EFFECT OF TRUST, PROMOTION, AND PRICE ON CUSTOMER LOYALTY OF GRAB APPLICATION USERS (CASE STUDY ON STUDENTS AT UNIVERSITAS PRIMA INDONESIA, MEDAN)

Fenny Krisna Marpaung
Universitas Prima Indonesia, Indonesia
Corresponding Author: fennykrisnamarpaung@unprimdn.ac.id

Dennis Hermawan
Universitas Prima Indonesia, Indonesia

ABSTRACT

The purpose of this study is to analyze effect of trust, promotion, and price on customer loyalty of Grab application users, case study on students at Universitas Prima Indonesia, Medan. This research is a quantitative descriptive research. The population of this research is all Universitas Prima Indonesia students who use the Grab application. The sampling technique uses simple random sampling. So the sample in this study was 96 respondents. The data analysis technique used multiple linear regression. Multiple linear regression consists of partial (t) and simultaneous (F) hypothesis testing. The results showed that trust has a positive and insignificant effect on customer loyalty. Promotion has a positive and significant effect on customer loyalty. Price has a positive and significant effect on customer loyalty. Trust, promotion, and price have a significant effect together on customer loyalty.

Keywords: *Trust, Promotion, Price, Customer Loyalty.*

INTRODUCTION

In modern times like today, public transportation is one of the most influential transportation services to support all activities and mobility of the community every day. The presence of the Grab company in Indonesia, one of the providers of online-based public transportation services through the Android, iOS, and BlackBerry operating systems. The Grab company provides four choices of transportation services found in online applications, ranging from Grab Bike, Grab Taxi, Grab Car, and Grab Express to package delivery to meet customer needs.

Grab has been known to the Indonesian people in 2014, the presence of Grab in Indonesia as a new innovation to encourage changes in the public transportation sector in Indonesia. Grab already operates its transportation

services in more than 100 cities in Indonesia, one of which is in Medan, which is the third largest city in Indonesia after Jakarta and Surabaya. Being the third largest city in Indonesia, Medan is faced with various problems that are currently still a problem for the government, namely the high volume of traffic jams in Medan. Grab is here in Medan to provide a congestion solution, so that people in Medan can use transportation services that are more effective and efficient in supporting their daily activities. Customer loyalty is needed by a company engaged in services to maintain the company, Grab needs to create satisfaction in its services so that customers feel happy about the company's performance and will use it again in the future, this method will form customer loyalty to the company. The company's success is marked by the number of loyal customers (Harumi, 2016:117). The longer the customer loyalty, the greater the profit that the company can get from these customers (Griffin, 2017:1:8).

Grab needs to pay attention to several aspects that are able to create customer loyalty to the Grab Company, because Grab has a competitor who first entered Medan as an online public transportation tool, namely Gojek. The aspect that needs to be considered by Grab is that the trust of a customer is something that all companies want to achieve from every customer. Trust is the belief that exists in a person from the customer's trust which will lead to customer loyalty to the product or service so that trust can be said to be the right aspect in interacting with customers. A trust will be reduced or even lost if customer expectations are not met (Ettah, 2019). There are several problems with grab drivers who use vehicles to pick up customers with different number plates than those listed in the application or drivers don't wear the full attributes of grab in the sense of not wearing a uniform in the form of a jacket from the grab company, so this will reduce customer confidence in drivers because this is a trigger to carry out kidnapping mode cases from drivers who pretend to be grab drivers. Although the grab application seems quite safe because it is monitored from the GPS driver, there is still a sense of anxiety for the user. If the internet from the driver is not good or the mobile phone network is turned off, the grab operation cannot access the GPS to see where the driver is. This is very dangerous for the user if the user is traveling with the driver.

In addition to trust, promotion is also an important factor for customer loyalty. Promotion is one of the ways used by companies to continue to attract customers. By way of promotion, will determine the success of a marketing program. The purpose of promotion is to inform, influence and remind customers about the product being marketed.

According to Wibowo (2016:431) organizational commitment is the feeling, attitude and behavior of individuals who identify themselves as part of the organization, are involved in the process of organizational activities and are loyal to the organization in achieving organizational goals.

According to Kotler and Keller (2014), trust in a company will be formed as long as the company is consistently able to provide value to its customers. Increased trust in what will be given by this customer can form a loyal attitude to the customer.

Promotions given by Grab, through promo codes. The promo code is given every month and given to the Grab application. When using Grab, a code will appear in the form of a trip discount promo. Next, the user must enter the code given to be able to enjoy the trip at a discount. The discounts provided by Grab vary. The promo code cannot be used if the promo period has expired, and does not match the promo criteria that have been determined.

The promo to be used must comply with the applicable regulations. The promo code is only valid for 1 time per trip when making an order. Some promo codes can only be used by certain accounts that are entitled to them and are limited to each day. Promo codes cannot be used after the expiration date.

In addition to promotion, price also affects customer loyalty. According to Kotler and Armstrong (2016:324) defines that price is the amount of money charged for a product or service, or the sum of the value that customers exchange for the benefits or having or using the product or service. Price is the only element of the marketing mix that provides income or income for the company and is flexible. The price factor greatly influences the decision to use services, Grab as a service company offers relatively affordable prices compared to other service companies thus attracting consumers to use their services.

According to Widiana and Negoro (2016:61) states that price is a very important thing that consumers pay attention to in buying products or services. If consumers feel matched with the price offered, then they will tend to make repeat purchases for the same product. This is in accordance with the production concept which states that consumers prefer low-priced products.

Customer loyalty is a customer commitment to persist deeply to re-subscribe or re-purchase the selected product/service consistently in the future, even though the influence of the situation and marketing efforts have the potential to cause behavior change (Gaffar, 2017:134).

Based on the pre-survey that the author did to Universitas Prima Indonesia students that the trust, prices and promotions of Universitas Prima Indonesia students towards Grab experienced problems because many students did not believe in Grab services and the prices provided and also the promotions carried out by Grab were not sufficiently understood because the promotions carried out by giving a discount using a code, it makes students feel bothered because every time they order they have to enter a promotional code that often changes without clear information.

The purpose of this study is to analyze effect of trust, promotion, and price on customer loyalty of Grab application users, case study on students at Universitas Prima Indonesia, Medan.

RESEARCH METHODS

This research is a quantitative descriptive research, namely by quantifying the results of respondents' answers and explaining them through discussing the relationship between variables.

The population of this research is all Universitas Prima Indonesia students who use the Grab application. The sampling technique uses simple random sampling while to determine the number of samples to be studied using the Bernouli method (Sedarmayanti, 2015). So the sample in this study was 96 respondents.

In the needs of this data collection, the techniques that researchers use are:

1. Observation
   This technique researchers do in order to get an overview of the problems that occur in the variables to be studied.
2. Questionnaire
   This technique the researchers did by distributing questions made based on the indicator variables.

This type of data is quantitative data that uses primary data sources obtained from the results of questionnaire answers distributed directly by researchers.

The data analysis technique used multiple linear regression. Multiple linear regression consists of partial (t) and simultaneous (F) hypothesis testing. The t test is used to see partially whether there is a significant effect of the independent variable on the dependent variable (Ghozali, 2016:98). The F test basically shows whether all the independent variables included in the model have a simultaneous effect on the dependent variable (Ghozali, 2016:98).

RESULT
Descriptive Statistical Analysis Results
     The results of this analysis explain the value of n as the survey sample, the minimum value as the minimum value, the maximum value as the maximum value, the average value as the mean value, and the standard deviation.

Table 1. Descriptive Statistical Analysis Results
Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Trust	96	17.00	30.00	23.5417	2.24273
Promotion	96	18.00	30.00	26.5833	1.86190
Price	96	22.00	40.00	33.3021	4.18046
Customer Loyalty	96	26.00	40.00	34.3750	2.85897
Valid N (listwise)	96				

Source: Research Results (2022)

     The results of data processing describe the value of the four variables tested in the descriptive statistical analysis, namely trust, promotion, price, and customer loyalty. The description of the results tested is on customer loyalty with a respondent value of 96. The mean is 34.3750, the minimum value is 26, the maximum value is 40, and the standard deviation is 2.85897. The average value of trust from 96 respondents is 23.5417, the minimum value is 17, the maximum value is 30, and the standard deviation is 2.24273. The average value of promotion from 96 respondents is 26.5833, the minimum value is 18, the maximum value is 30, and the standard deviation is 1.86190. The average value of the price from 96 respondents is 33.3021, the minimum value is 22, the maximum value is 40, and the standard deviation is 4.18046.

Partial (t) Hypothesis Testing Results

Table 2. Partial (t) Hypothesis Testing Results
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	9.364	4.060		2.306	.023
Trust	.102	.111	.080	.916	.362

	.550	.138	.358	3.979	.000
Promotion	.550	.138	.358	3.979	.000
Price	.240	.060	.351	4.001	.000

a. Dependent Variable: Customer Loyalty
Source: Research Results (2022)

The results showed that trust has a positive and insignificant effect on customer loyalty. Promotion has a positive and significant effect on customer loyalty. Price has a positive and significant effect on customer loyalty.

Simultaneous (F) Hypothesis Testing Results

Table 3. Simultaneous (F) Hypothesis Testing Results
ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	261.809	3	87.270	15.599	.000b
	Residual	514.691	92	5.594		
	Total	776.500	95			

a. Dependent Variable: Customer Loyalty
b. Predictors: (Constant), Trust, Promotion, Price
Source: Research Results (2022)

Trust, promotion, and price have a significant effect together on customer loyalty.

CONCLUSION

The results showed that trust has a positive and insignificant effect on customer loyalty. Promotion has a positive and significant effect on customer loyalty. Price has a positive and significant effect on customer loyalty. Trust, promotion, and price have a significant effect together on customer loyalty.

Based on the previous conclusions, the researchers suggest as following:

1. It is recommended to PT. Grab in Medan to increase trust so that consumers are loyal and loyal to the online transportation service purchase decision (GRAB) in Medan.
2. For the Grab Company, it can increase promotions through sales promotions by providing more attractive discount promos and giving gift coupons for free, improve public relations by providing sponsors for positive events in the community. Increase personal selling by offering promotion directly by grab drivers to customers and increase direct

marketing, namely by telling promotional programs to consumers via email, print media or social media.

3. In setting and giving prices to customers, it must be in accordance with the needs and expectations of customers so that customers are satisfied and use Grab services continuously.

4. In increasing customer loyalty, Grab should always pay better attention to the trust, promotions and prices provided. In any case, the customer is a priority. For this reason, customer loyalty is something that must be done.

REFERENCES

Ettah, J. J. P, Nahdya Pingkan. (2019). Pengaruh Kepercayaan, Kepuasan Konsumen, dan Kualitas Pelayanan Terhadap Loyalitas Konsumen dalam Pembelian Mobil pada PT. Hasjrat Abadi Manado. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis, dan Akuntansi, 7.*

Ghozali, Imam. (2016). *Aplikasi Analisis Multivariete dengan Program IBM SPSS 23.* Edisi 8. Cetakan 8. Semarang: Badan Penerbit Universitas Diponegoro.

Griffin, Jill. (2017). *Customer Loyalty, Menumbuhkan dan Mempertahankan Kesetiaan Pelanggan.* Alih Bahasa Dwi Kartini Yahya. Jakarta: Erlangga.

Harumi, Sasha Dwi. (2016). Pengaruh Kepercayaan dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan di Perusahaan Seiko Laundry Medan. *Analitika, 8*(1), 1-12.

Kotler & Keller. (2014). *Manajemen Pemasaran.* Jilid I. Edisi 13. Jakarta: Erlangga.

Kotler & Gary Amstrong. (2016). *Dasar-dasar Pemasaran.* Jilid 1. Edisi 19. Jakarta: Erlangga.

Sedarmayanti. (2015). *Manajemen Sumber Daya Manusia, Reformasi Birokrasi dan Manajemen Pegawai Negeri Sipil.* Cetakan 5. Bandung: Refika Aditama.

Gaffar, Vanessa. (2007). *Customer Relationship Management and Marketing Public Relation.* Bandung: Penerbit Alfabeta.

Wibowo. (2016). *Manajemen Kinerja.* Edisi 4. Jakarta: Rajawali Pers.

Widiana, Erma & Negoro, Bramastyo Kusumo. (2016). Pengaruh Aksesibilitas, Fasilitas, dan Keputusan Pelanggan Terhadap *Loyalitas Pelanggan di Delta Fishing Sidoarjo.*