

## THE IMPACT OF PERCEIVED VALUE AND SERVICE QUALITY ON CUSTOMER SATISFACTION AND INTENTION TO USE APPLICATION-BASED TRANSPORTATION

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### ABSTRACT

Competition in mobile-based transportation increases sharply with the many new application-based transportation providers joining the competition. To win the competition, application-based transportation providers need to find strategies to improve consumers' intention to use their applications. This study aims to examine the impact of Perceived Value and Service Quality on Customer Behavior and Intention to Use and Online Transportation in Jakarta and its surrounding areas. This study is a quantitative study using an online survey questionnaire distributed to 190 respondents in Jakarta and its surrounding areas. This study employs Structural Equation Modeling - Partial Least Square (SEM-PLS) using SmartPLS 3.3.2 for data analysis. According to the findings of the study, perceived value positively influences customer satisfaction and intention to use mobile application-based transportation. The finding also reveals that service quality has a positive influence on customer satisfaction but has no positive influence on behavioral intention. Thus, this study empirically underscores the importance of customer satisfaction in influencing the intention to use application-based transportation. It is then recommended that mobile-based transportation companies continuously improve customer satisfaction through perceived values and service quality.

**Keywords:** Service Quality; Perceived Value; Customer Satisfaction; Behavioral Intention

## INTRODUCTION

The rapid development of digital technology has transformed many aspects of our day-to-day lives more rapidly than any other breakthrough in human history (United Nations, 2020). By enhancing vast and fast connectivity, digital technology has also benefitted the commercial sector, like application-based transportation (ABT), which has become an inseparable part of urban society in emerging countries. ABT offers mobility convenience at affordable fares. This type of transportation is perceived to offer more value than conventional transportation services (Pasaribu et al., 2018). First, ABT offers a wide range of features: tracking location, online payment, and 24/7 ordering and pickup service. All this can be done through the convenience of the consumer's smartphones. Another convenience of ABT over conventional transportation is transparent pricing. Consumers don't need to negotiate on the fare, that is already displayed in the application. Finally, ABT offers in-app customer support that enables users to report any inconveniences regarding the drivers, the service, and the applications. All these conveniences have triggered many people to convert to ABT. This makes ABT a lucrative industry that invites new players to the competition. Positive perceived value of consumers impacts the customer satisfaction to choose ABT over conventional transportation (Dewi & Rakhmatulloh, 2018). The benefits are not only enjoyed by consumers but also by the ABT providers.

In addition to the positive perceived value of the consumers, the adoption of ABT is also influenced by service quality. Previous studies confirmed the positive impact of service quality on customer satisfaction and behavioral intention to use a certain product or enjoy a certain type of service (Salameh & Hassan, 2015; Stiakakis & Georgiadis, 2011; Silalahi et al., 2017). Service quality is important as it can meet the needs of the customers (Dedeke, 2003). It is critical for businesses because it has a positive impact on customer's intention to purchase a certain product or enjoy a certain type of service, such as ABT (Parasuraman et al., 1985). In ABT, service quality can be measured from customer in-app reviews and customer feedback.

Another factor that influences the behavioral intention to use ABT is customer satisfaction (Kurniawan & Puritama, 2020). Customer satisfaction is critical for any business to achieve competitive advantage (Dwaikat et al., 2019). In the application-based transportation industry, customer satisfaction plays a central role in the success of the business. With the tight competition in this industry, keeping customers satisfied is crucial to winning the competition.

In Indonesia, there are numerous ride-hailing application-based transportation service providers. ABT services have been in operation in this country since 2010, which eventually gained public acceptance in 2014 (Pratama et al., 2017). Currently, there are two ABT providers that dominate the market in Indonesia: Gojek (founded in 2020 by Nadiem Makarim) and Grab (founded by Anthony Tan in Singapore). The subject of this study is Grab online transportation which is currently facing fierce competition in the industry. A survey conducted by the Institute for Development in Economics and Finance found that 82% of ABT users still select Gojek (the main competitor of Grab), while only 53% select Grab (Citro & Kumala, 2022). The rest of the customers use other ABT providers. Thus, it is critical to understand the factors that impact the behavioral intentions of users to adopt Grab ABT to expand their customer base by attracting new users. Therefore, this study is conducted with the aim of uncovering how perceived value, service quality, and customer satisfaction affect behavioral intentions to use Grab ABT.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### **Technology Acceptance Model (TAM)**

This theory offers a model to examine the acceptance of a new technology (Davis, 1989). TAM involves Perceived Ease of Use, Perceived Usefulness, Attitude, Behavioral Intention, and Actual Use or Acceptance of the new technology. Perceived ease of use is the degree of ease of

using the technology. Perceived Usefulness is the perception of a user that using the technology is useful to improve the user's performance. Attitude toward using the technology is defined as the user's evaluation of using the technology. Behavioral intention refers to the tendency or desire to use the technology in the future (Davis, 1989; Christina et al., 2018).

### **Service Quality**

Service quality is critical for the sustainability of the performance of an organization. It refers to the comparisons between customers' expectations of service quality and the actual service quality experienced (Parasuraman, et al., 1988). They suggest five dimensions of service quality (SERVQUAL): Tangible (physical facilities and resources); Reliability (accuracy and reliable service); Responsiveness (prompt action to serve customers); Assurance (ability to develop trust and certainty); and Empathy (ability to relate to the customer's problems). E-service quality can be viewed from two perspectives: the company's side, and the customer's side.

### **Perceived Value**

Zeithaml (1988) discussed perceived value as customers' overall evaluation of a product or service based on their perception of the benefits received and the cost spent to get the product or service. According to Dewi and Utami (2020), customer-perceived value is a comparison of the results obtained by consumers with the products of producers. Thus, perceived value refers to the consumer's evaluation of what is fair, true, or appropriate for the costs incurred by consumers, so the perceived value can be seen from the results of evaluating the benefits and sacrifices made to something that is offered. To gain perceived value there is a need to provide a customer environment that meets their expectations, the consequences will result in a higher customer perceived value (Sweeney & Soutar, 2001). In this study, perceived value is defined as the gap between the amount of value of a product perceived by customers and the sacrifice to enjoy the product or service (Dubey & Sahu, 2019).

### **Customer Satisfaction**

Consumer satisfaction is customers' pleasure or disappointment resulting from the actual performance of a product or service compared to customers' expectations (Kotler & Keller, 2009). The performance of a product or service that meets customers' expectations will result in customer satisfaction. Performance that goes above customers' expectations will make customers very satisfied (Irawadi, 2015). In conclusion, customer satisfaction refers to the state of customers' satisfaction and joy felt by the customer, derived from a product or service that can meet or even go beyond their expectations.

### **Behavioral Intention**

Behavioral intention is the tendency of a customer to purchase a product or service (Purwianti & Tio, 2017). Customers' behavioral intention has been proven by previous studies to have the ability to predict the actual purchase or use behavior of customers (Carlson & O'Cass, 2010; Purwianti & Tio, 2017).

### **Service Quality and Customer Satisfaction**

Previous studies found that higher service quality will drive higher customer satisfaction in enjoying a certain product or service (Kotler & Keller, 2009; Suhendra & Yulianto, 2017). Providing consistent quality of service can shape consumer satisfaction, which will eventually be beneficial for a company in the long run: they can improve customer relationships and drive positive word of mouth (Irawadi, 2015). Consistent service quality that leads to the development of customer satisfaction is also crucial for achieving sustainable competitive advantage (Alnaser, 2014). Good service quality will help the company boost high customer satisfaction, which will

result in repeat orders and increased profitability (Parasuraman, 2000; Rao and Keller, 1997; Alnaser, 2014). These previous studies are the basis for the formulation of the following hypothesis.

H1. Service quality positively influences customer satisfaction.

### **Service quality and Intention to use Grab online transportation**

Customers who experience good quality service tend to show positive behavior towards the service (Yunitarini, 2010), for example: by spreading positive word of mouth, and recommending friends and relatives to use the service. Other previous research found a positive influence of service quality on behavioral intention (Loanata & Dasmasele, 2015; Tandijaya, 2018). These studies confirm that service quality will drive customers to have the intention to purchase a product or service. The following hypothesis is then formulated based on the results of the previous studies.

H2. Service quality positively influences the Intention to use Grab online transportation.

### **Perceived value and customer satisfaction**

Perceived value describes customers' evaluation of the gap between benefits and sacrifices they expect to experience when obtaining a certain product or service (Adriani & Warmika, 2019). A high customer perceived value boosts high customer satisfaction (Dubey & Sahu, 2019). Therefore, providing more value (e.g., price value, convenience, and ease of use) will make customers feel more satisfied with the product or service (Faryabi et al., 2012). In the application-based transportation industry, customer satisfaction is considered central to improving profit and market share, it is important to satisfy customers by improving perceived value. Thus, the following hypothesis is formulated.

H3. Perceived value positively influences customer satisfaction.

### **Perceived value and intention to use Grab online transportation**

Previous studies confirm that customer perceived value can positively drive customers to have the intention to purchase a certain product or service. This suggests a positive impact of perceived value on the behavioral intention to use or purchase a certain product or service (Ryu et al., 2008; Widiana & Sukawati, 2016). Other previous studies also found that perceived value has a significant effect on behavioral intentions (Andriani & Warmika, 2019; Sari & Triyaningsih, 2015; Chen & Tsai, 2007). In the online transportation industry, perceived value is also found to have a positive influence on the intention to use online transportation (Simanjuntak et al., 2020). Thus, the fifth hypothesis in this research is formulated as follows.

H4. Perceived value positively influences the intention to use Grab online transportation.

### **Customer Satisfaction and Intention to use Grab online transportation**

Satisfied customers will spread the good news and recommend the service and product to influence other people's intention to purchase or use the recommended product or service (Farida, 2014). On the other hand, dissatisfaction will result in the spreading of negative word-of-mouth or switching to other providers (Yunitarini, 2010). Thus, companies need to boost customer satisfaction and minimize customer dissatisfaction to encourage more intention to use or purchase their products (Faryabi et al., 2012). This is confirmed by the study that found a positive significant influence of customer satisfaction on behavioral intentions (Dwaikat et al. 2019). This is also applicable in application-based transportation, such as Grab online transportation: Satisfied customers will positively impact their behavioral intention (Kurniawan & Puritama, 2020). The

results of previous studies conclude that customer satisfaction is linked to behavioral intention. Therefore, the sixth hypothesis in this study is developed.

H5. Customer Satisfaction positively influences the intention to use Grab online transportation.

### Research Model

The following research model is developed from the previously discussed hypotheses.

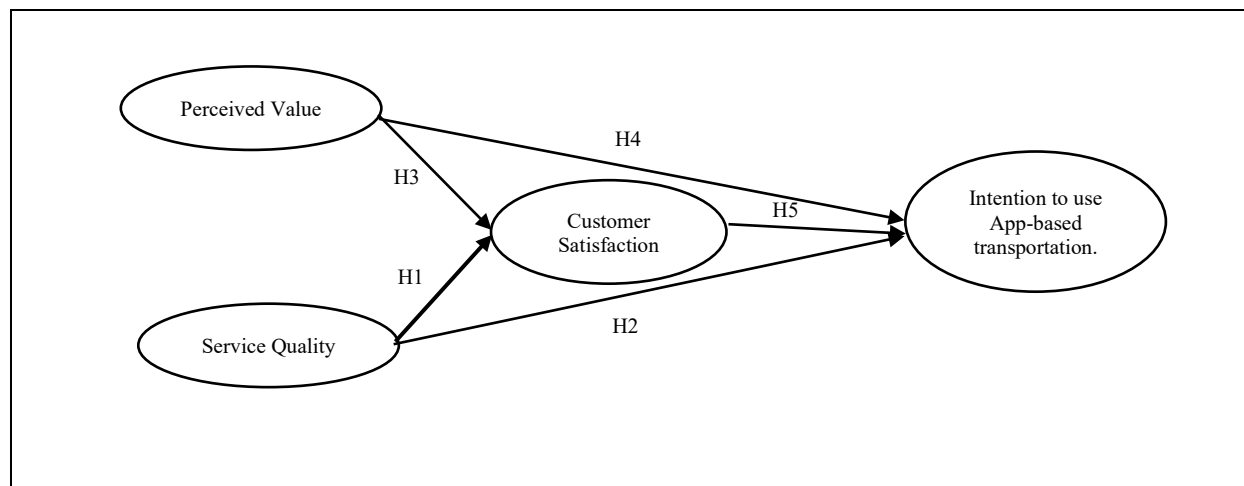


Figure 1. Research model used in this study

## RESEARCH METHODS

### Research Paradigm

This research applied a quantitative study to describe the observed phenomena in an objective way (Sekaran & Bougie, 2016). The analysis was conducted using numerical data to test the research hypothesis formulated in this study.

### Population and Sample

The population involved Grab online transportation users. The samples were recruited using purposive sampling, with the following criteria: Have used Grab online transportation service at least 1 time, residing in the Jabodetabek area, and are a minimum of 15 years old. The sample size was determined by using inverse square roots (Kock & Hadaya, 2018) which suggests 160 respondents. This study recruited 190 respondents (above the minimum sample size suggested by Kock & Hadaya (2018)).

### Data Collection and Data Analysis

An online survey questionnaire was used as the instrument for data collection. The data analysis was conducted using Structural Equation Modelling (SEM) with 5% level of significance, and a Critical Ratio (CR) of 1.96.

## RESULTS AND DISCUSSION

### Profile of Respondents

There are 190 respondents participating in the study. In terms of gender, the majority of the respondents are female (123 respondents or 64.7%). In terms of age, the majority are millennials or between 20–40 years old (83.7%). Respondents are mostly students (131 respondents or 68.9%).

## Research Instrument

This study used a survey questionnaire as the research instrument. The questionnaire is distributed as an online survey. The only survey used a Likert scale with 1 indicating completely disagree and 5 completely agree. The measures of variables and indicators of each variable are presented in the following table.

**Table 1. Measures of constructs**

No	Variable	Items	Source
1	Service Quality	1. Tangible: (SQ1) The quality of GRAB transportation is great (SQ2) The quality of service from the GRAB application is perfect 2. Reliability: (SQ3) The transportation services provided by GRAB are on time 3. Responsiveness: (SQ4) GRAB driver quickly responds to customer orders 4. Ease of Use: (SQ5) GRAB application is easy to use (User-friendly) (SQ6) The GRAB online transportation is equipped with GPS feature, so it's easy to find out where the driver is when I order 5. Privacy: (SQ7) Transaction security with GRAB is guaranteed (SQ8) GRAB application can protect personal information (for example: name, address, phone number, credit card)	Purwianti & Tio (2017); Tandijaya (2018)
2	Perceived Value	1. Functional: (PV1) The quality of service provided by GRAB online transportation is proportional to the price paid 2. Social (PV2) Using online transportation services from GRAB made a good impression on me. 3. Emotional (PV3) GRAB online transportation provides comfort in its services. (PV4) The experience of using the GRAB online transportation service gives pleasure.	Tandijaya (2018)
3	Customer Satisfaction	1. Fulfillment: (CS1) The service provided by GRAB online transportation has met my needs. 2. Pleasure: (CS2) I am satisfied with the GRAB online transportation service. 3. Relief: (CS3) Customers are satisfied with the price and service offered by GRAB because it meets customer expectations. 4. Ambivalence: (CS4) Satisfied customers have confidence in the services provided by GRAB online transportation	Tandijaya (2018); Purwianti & Tio (2017)
4	Behavioral Intention	1. Loyalty: (BI1) I will not consider switching to an online transportation application other than GRAB 2. Recommendation: (BI2) I will say positive thoughts about GRAB online transportation service (BI3) I will recommend GRAB online transportation service to others 3. Pay a Premium Price: (BI4) I am willing to pay more for another premium feature of GRAB online transportation services	Tandijaya (2018)

## Measurement Model

The reliability and validity tests were conducted in the measurement model, in the following order and with the following minimum value to meet the criteria of being reliable and valid. (Sekaran & Bougie, 2016). First, the Average Variance Extracted (AVE) should be more than 0.5. Next, the outer loading of each indicator should be more than 0.6. Finally, the Discriminant Validity should be calculated by finding the root of the correlation value of each variable and should be more than the cross-squared correlation of the variable compared with other variables in the study. Below are the results of the tests conducted for this study.

**Table 2. Convergent Validity**

Variables	Indicator	Convergent Validity			
		Outer Loading (> 0.7) but (0.5 < x < 0.7) Acceptable	Results	AVE (> 0.5)	Results
Behavioral Intention (BI)	BI1	0.660	Acceptable	0.592	Valid
	BI2	0.865	Valid		
	BI3	0.827	Valid		
	BI4	0.708	Valid		
Customer Satisfaction (CS)	CS1	0.805	Valid	0.726	Valid
	CS2	0.836	Valid		
	CS3	0.873	Valid		
	CS4	0.891	Valid		
Perceived Value (PV)	PV1	0.822	Valid	0.712	Valid
	PV2	0.870	Valid		
	PV3	0.869	Valid		
	PV4	0.813	Valid		
Service Quality (SQ)	SQ1	0.729	Valid	0.503	Valid
	SQ2	0.757	Valid		
	SQ3	0.745	Valid		
	SQ4	0.741	Valid		
	SQ5	0.643	Acceptable		
	SQ6	0.691	Acceptable		
	SQ7	0.650	Acceptable		

Source: Processed Data for this study

The convergent validity is considered valid if the outer loading value > **0.70** (Abdillah & Hartono, 2015). The outer loading is acceptable if the value falls between **0.5 > x < 0.7**. Finally, the Average Variance Extracted (AVE) must be > **0.5**. Table 2 confirms that all indicators of all the variables in this study have met the criteria of being valid. The next table shows the results of the Discriminant Validity test.

**Table 3. Discriminant Validity with Heterotrait-Monotrait Ratio (HTMT)**

	<b>Behavioral Intention</b>	<b>Customer Satisfaction</b>	<b>Perceived Value</b>	<b>Service Quality</b>
<b>Behavioral Intention</b>				
<b>Customer Satisfaction</b>	0.805			
<b>Perceived Value</b>	0.821	0.866		
<b>Service Quality</b>	0.686	0.855	0.850	

Source: Processed Data for this study

HTMT value must be smaller than 0.9 to be considered valid. The results of the HTMT value (Table 3) on each variable in this study (Behavioral Intention, Customer Satisfaction, Perceived Value, and Service Quality) with the values of all variable correlation have met the discriminant validity criteria with partially established for values approaching less than 0.90 and accepted for exceeding 0.90.

**Table 4. Composite Reliability Actual Results**

<b>Variable</b>	<b>Composite Reliability</b>	<b>Rule of Thumb</b>	<b>Result</b>
<b>Behavioral Intention</b>	0.852	> 0.70	Reliable
<b>Customer Satisfaction</b>	0.913		Reliable
<b>Perceived Value</b>	0.908		Reliable
<b>Service Quality</b>	0.876		Reliable

Source: Processed Data for this study

Table 4 confirms that all variables are considered reliable as the Cronbach Alpha values are all more than 0.7 (Sekaran & Bougie, 2016). In conclusion, the model can be considered valid and reliable and can proceed to the next step (Structural Model).

### **Structural Model**

The first is a test of Multicollinearity, which is a statistical phenomenon that is often found in which two or more independent variables in the multiple regression model are very correlated (Sekaran & Bougie, 2016, p. 316). The threshold value of the structural VIF coefficients should not be higher than 4.0 (Garson, 2016, p. 71). Table 5 below shows that the VIF values are all less than 4. Thus, we can conclude there is no multicollinearity issue, or the model is free from common bias.



**Table 5. Multicollinearity test**

Variables	Variance Inflation Factor
Behavioral Intention - Customer Satisfaction	1.290
Behavioral Intention - Perceived Value	2.145
Behavioral Intention - Service Quality	2.145
Customer Satisfaction - Perceived Value	2.313
Customer Satisfaction - Service Quality	2.313
Perceived Value - Service Quality	1.016

Source: Processed Data for this study

### Coefficient of Determination (R<sup>2</sup>)

Coefficient of determination or R-square statistically reflects the explanatory power of the independent variables towards the dependent variables.

**Table 6. Coefficient of Determination (R<sup>2</sup>)**

Variable	R square	Results
Behavioral Intention	0.542	Moderate
Customer Satisfaction	0.635	Moderate

Source: Processed Data for this study

The R<sup>2</sup> of Behavioral Intention is 0.542. This means that the Perceived Value, Customer Satisfaction, and Service quality can moderately explain the changes in behavioral intention by 54.2%. The rest is explained by variables outside this study. The R<sup>2</sup> of Customer Satisfaction is 0.635, meaning that Service Quality and Perceived can moderately explain 63.5% of the changes in Customer Satisfaction.

### Hypothesis Test

The next test is the hypothesis test. The criteria that should be met to be significant and supported are p value < 0,05, and t-test > 1.645 (Ghozali & Latan, 2015). The test used a one-tailed test to indicate the direction of the influence and 0.05 significance level, with 500 bootstrap samples using Smart PLS 3.

**Table 5. Hypothesis Test**

Hypothesis	Path Coefficient	T-Statistics (>1.645)	P-Value (<0.05)	Hypothesis Analysis
H1: Service Quality positively influences customer satisfaction of Grab online transportation users	0.385	5.052	0.000	Significantly Positive and Supported
H2: Service Quality positively influences the behavioral intention of Gran online transportation users.	0.015	0.199	0.421	Not Significantly Positive and Not Supported
H3: Perceived Value positively influences Customer Satisfaction of GRAB online transportation users	0.471	5.058	0.000	Significantly Positive and Supported
H4: Perceived Value positively influences Behavioral Intention of GRAB onlinetransportation users	0.395	4.096	0.000	Significantly Positive and Supported

H5: Customer Satisfaction positively influences the Behavioral Intention of GRAB online transportation users	0.379	3.808	0.000	Significantly Positive and Supported
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Source: Processed Data for this study

The hypothesis test results presented in the above table confirm that four hypotheses (H1, H3, H4, H5) are found to be significant and supported. However, Service quality is not found to positively influence Behavioral Intention (H2).

## DISCUSSION

This study found that the first hypothesis is significant and supported: Service Quality positively influences Customer Satisfaction of GRAB online transportation users. This is confirmed by the t-value of  $5.052 > 1.645$ , the p-value of  $0.000 < 0.05$ , and the path coefficient is 0.385. This result is supported by a previous by Suhendra and Yulianto (2017), which also found that service quality positively impacts customer satisfaction. This means that the improvement in service quality may trigger an improvement in customer satisfaction. Colgate and Danaher (2000) and Lupiyoadi (2013) also confirm the positive influence of service quality on customer satisfaction. Providing consistent Service quality is beneficial to increase customer satisfaction. This will lead to many benefits: improved customer relationships, positive word of mouth, and increased purchases (Tjiptono & Chandra, 2006, p. 61; Irawadi, 2015).

The study found a different result with the second hypothesis: Not significant and not supported. Thus, Service Quality is not found to positively influence the Behavioral Intention of GRAB online transportation users. Service Quality towards Behavioral Intention has a t-value of 0.199. This is concluded from the t-value that is below 1.645 and the value of  $0.199 > 0.05$ . Tandijaya (2018) found a different result: service quality significantly influences behavioral intentions. However, the same result is confirmed by Lee et al. (2018) and Chen et al. (2010). They found that service quality didn't have a positive impact on behavioral intention. According to Yunitarini (2010), consumers who enjoy good quality service will show positive behavior, for example: They are willing to purchase at a premium price and are willing to spread positive Word of Mouth (Dubey & Sahu, 2019). In this study, the result is the opposite. This is probably because the existing application-based transportation providers all offer similar levels of service quality, which explains why it doesn't positively impact behavioral intention to use Grab's online transportation service.

The third hypothesis is found to be significant and supported: Perceived Value is found to positively influence Customer Satisfaction of GRAB online transportation users. The t-value of  $5.058 > 1.645$ , p-value of  $0.000 < 0.05$ , and path coefficient of 0.471 which means that Perceived Value positively influences Customer Satisfaction of GRAB online transportation users. This result is supported by previous research by Hellier et al. (2003) and Adriani & Warmika (2019), confirming that an increase in customers' perceived value will increase the level of customer satisfaction. The value perceived by customers is evident in their satisfaction with experiencing the product or service. According to Dodds et al. (1991) and Faryabi et al. (2012), providing value for the customers such as offering bargain prices, reducing the customer's cost or sacrifice to buy the product, and increasing the benefits can make the customers feel satisfied, which may result in a repeated purchase and sales.

The fourth hypothesis is found to be significant and supported: Perceived Value positively influences the Behavioral Intention of GRAB online transportation users. The t-value of Perceived Value and Behavioral Intention of GRAB online transportation users is  $4.096 > 1.645$ , the p-value is  $0.000 < 0.005$ , and the path coefficient of 0.395. This means Perceived Value positively influences the Behavioral Intention of GRAB online transportation users. This result of the study

is similar to the study conducted by Widiana and Sukawati (2016), which states that customers who enjoy a high value from enjoying a product or service will have positive behavioral intentions.

Finally, the study found that customer satisfaction positively influences the Behavioral Intention of GRAB online transportation users (Hypothesis 5). This is evident in the t-value is  $3.808 > 1.645$ , the p-value is  $0.000 < 0.05$  and the path coefficient is 0.379. Previous research by van Lierop and El-Geneidy (2016) also found similar results. They stated that high customer satisfaction will boost customer loyalty. This suggests satisfied customers will continue to use the product or service or recommend the service to motivate others to have the intention to try the product or service.

## CONCLUSION AND RECOMMENDATION

This study reveals several interesting findings and recommends the related managerial implications based on the findings.

First, Service quality can have a positive impact on customer satisfaction of Grab online transportation users. This implies that service quality is central to Grab's competitive advantage as it drives customer satisfaction. Grab should consider this influence in formulating their strategies to always offer positive quality, to ensure a positive experience to boost customer satisfaction. For example, Grab can formulate strategies to allocate resources that can improve various aspects contributing to service quality, and eventually to customer satisfaction. For example, they can organize training of service quality to the drivers, check vehicle quality regularly, and provide prompt and timely customer service.

Secondly, the study found that perceived value positively influences customer satisfaction. This implies that Grab customers are likely to be satisfied when they believe they are getting good value for the sacrifice they make to enjoy Grab's online transportation service. To improve value, Grab can align their pricing strategies with the service quality they offer. They can also actively seek and integrate customer feedback for value improvement and integrate this into their strategies for increased customer satisfaction.

Another interesting finding is the positive influence of perceived value on behavioral intention. This finding suggests that Grab should put priority on developing and maintaining perceived value. They can formulate strategies to boost customer loyalty, word-of-mouth marketing, and customer relations as drivers for customers' intention to keep using Grab online transportation service. Another strategy they can try is customizing their service to certain segments of customers, for example, they can provide Grab vehicles for people with disabilities who may need their service.

Finally, the study found that customer satisfaction positively influences behavioral intention. This finding highlights the critical role of customer satisfaction as an engine to boost customers' behavioral intention to use Grab online transportation. Satisfying customers can differentiate Grab from its competitors. Besides improving the quality of service to boost customer satisfaction and behavioral intention, Grab can also try to implement a Service Recovery Program. This means that when problems arise, Grab should provide a prompt and timely solution to prevent negative intention to switch to another provider.

In addition to providing interesting findings, this study has some limitations to consider when conducting similar research in the future. First, the geographical scope of the study which is limited to the Jabodetabek area. As Grab expands its service to other parts of Indonesia, a similar study should also be conducted because the target users of the new areas may have specific needs and interests that Grab needs to cater to. Another limitation is the number of variables included in the analysis of the study (4 variables). R<sup>2</sup> for Customer Satisfaction (0.635) and R<sup>2</sup> for behavioral intentions (0.542) reveal moderate explanatory power. This suggests that there are other variables

outside this study that may contribute to customer satisfaction and behavioral intention to use Grab. Future researchers are recommended to identify other factors that may influence customer satisfaction and purchase intention, such as brand image, word of mouth, and the role of influencers.

### ACKNOWLEDGEMENT

The authors would like to express their appreciation to the following individuals and organization for their valuable support in the completion and publication of this research: Faculty of Economics and Business, Universitas Pelita Harapan, for providing the opportunity to publish this research. Ibu Gracia S. Ugut, the dean of the faculty of economics and business, Universitas Pelita Harapan, for her continuous motivation to conduct research. The reviewers for providing valuable input for improvement.

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