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The Influence of Hedonic Value and Economic Value on Continuance Intention with Satisfaction as an Intervening Variable

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ABSTRACT

People's behavior towards transportation services has formed new habits in using services for ordering goods and services, especially in terms of ordering ride-hailing services via online-based applications. Gojek, which is one of the most popular ride-hailing applications in Indonesia, is ranked second as the most widely used ride-hailing application in Indonesia. This research aims to determine the influence of Hedonic value and Economic value on the Continuance intention of the ride-hailing application (Gojek), with Satisfaction as an intervening variable. The population in this study are users of ride-hailing services from Gojek in Indonesia, as well as a sample consisting of individuals who meet the criteria for being users of the Gojek application. This research method uses a quantitative approach by applying Smart-PLS analysis.

INTRODUCTION

Transportation is important and commonly used in the modern era like today. The definition of transportation is moving people or goods (cargo) from one place to another Widiasarana, 2007 (in Kurniawan, 2023). In this era of globalization, as the population increases, transportation is very popular to meet human needs to carry out their activities. Globalization itself has had a big impact, in this case, technology makes it easier for people to get to a place without having to bother going to a public transportation terminal. One of the transportation services in Indonesia is ride-hailing.

Based on information from the Spare Labs page, ride-hailing is an application that can make it easier for people to "call" or ask a local driver to pick them up and take them directly to their desired location (Source: https://bisnismuda.id/). The way the ride-hailing service works is also very simple. Ride-hailing application users can order transportation services in the form of motorbikes or cars from an application. The application will send the location and pick-up point to the nearest driver. Then the driver will decide to accept or reject the order. If the driver receives the order, they are required to pick up the order and take it to the desired destination. Customers who want to order services from ride-hailing can also see the fare charged, the name of the driver who received the order, and the driver's vehicle number plate. So that customers can find out everything related to ride-hailing drivers (Source: https://koran.tempo.co).

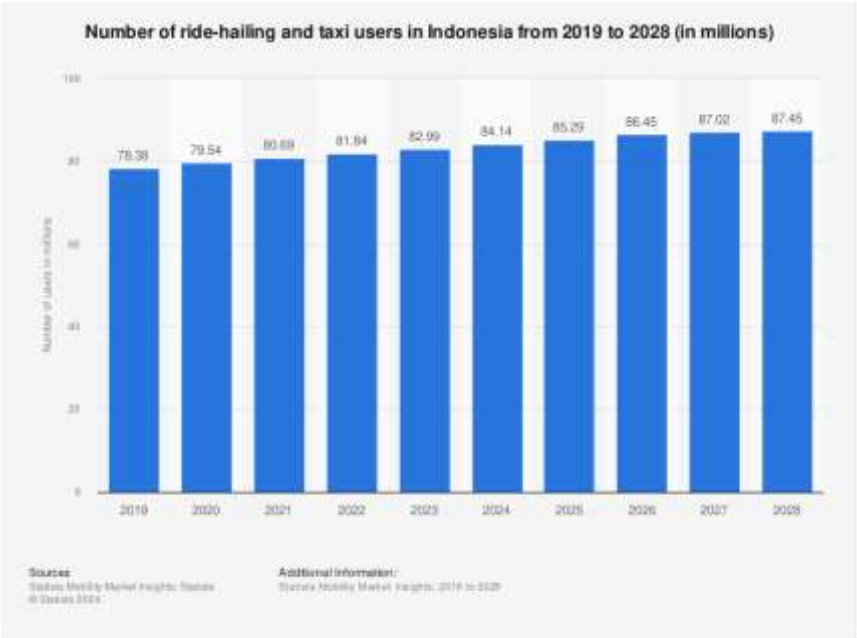

Figure.1 Number of Ride Hailing and Taxi user in Indonesia

Source: Statista

Ride-hailing in Indonesia is growing rapidly, it can be seen in the picture above that there has been an increase in ride-hailing and taxi users in Indonesia. In the picture above, it is projected that ride-hailing users in Indonesia will continue to increase until 2028.

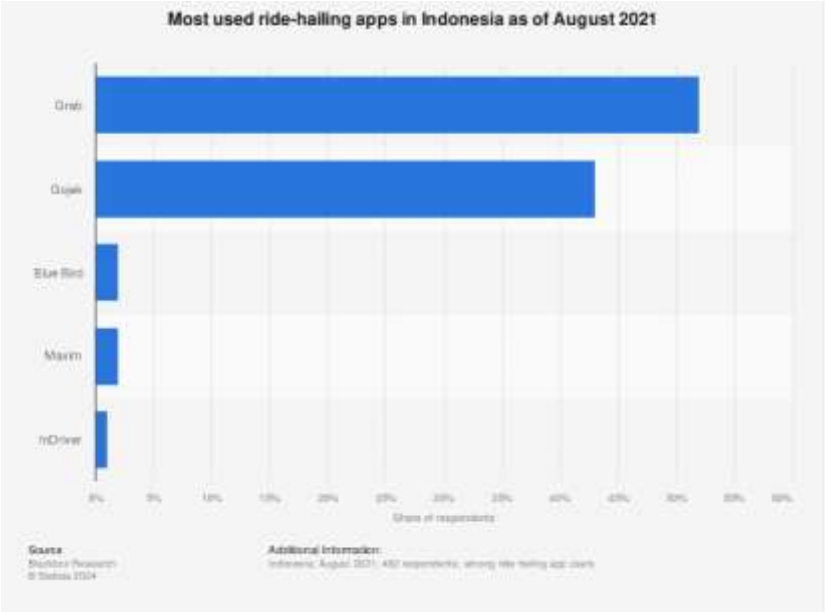

Figure.2 Most used Ride-Hailing Apps in Indonesia As of August 2021
Source: Statista (2021)

In the picture above, it is said that Gojek is in second place in the most widely used ride-hailing application category in Indonesia in August 2021, although it is still below Grab, but is far ahead of its competitors, namely Blue Bird, Maxim, and InDrive. In the "Defined of a Decade" report from the Google Play Store, Gojek itself was chosen as one of the applications that has influenced and changed the way Indonesian people carry out activities according to the Google Play version during the decade the application has been around. Among applications providing ride-hailing services, Gojek outperforms three applications based abroad, namely Grab, inDriver, and Maxim. For your information, Gojek has been downloaded more than 100 million. This app has 4.8 million reviews with an average rating of 4.6. According to (Ofori et al., 2022) several things can influence Continuance Intention, including hedonic value, economic value, and satisfaction. These factors show that to use Gojek's ride-hailing services sustainably, it is necessary to pay attention to the function of hedonic value, economic value, and customer satisfaction.

Hedonic value is defined as the result of a consumer's overall evaluation aimed at increasing the level of happiness. The hedonic approach involves choosing places to shop that provide an enjoyable experience, are visually appealing, and provide a feeling of satisfaction through the ability to escape from daily routine. According to Eshter, "In fact, more than 56 percent of respondents also stated that they would continue to use online transportation services even without promos, and 60 percent of respondents stated that they would increase the use of online transportation as post-pandemic mobility begins to recover." Economic value refers to the benefits or value obtained from a product or service in an economic context. This can include various things, such as customer satisfaction, efficiency of resource use, or company profitability. Economic value is often measured in terms of the prices paid by consumers, production costs, or other economic impacts associated with a product or service on that service. In ride-hailing services, Gojek supports consumer spending more economically by

introducing the GoRide and GoCar Hemat services which Gojek users in the city of Makassar can enjoy during the specified period. This initiative is expected to help ease the economic burden on society amidst the current dynamic conditions.

The need for high-quality technological services and also promotional programs to further help ensure the continued availability of orders that will be received by driver-partners amidst the current conditions of increasing fares, "GoRide users will immediately get a special discount when ordering GoRide services, while users Gocar loyalists can take advantage of the special GOCAR HEMAT promo code to get travel discounts. Satisfaction or satisfaction is a positive feeling or satisfaction that a person feels after experiencing or using something. This can relate to a product, service, experience, or outcome of an activity. Satisfaction often relates to the extent to which a person's hopes or desires are met by the experience or product received. In the context of business and marketing, consumer satisfaction is an important factor that is often measured and considered to understand how well a product or service meets customer needs and expectations. There are negative reviews from Gojek application users in Appstore reviews, such as slow application, difficulty in contacting CS, and taking a long time to get a driver, this can affect customer satisfaction in using ride-hailing services from Gojek.

THEORETICAL REVIEW

Consumer behavior

Consumer behavior theory is a study that focuses on how consumers search for, select, buy, use, and evaluate products or services to meet their needs. By analyzing the consumer decision-making process before purchasing, this theory helps us understand consumer behavior and the factors that influence it. With this knowledge, companies can predict when consumers will buy and determine strategies to influence their thoughts and attitudes.

Teori Perceived Value

The perceived value theory is that perceived value includes customers' perceptions of the value of the product or service they receive. This not only involves the monetary costs incurred by customers but also takes into account their views on the benefits obtained and the sacrifices required to obtain the product or service.

Hedonic Value towards Satisfication

As stated by Deng et al., (2010) confirm that the value perceived by customers, including emotional value, plays a role in creating customer satisfaction with instant messaging applications on mobile phones. Eroglu et al., (2005) also found that pleasure value had a greater influence in estimating the level of satisfaction than economic value.

Hedonic Value towards Continuance Intention

A study by Chiu et al., (2014) stated that pleasure value is an important factor in determining whether consumers will continue to use the product or service.

Economic Value towards Satisfication

According to Overby and Lee (2006), the concept of economic value is related to efficiency, clarity of purpose, and economic aspects of products or services. Meanwhile, research from Babin et al., (1994) and Ryu et al., (2010) shows that economic value has a greater impact on creating satisfaction compared to hedonic value.

Economic Value towards Continuance Intention

Ryu et al., (2010) show that economic value is a more significant indicator of consumer continuance intentions than hedonic value.

Satisfication towards Continuance Intention

Cronin et al., (2000) Zhao et al., (2012), and Mirkovski et al., (2018) Link satisfaction to maintaining the product or service, because the majority of consumers will return to use the product or service only if they are convinced that the product or the service provides the value they expect and if that value is greater than the sacrifices they made to obtain the product or service.

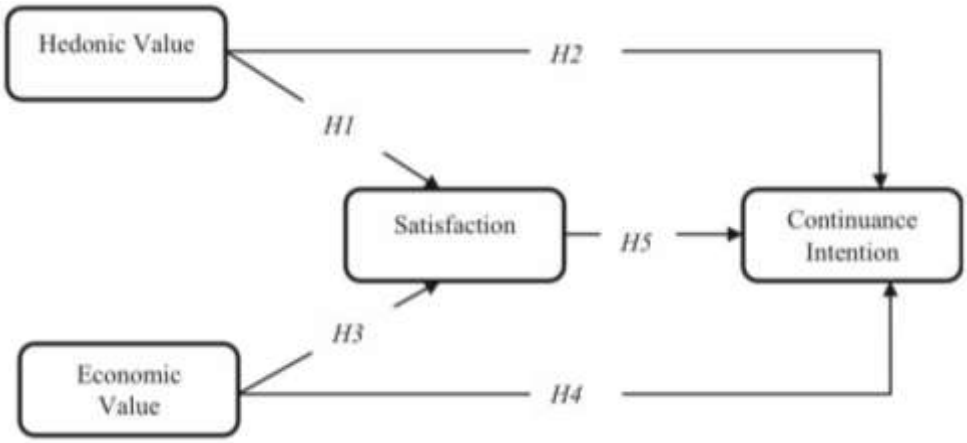

Figure. 3 Satisfication Towards Continuance Intention
Source: Diadopsi dari Ofori et al., (2022)

METHODOLOGY

This research aims to see the influence of Hedonic value, satisfaction, and economic value on Continuance intention in the Gojek ride-hailing application. This research uses quantitative methods. The population in this study is Gojek application users in Indonesia. In determining the sample, the purpose sampling method was used with certain criteria. The sample in this research is Gojek application users, and the analysis technique used in this research is the Structural Equation Model (SEM), namely the analysis model and Partial Least Square (PLS) technique.

RESULTS AND DISCUSSION

Factors that can influence Continuance Intention consist of Hedonic value, Economic Value, and satisfaction. As stated by Yan et al., (2019), hedonic factors are the biggest reason to attract consumers into the sharing economy. Lee and Kim (2018) say that the literature illustrates that economic value is often considered to only have a functional dimension, originating from consumer attitudes and behavior. According to Mensah et al, (2019) stated that in the context of the Internet/social network satisfaction significantly predicts intention to continue (reuse).

CONCLUSIONS AND RECOMMENDATIONS

This conceptual paper examines the relationship between Hedonic value, Economic value, satisfaction, and Continuance Intention in Ride-Hailing (Gojek). Hedonic value encourages individuals to use ride-hailing services as well as economic value is a second factor for individuals in choosing the services they will use, such as the rates or costs incurred. The third factor that influences continuance intention is satisfaction, which refers to the satisfaction of service users in using services from Gojek, such as the facilities obtained when using the service. This research contributes to the understanding of the elements that influence users' willingness to reuse ride-hailing services, thereby providing valuable insights for companies such as Gojek and other ride-hailing platforms.

FURTHER STUDY

Still conducting further research to find out more about The Influence of Hedonic Value and Economic Value on Continuance Intention with Satisfaction as an Intervening Variable

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