

Effect of Brand Image, Price, and Promotion on Consumer Decisions to Use Grabcar Online Taxi in Medan and its Surroundings

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ABSTRACT

Grab online taxi (previously known as GrabTaxi) is an online application-based transportation tool that is now present in Medan City. The type of service is in the form of two-wheeled to four-wheeled vehicles such as Grabcar. There are factors that can effect consumers to use Grabcar, one of which is improving brand image, price and promotion. This study aims to determine and analyze the effect of brand image, price, and promotion on consumer decisions to use Grabcar online taxi in Medan and its surroundings. The population of this study is the people of Medan and its surroundings, who have used Grabcar online taxi, with a total sample of 279 respondents who were taken using the accidental sampling method. The data was collected by distributing questionnaires to respondents. The analysis technique used is multiple linear analysis. The results showed that brand image, price, and promotion have a positive and significant effect on on consumer decisions to use Grabcar online taxi in Medan and its surroundings.

Keywords: Brand Image, Price, Promotion, Consumer Decisions

INTRODUCTION

In the current era, the service sector is one that has a vital role in supporting daily activities is the transportation service sector. Therefore, transportation service entrepreneurs are competing to hook their

customers with service improvements, easy ordering, fleet convenience, punctuality and so on. In Indonesia, there are also many owners of private vehicles that perform functions as public transportation, namely transporting people/goods and charging agreed upon fees. This type of transportation is known as "ojek".

Along with the development of technology, there are currently applications that introduce ojek ordering services using technology and using service standards. Previously ojeks used an area-based base system at the corners and mouths of the alleyways. Ojek riders from other areas cannot "hang around" in an area without permission from ojek riders in that area. Even to use the ojek service, service users must pay cash and often bargain. Currently, there are many online motorcycle taxi service providers known as Go-Jek, Uber, Blu-Jek, Maxim, Indriver, Grab, Ojek Syar'i, and Oke Jack. All provide almost the same service, deliver people at different costs, but with the same ordering system, namely ordering via mobile phone applications and websites.

One of the transportation service companies that is developing in the city of Medan is PT Grab Indonesia. Grab (previously known as GrabTaxi) is a company from Malaysia that serves transportation provider software and is

available in six countries in Southeast Asia, namely Malaysia, Singapore, Thailand, Vietnam, Indonesia and the Philippines. Grab has a vision to revolutionize the testimony industry in Southeast Asia, so that it can provide peace and comfort for vehicle users throughout Southeast Asia. From the source JawaPos.com in 2019, the number of Grab users has reached 144 million people.

According to Lupiyoadi (2013), service marketing is any action offered by one party to another party which in principle is intangible and does not cause any transfer of ownership. Meanwhile, according to Simamora (2007), service marketing is marketing that is intangible and immaterial and is carried out when consumers are dealing with producers.

Tjiptono (2015:17), services are all activities, benefits or satisfaction offered for sale.

The purchasing decision is the attitude of the decision made by the buyer after considering the type of product, brand, quantity, time, producer, salesperson, and payment method to fulfill their needs and wants. According to Kotler and Armstrong (2012:157), "Consumer buyer behavior refers to the buying behavior of final purchasing behavior to individuals and households that buy goods and services for personal consumption".

Grab online taxi (previously known as GrabTaxi) is an online application-based transportation tool that is now present in Medan City. The type of service is in the form of two-wheeled to four-wheeled vehicles such as Grabcar.

The consumer's decision to use Taxi Online GrabCar is influenced by the brand image. Positive perception and consumer confidence in a brand will create a brand. Kotler and Keller (2012:11) define brand image as "The perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory.

Judging from the data, the brand PT. Grab Indonesia has experienced an increase following PT Gojek Indonesia, which was first in Indonesia. With a percentage in 2017

of 28.2%, 2018 to 48.0% but experiencing a small decline in 2019 of 43.1%. TBI or Top Brand Index is an achievement obtained from the results of consumer selection. The decline in Top Brand Index Grab was caused by PT Gojek rebranding by changing logos and adding drivers so that consumers remember Gojek's services more.

From the tariff data, GrabCar is charged for a minimum rate of Rp17,000.00 with a rate of Rp3,000.00/km next, while the minimum tariff for Gocar is Rp15,000.00 with the next Rp2,500.00 per km. Thus the GrabCar fare becomes more expensive than the GoCar fare. These rates can change and change according to certain conditions such as holiday celebrations, late night rates and rates in rainy weather conditions, Grabcar rates are more expensive than Gocar fares, so many consumers choose Gocar as their online taxi service.

Promotion is a flow of information or a one-way adjustment that is made to direct a person or organization to actions that create exchanges in marketing according to Swastha and Irawan (2011:237), suggesting consumer interest in using online transportation services starts from obtaining information about service quality, such information can be obtained from various promotional media. Grab uses promotions through internet networks such as advertisements on YouTube, the web, pamphlets, and social media such as Facebook, Instagram and Gmail, which may only be known to consumers who use it but not those who have not.

Grab is still in second place, besides that there are several research gaps such as research conducted by Ekatadeus (2017) which states that Brand Image, Promotion and Price together have a positive and significant effect on the decisions of users of GrabCar transportation services. Research conducted by Sitanggang (2015) states that price has a positive and significant effect on the decision to use grab.

There are factors that can effect consumers to use Grabcar, one of which is improving brand image, price and promotion.

This study aims to determine and analyze the effect of brand image, price, and promotion on consumer decisions to use Grabcar online taxi in Medan and its surroundings.

RESEARCH METHODS

The nature of this research is explanatory research. This type of research is a quantitative descriptive study.

Population is a generalization area consisting of objects or subjects which has certain qualities and characteristics determined by the researcher to be studied and then drawn conclusions (Sugiyono, 2010:80). The population of this study is the people of Medan and its surroundings, who have used Grabcar online taxi, with a total sample of 279 respondents who were taken using the accidental sampling method.

The data was collected by distributing questionnaires to respondents. The analysis technique used is multiple linear analysis.

RESULT

Overview of PT. Grab Indonesia

Grab is a transportation startup company that is quite popular in Southeast Asia, even in Indonesia it is very familiar and this company is getting bigger day by day. Initially Grab focused only on online taxi services or commonly known as My Taksi, but considering customer demands and competition, Grab then expanded its wings by starting an online motorcycle taxi. From the big name Grab, there is a figure behind Grab's success, this is Anthony Tan, the CEO and founder of Grab who comes from Malaysia.

Initially, the idea of creating a Grab application occurred when one of Anthony Tan's friends visited Malaysia and had difficulty finding and ordering a taxi in Malaysia, this complaint was conveyed to Anthony Tan. This then sparked the idea in

Anthony Tan's head to create a new company that had a taxi booking system, named My Taxi.

In 2012, Anthony Tan changed the name My Taxi to Grab Taxi. Then in order to maintain its existence, Grab is steadfast in rebranding and changing its logo for a simple reason, namely representing all of its service features. The service that was originally known as Grabtaxi changed to only using the word "Grab". The name change also represents the variety of services provided to users. Making Grab a success is not a short time, but it requires a very long and difficult process. That's what Anthony Tan felt, who plunged himself into raising Grab from scratch.

In Indonesia, Grab was present in mid-2014. Grab has made its own history in the world of technology-based transportation. Born with the name Grabtaxi, this service has received enough appreciation so that it is solid in building its business. In less than a year, various services that rely on applications are formed with a variety of features. Starting from passenger transportation services, delivery of goods, to buying food delivery, has been successfully developed. By adopting economic sharing, Grab is growing in Indonesia thanks to the help of partners. In principle, Grab will continue to develop hand in hand with its driver partners. Grab is available for the Android and iOS operating systems in Indonesia after going through various screening processes, where each driver and vehicle will be checked during registration and must maintain a star rating above the minimum standard that has been set and training and implementation of the Code of Conduct for Partners to ensure service best.

Grab Car activities are based on three main values; Speed, innovation and social impact. Grab Car drivers say that their income has increased since joining as partners in the company, they also get health and accident insurance and get access most customers through the Grab application.

Results of Multiple Linear Regression Analysis

Linear regression analysis is used to analyze the effect of brand image, price and promotion on consumer decisions to use

Grabcar online taxi in Medan and its surroundings, the hypothesis uses multiple linear regression analysis and to obtain data results, the authors use the SPSS 23 program in Table 1 below:

Table 1. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.189	.711		4.484	.000
	Brand Image	.075	.034	.096	2.241	.026
	Price	.398	.047	.414	8.495	.000
	Promotion	.384	.049	.386	7.871	.000

a. Dependent Variable Y

The results showed that brand image, price, and promotion have a positive and significant effect on consumer decisions to use Grabcar online taxi in Medan and its surroundings.

Brand image (X_1) has a positive effect on consumer decisions (Y) as indicated by the regression coefficient of 0.075 with a positive sign (+) which indicates a unidirectional relationship. And brand image (X_1) has a significant effect on consumer decisions (Y) which is indicated by a significant level of 0.026 which is smaller than alpha 0.05 ($p < 0.05$). This means that if the brand image (X_1) is improved, it will affect the increase in consumer decisions (Y).

Price (X_2) has a positive effect on consumer decisions (Y) as indicated by the regression coefficient of 0.398 with a positive sign (+) which indicates a unidirectional relationship. And price (X_2) has a significant effect on consumer decisions (Y) which is indicated by a significant level of 0.000 less than alpha 0.05 ($p < 0.05$). This means that if the price (X_2) is increased, it will affect the increase in consumer decisions (Y).

Promotion (X_3) has a positive effect on consumer decisions (Y) as indicated by the regression coefficient of 0.384 with a positive sign (+) which indicates a unidirectional relationship. And Promotion (X_3) has a significant effect on consumer decisions (Y) which is indicated by a significant level of 0.000 which is smaller than alpha 0.05 ($p < 0.05$). This means that if

Promotion (X_3) is increased it will have an effect on increasing consumer decisions (Y).

CONCLUSION AND SUGGESTION

Conclusion

The results showed that brand image, price, and promotion have a positive and significant effect on consumer decisions to use Grabcar online taxi in Medan and its surroundings.

Suggestion

After analyzing and producing some conclusions on the research that has been carried out on the Grabcar online taxi, there are things that the authors can suggest that can be input and attention to online taxis.

1. To improve the brand image, PT. Grab Indonesia pays more attention to the application system so that all people can and it is easier to use a Grab service ordering application such as Grabcar, the company should also replace the green logo color with another color which is sometimes confusing because it is similar to the color of other online transportation logos. And provide socialization and training or education to drivers on an ongoing basis about driver products and ethics in order to maintain good relationships with consumers, one of which is with satisfying services so that consumers can have more trust in this Grab Car online Taxi.
2. Regarding price, it is hoped that PT. Grab Indonesia to always monitor and evaluate the Grabcar rates that have been set to be affordable for all people

and in accordance with the benefits that consumers expect. So that consumers feel the benefits of the costs that have been incurred, as well as the additional accident insurance costs that have been charged to consumers should be re-evaluated because this adds to the burden on service users while the same fee is not imposed by other online taxi companies.

3. Regarding promotion, it is hoped that PT. Grab Indonesia will increase its promotional efforts through advertisements in various media using language that is more attractive and easily understood by all people.
4. This research can later be used as a reference for further research related to concepts or theories that support marketing management knowledge, namely regarding brand image, price, promotion and purchase decisions. In addition, other researchers should examine other variables such as innovation, service quality and customer satisfaction by combining this research with other research that has been done, so that the relationship between various variables that can measure purchasing decisions is known.

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