

The Influence Marketing Mix and Service Quality Towards Word of Mouth and Ride-Service Platform Usage

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ABSTRACT

This study aims to analyze the effect of Marketing Mix and service quality on Word-of-Mouth (WoM) and usage behavior of online transportation service platforms. The research is descriptive with the sampling technique used is simple random sampling, through a survey conducted on 382 samples using questionnaires as research instruments. There are four latent variables in this study, namely marketing mix and service quality as independent variables, word of mouth as intervening variables and use of travel service platforms as dependent variables. The descriptive data obtained was processed using SPSS 24 and the Structural Equation Modeling (SEM) data was processed using SMART PLS. The findings from this study provide insight to online transportation service platform providers in optimizing marketing strategies and improving service quality to increase platform usage. The practical implications of these results can lead to increased user retention and long-term business growth.

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1. INTRODUCTION

In the growing digital age, the app-based transportation service industry has experienced exponential growth. Ride-service platforms have become an integral part of urban life, offering transportation solutions that are more practical, efficient, and affordable compared to conventional methods.

The beginning of the emergence of the ride-service platform pioneered by the Gojek company in 2010 until now there are more and more new platforms that offer online transportation services, such as Grab, Maxim, Uber, InDriver and others. In an increasingly fierce competition, companies

must pay attention to user preferences to stay competitive. In the early phase of the emergence of online transportation in Indonesia, consumers had a very high interest with various preferences including 84.1 percent of consumers thought that online transportation was cheaper, 81.9 percent stated that online transportation was faster, 78.8 percent of consumers stated that online transportation was convenient, and 61.4 percent thought that with online transportation consumers felt safe.

Popularity ride-service platform such as Gojek, Grab, Maxim, Uber, InDriver and the like have triggered a high increase in competition in this industry. In the midst of

intense competition, marketing factors such as Marketing Mix (marketing innovation) plays a leading role in shaping word of mouth and lure potential users. Word-of-Mouth (WOM), or word of mouth, has become an important element in influencing users' preferences and behavior towards platform Ini. Recommendations from friends or family are often considered a highly trusted source of information [1].

States that the marketing mix is a tool that can be applied in the product offering process by a company to influence the sales process. Marketing mix theory, also known as the "4Ps", helps companies plan and manage their marketing strategies by considering four main elements that influence consumer decisions: product, price, promotion, and Place. This Marketing Mix theory is the basic framework that allows companies to integrate these elements effectively to achieve their marketing goals. Studies have shown that the marketing mix has a significant influence on consumer behavior and purchasing decisions, with a positive and significant relationship between consumer behavior, marketing mix, and purchasing decisions [2]. Different elements in the marketing mix synergize to influence consumer behavior and ultimately increase sales [3].

Word of mouth is person-to-person communication between the source of a message and the recipient of a message whereby the recipient of the message receives the message in a non-commercial manner regarding a product, service or brand [4]. Word-of-Mouth (WOM) is the process by which individuals share their information, recommendations, or experiences about a product, service, or brand with others in their social network. It is a form of communication between individuals that is often highly trusted and influences consumer decisions. WOM can be both positive and negative reviews, and both types can have a significant influence on consumer decisions. Therefore, companies must monitor and manage WOM wisely to ensure their brand image remains positive and relevant in the eyes of consumers. WOM can have a significant

influence on consumer behavior and purchasing decisions. Studies have shown that WOM has an impact on consumer buying behavior, and is currently a powerful tool for brand building [5].

No less important, service quality in the context of ride-service platforms is the key to retaining users and winning trust. These factors include driver reliability, speed of service, safety, and overall user experience.

Quality of Service is the extent to which the product or service provided meets or exceeds customer expectations and needs. This is an important aspect in customer experience and plays a key role in influencing user preferences towards a particular brand or service provider. The best service and customer quality level can be achieved consistently by improving service and paying special attention to service performance standards both internal service standards and external service standards. Quality of Service can be measured through various dimensions, including reliability (reliability), responsiveness (responsiveness), guarantee (assurance), empathy (Empathy), and certainty (Tangible). Each of these dimensions covers various aspects of a customer's interaction with a service provider [6]. Studies have shown that service quality can significantly influence usage behavior and customer behavior. For example, a study on e-shopping found that e-service quality has a positive effect on e-satisfaction, which in turn influences consumer behavioral intentions such as site revision, WOM communication, and repurchase [7]. Good Quality of Service can also trigger a positive WOM. Satisfied customers tend to give positive recommendations to others, which can help expand the user base or potential customers [6].

Therefore, this study aims to explore and analyze the role of Marketing Mix, and Service Quality in shaping WOM and user behavior towards ride-service platforms. With a deeper understanding of these key factors, it is hoped that this research can provide valuable insights for ride-service

companies in optimizing marketing strategies and improving user preferences.

2. LITERATURE REVIEW

2.1 Marketing Mix

Marketing Mix also known as 4P (Product, Price, Place, Promotion) is a conceptual framework used in marketing to manage and optimize product or service marketing strategies. These four elements are interrelated and influence each other to achieve the company's marketing goals. Here is a brief explanation for each element:

- Product, this includes features, benefits, quality, brand, design, and everything related to the product or service to be marketed. It is important to understand the needs and desires of the target market so that the product can be designed and customized appropriately.
- Price, proper pricing is very important because it will affect the perception of product value by customers, and will affect the company's bottom line. Pricing strategies can involve discounts, package deals, and competitive pricing in the market.
- Place or Distribution, these factors include distribution channels, distribution strategies (whether through physical stores, e-commerce, agents, or distributors), sales locations, and global distribution strategies.
- Promotion, this includes various promotional activities such as advertising, direct marketing, social media marketing, sales promotion, trade shows, and various other types of promotional campaigns.

Aside from 4P, more modern models have proposed extensions such as 7P or 8P, with additional elements such as Browse (People), Processes (Process), Physical Evidence (Physical Evidence), and so on. This is done to accommodate the additional complexity involved in modern marketing.

The marketing mix can also be used to strengthen consumer-oriented marketing strategies that go beyond product-focused marketing approaches [8].

2.2 Service Quality

Service Quality Theory encompasses a variety of approaches and frameworks for understanding, measuring, and improving the quality of services provided by organizations. This theory identifies five important dimensions of service quality [9]:

- Tangibles (Physical Evidence). It refers to the physical aspects associated with services, such as physical facilities, equipment, and employee appearance. This physical evidence can affect customers' perception of service quality.
- Reliability. This includes an organization's ability to provide reliable and consistent service. Customers expect that services will be provided correctly and in accordance with promises that have been made.
- Responsiveness. Responsiveness refers to the extent to which an organization responds quickly to customer needs and requests. Responsive service reflects a willingness to help customers as quickly as possible.
- Assurance. This relates to the ability of staff to provide trust and confidence to customers those services will be provided well. It involves employee competence, trust, and a sense of security felt by customers.
- Empathy. Empathy focuses on the extent to which the organization and its staff can understand and respond to customer feelings, needs, and wants. It involves trying to understand the customer's perspective.

2.3 Word of Mouth

Word of Mouth (WOM) is the process by which information, recommendations, or experiences about a product or service are disseminated from individual to individual

through oral communication. It is one of the most powerful forms of marketing because it is based on interpersonal trust and social influence [10].

2.4 *Consumen Behaviour*

Consumer behavior theory is a conceptual framework used to understand how individuals and groups make purchasing decisions and use products or services. This theory attempts to explain the factors that influence consumer behavior, including motivation, perception, attitude, and environmental factors. One of the main factors is about decision making. The consumer decision-making process involves several stages, including need recognition, information retrieval, alternative evaluation, decision making, and post-purchase evaluation.

3. METHODS

This research was conducted on students of Nusa Putra University in Sukabumi Regency, West Java for two (2) months from September to November 2023. The sample was chosen because it can represent the preferences or behaviors of online transportation users. The research approach used is a descriptive quantitative approach with survey methods. The sampling technique used in this study is simple random sampling using the formula from slovin, which is as follows.

$$n = \frac{N}{1+N(e)^2}$$

$$n = \frac{8600}{1+8600(0,05)^2}$$

$$n = \frac{8600}{1+8600(0,0025)}$$

$$n = \frac{8600}{1+21,5}$$

$$n = \frac{8600}{22,5}$$

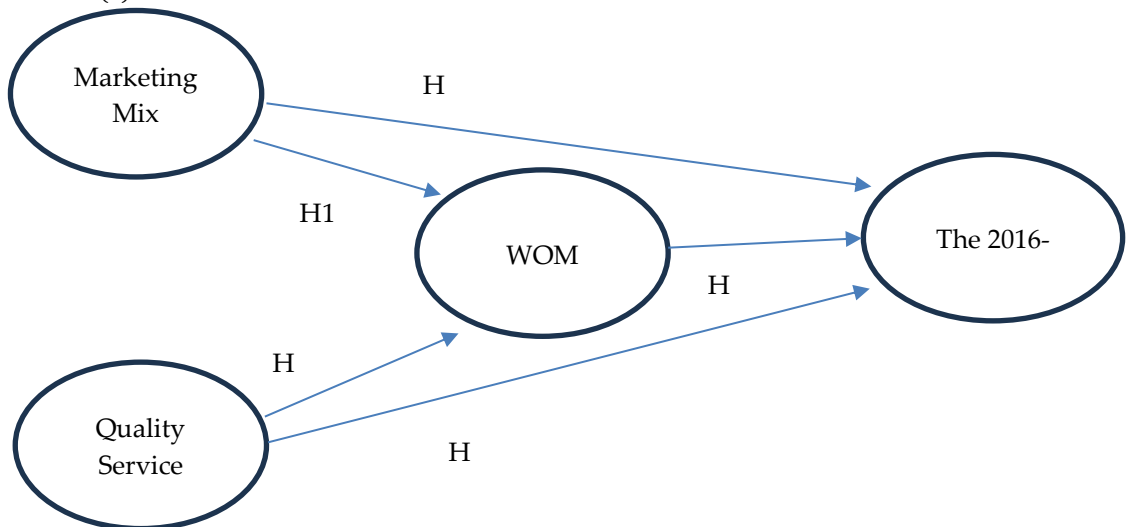
$$n = 382,22$$

$$n = 382$$

From the results of these calculations, it can be determined the number of samples as many as 382 people. The data used in this study were primary data using questionnaire instruments filled out by respondents. The primary data referred to in this case is research, such as respondent data regarding the use of online travel services in the form of demographic characteristics, vehicle ownership, usage behavior, marketing mix, word of mouth, and service quality. Furthermore, the processing of data in this study was carried out with several analyses. The analyses used include descriptive analysis using SPSS 24, and Structural Equation Modeling (SEM) using AMOS.

Framework This research is based on a review of existing theories in a study and based on several previous studies. In several previous studies, marketing mix and service quality are inseparable components in influencing word of mouth and consumer behavior to consume a good or service [11].

The framework in this study is as follows:



Based on this research framework, several hypotheses can be determined including:

H1 : There is a positive and significant influence of perceived value on WOM

H2 : There is a positive and significant influence of quality service on WOM

H3 : There is a positive and significant influence of perceived value on usage behaviour

H4: There is a positive and significant influence of service quality on usage behavior

H5 : There is a positive and significant influence of WOM on usage behaviour

4. RESULTS AND DISCUSSION

4.1 Hypothesis Testing

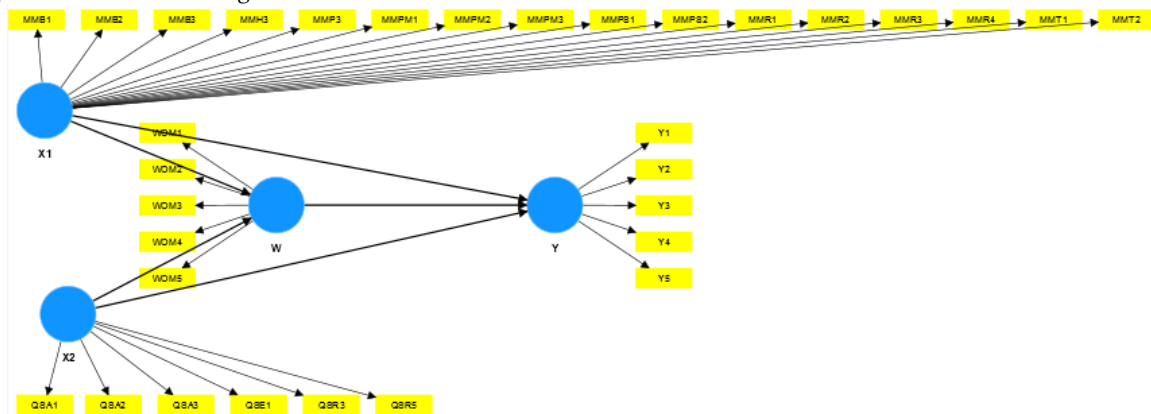


Figure 1. Research Model

The hypothesis of the relationship between each variable is tested through simulation and sample bootstrapping techniques if using the PLS method.

Abnormal data problems can be minimized through this bootstrap test, with a research model as illustrated in Figure 1. The following researchers present the test results:

Result For Inner Weights

| | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (O/STDEV) | P values |
|--------|---------------------|-----------------|----------------------------|--------------------------|----------|
| W → Y | 0.138 | 0.138 | 0.047 | 2.909 | 0.004 |
| X1 → W | 0.133 | 0.136 | 0.059 | 2.267 | 0.023 |
| X1 → Y | 0.284 | 0.286 | 0.055 | 5.166 | 0.000 |
| X2 → W | 0.375 | 0.378 | 0.057 | 6.627 | 0.000 |
| X2 → Y | 0.407 | 0.405 | 0.056 | 7.217 | 0.000 |

If the value of t-statistic > 1.966 (t table significance 5%) then it is declared significant effect. H0 is rejected because all variables have P values that value > 0.05.

4.2 Marketing Mix (X1) terhadap Used Behaviour (Y)

From the results above, the Original Sample value is 0.284, meaning that Marketing Mix and Used Behavior have a positive relationship, meaning that if the marketing mix value increases by 1%, then Used Behavior increases by 1%. T-statistical testing on the effect of marketing mix variables on used behavior > table t values of 5.166 > 1.966 and p-values of < 0.05 (5%), namely 0.000 < 0.05 which means that there is

a positive and significant influence of marketing mix on used behavior so that H0 is rejected and H1 is accepted.

Marketing mix, which consists of four main elements, namely product, price, place (distribution), promotion, process and physical evidence (physical and appearance) can have a significant influence on consumer usage behavior in online transportation services. First, the features and quality of online transportation services can influence consumers' decisions to use these services repeatedly. Clarity of differentiation between services from different providers can also be a determining factor.

Second, the structure of fares, discounts, and promotions can affect consumers' value perception of ride-hailing services. Competitive prices or special offers can encourage consumers to use the service more often.

Third, the availability of services in various regions and the availability of vehicles can affect the comfort and speed of service response. Good availability can increase consumer satisfaction and encourage more frequent use.

Fourth, promotional strategies, such as advertising, loyalty programs, or cooperation with third parties, can affect consumer awareness of online transportation services.

4.3 Marketing Mix (X1) terhadap Word of Mouth (W)

From the results above, the Original Sample value is 0.133, meaning that Marketing mix and word of mouth have a positive relationship, meaning that if the value of marketing mix increases by 1%, then word of mouth increases by 1%. T-statistic testing on the effect of marketing mix variables on word of mouth > table t values of $2.267 > 1.966$ and p-values of < 0.05 (5%), namely $0.023 < 0.05$ which means that there is a positive and significant influence of marketing mix on word of mouth so that H0 is rejected and H1 is accepted.

Quality of service and a positive user experience can be a positive topic of conversation among consumers. If a ride-hailing service offers excellent features or innovations that set it apart from competitors, consumers may be more likely to share their positive experiences with others. Competitive pricing strategies or special discounts can motivate consumers to share information regarding profitable offers. If consumers feel like they're getting good value for their money, they may be more likely to tell their friends or family. The availability of ride-hailing services in different regions can increase consumers' chances of talking about the practicality and availability of such services. Wide availability can create a positive impression and spark conversations

between consumers. Promotional efforts, such as referral programs, incentives for new users, or loyalty programs, can stimulate consumers to share their experiences. This program can create additional motivation to speak positively about service to others.

4.4 Quality Service (X2) terhadap Used Behavior (Y)

From the results above, the Original Sample value is 0.407, meaning that Quality service and used behavior have a positive relationship, meaning that if the value of quality service increases by 1%, then used behavior increases by 1%. T-statistic testing on the effect of quality service variables on used behavior > table t values of $7.217 > 1.966$ and p-values < 0.05 (5%), which is $0.000 < 0.05$ which means that there is a positive and significant influence of quality service on used behavior so that H0 is rejected and H1 is accepted.

Quality of service has a significant influence on consumer usage behavior. High quality of service generally contributes to customer satisfaction. Consumers who are satisfied with the service tend to use the service repeatedly and can even become loyal customers. Customer satisfaction is an important factor that drives positive usage behavior. Consistent and reliable service quality builds consumer trust in service providers. This trust can then motivate consumers to continue using the service and provide recommendations to others, increasing positive word-of-mouth. Quality of service includes ease of use and accessibility. Easy-to-use services with intuitive interfaces can improve consumer convenience and encourage more frequent use. Services that are responsive to customer needs, including handling complaints quickly and effectively, can increase customer loyalty. Consumers who feel heard and valued are more likely to continue using the service.

Service providers who are constantly innovating and striving to improve the quality of their services can create an engaging experience for consumers. Innovations can include feature improvements, technologies, or service

updates, which can motivate consumers to continue using the service. Good quality service can form a positive brand image. Consumers who have a positive perception of the brand tend to choose and use the service repeatedly. In order to improve usage behavior, service providers need to understand consumer needs and expectations and be committed to providing high-quality service. Good service quality not only increases customer satisfaction but also builds long-term relationships with consumers.

4.5 Quality Service (X2) terhadap Word of Mouth (W)

From the results above, the Original Sample value is 0.375, meaning that Quality service and word of mouth have a positive relationship, meaning that if the value of quality service increases by 1%, then word of mouth increases by 1%. T-statistical testing on the effect of quality service variables on word of mouth > table t values of $6.627 > 1.966$ and p-values of < 0.05 (5%), namely $0.000 < 0.05$ which means that there is a positive and significant influence of quality service on word of mouth so that H0 is rejected and H1 is accepted.

Quality of service has a strong influence on Word of Mouth (WOM), which is the extent to which people talk about a product or service. High quality of service tends to create a positive experience for customers. Customers who are satisfied with the service are more likely to speak positively about it to others. Positive experiences become the basis for positive recommendations and testimonials. Consistent and reliable service quality shapes customer trust in the brand or service provider. This trust is a key element in positive WOM. Consumers who believe in quality service will be more likely to share their experiences with others. Customer satisfaction resulting from good service quality can trigger positive feelings. People who are satisfied with a service have a tendency to share their experiences, either directly with friends and family or through online platforms. Customers who experience good quality service tend to give active

recommendations to others. They can refer friends, family, or coworkers to use the same service, which in turn increases positive Word of Mouth. Quality of service can also affect Word of Mouth on online platforms, such as customer reviews on websites, social media, or online forums. Satisfied customers are more likely to write positive reviews and share their experiences, which can reinforce a positive brand image. Consistent service quality can create a long-lasting effect in shaping a brand image. Consumers who continue to receive excellent service can become loyal supporters of the brand and actively contribute to positive Word of Mouth. In the context of marketing, positive Word of Mouth empowerment through quality of service can be a valuable asset to build brand reputation and support business growth. Therefore, maintaining and improving service quality is an important strategy to stimulate positive Word of Mouth.

4.6 Word of Mouth (W) terhadap Used Behavior (Y)

From the results above, the Original Sample value is 0.138, meaning that Word of mouth and used behavior have a positive relationship, meaning that if the value of word of mouth increases by 1%, then used behavior increases by 1%. T-statistic testing on the effect of word-of-mouth variables on used behavior > table t values of $2.909 > 1.966$ and p-values of < 0.05 (5%), namely $0.004 < 0.05$ which means that there is a positive and significant influence of word of mouth on used behavior so that H0 is rejected and H1 is accepted.

Word of Mouth (WOM), has a strong influence on consumer usage behavior. Word of Mouth can build or strengthen consumer trust in a product or service. Recommendations from friends, family, or coworkers tend to be more trustworthy than information received through ads or direct promotions. High trust can encourage consumers to try or continue to use the product or service. When a person hears or receives positive recommendations from others, especially from those considered an important social group (for example, close

friends, family, or influential figures), it can exert positive social pressure to use the product or service. Word of Mouth not only serves as a source of information, but also influences consumer emotions. Personal testimonials or stories of positive experiences can trigger positive feelings and make consumers feel connected to a particular brand or product. This emotional influence can motivate more intensive use behavior. Recommendations from voice-names can create urgency to try or buy those products or services. If a person hears that a product or service has provided a positive benefit or experience to others, it can increase the consumer's priority to try the same product or service. Positive Word of Mouth can have a long-term impact on repeat purchase decisions. If consumers are satisfied with previous use based on recommendations from others, they are more likely to continue using the product or service. Word of mouth can influence a consumer's perception of value to a product or service. Positive recommendations can provide confirmation that the use of the product or service provides value comparable to or even exceeds expectations, which can motivate more frequent usage behavior. In order to achieve positive Word of Mouth influence, service or product providers need to focus on providing a satisfying experience to customers and creating a positive relationship with them. Creating an environment that supports

positive talk can help in forming positive usage behaviors.

5. CONCLUSION

The mix of marketing and service quality variables has a significant effect on Word of Mouth and Used Behavior. Both independent variables have a large role in the expansion of products or services with word of mouth that can quickly reach consumers so that they can influence consumer decisions and behavior in using online transportation services, for example in the marketing mix shows consumers consider price as the main reason, while in word of mouth There are recommendations from people closest to you about the experience of using online transportation services.

Recommendations

In this study, marketing mix variables use six approach factors that exist in the service marketing mix. Therefore, it is likely that future research will incorporate some additional factors into the marketing mix that has been developed at this time. In addition, the three online taxi brands studied in this study are Grab, Go-jek, and InDrive. However, if there are other transportation service brands that are frequently used by customers in the future, further research can examine the transportation service brand thoroughly within one company or as a whole.

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