6. Autocorrelation test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,579[a]	,335	,325	1,96626	2,132

Based on the table above, it is known that the DW (Durbin Watson) value is 2.132. The number of samples in this study is 140 and the number of independent variables is 2 (k = 2), then from the DW table it is obtained dL = 1.6950 and dU = 1.7529. Since dU < DW < 4- dL (1.7838 < 2.132 < 2.305), it is concluded that there is no autocorrelation.

Result 7. Test the coeffiecient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,579[a]	,335	,325	1,96626

a. Predictors: (Constant), Competitive Price, Service Quality
b. Dependent Variable: Purchase Decision

Based on the table above, the value of the coefficient of determination (Adjusted R Square) is 0.325 or 32.5%**.** This means that the independent variables, Competitive Price and Service Quality, can explain 32.5% of the variation in the dependent variable**,** Purchase Decision**.** The remaining 67.5% is explained by other variables that were not included in this study.

4. Conclusion

Based on the results of research with a total sample of 140 respondents, it can be concluded that competitive pricing has a negative effect on the decision to use grabbike, which means that students When the price goes up, the decision to use grabbike will decrease, and service quality has a positive effect on the decision to use grabbike, which means students When feeling comfortable service quality, it will increase the decision to use grabbike. However, along with the development of science and technology for the next stage of research is planned in this study by adding several variables and expanding the scope of the sample used to see the development of grabbike usage decisions in the case study of Borneo Tarakan university students more accurately.

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