

Determinants Forming Uber Consumers' Preferences in Bandung City, Indonesia

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Abstract – Being a tourist destination, the city of Bandung is bring in revenue, but in addition it also raises problems, namely congestion. Increased motor vehicles of the tourist on the roads can obviously add to the congestion, this is because the number of vehicles owned by residents of Bandung was already very much that the percentage of 94% of vehicles there is a private vehicles. It is caused by a lack of interest in the city of Bandung to use public transportation less well managed. With many existing private vehicles and a lack of public interest in public transport, Uber mobile applications company that offers transportation services are present in the city of Bandung with the concept of sharing business economy. This mobile application can be a meeting place owners of vehicles that are partners Uber with the Uber passengers that can be downloaded on smartphone and can be accessed with an internet connection. The purpose of this study was to determine the factors what are some of forming consumer preference in using Uber services in the city of Bandung. This research is a quantitative study using data analysis techniques that factor analysis, as well as using a sampling technique that nonprobability sampling with sub sampling techniques that incidental sampling. Respondents were examined in this study of 100 people who are users Uber services in the city of Bandung. The results showed that there are five factors early into consumer preferences in using Uber services in the city of Bandung, among others: tariffs, practically, trust, comfort, and safety. The result showed also that in this study formed a new factor called factor Uber competitive advantage as well as the most dominant factor that into consumer preferences in using the services Uber namely comfort factor.

Index Terms - e-commerce, sharing economy, online transportation.

1. INTRODUCTION

Bandung City is located in Indonesian province of West Java and is the capital of the Province of West Java. Bandung in western and eastern parts can easily reach out and connect with the state capital, namely Jakarta and Bandung in the north and south can be easy to reach the plantation in Subang and Canning (jabarprov.go.id)^[6]. Topographically Bandung is located at an altitude of 768 meters above sea level, the highest point in the northern region with an altitude of 1,050 meters and the lowest in the South is 675 meters above sea level. In the municipality of Bandung southern part of the

land surface is relatively flat, whereas in the northern part of the city is hilly (jabarprov.go.id)^[6]. Based topografisnya layout, making the city of Bandung has cool air and have nature with beautiful panorama, so it has a special attraction for domestic tourists and foreign tourists. This is because many tourist attractions are scattered in every corner of the city of Bandung (property-bandung.com)^[1]. By becoming a tourist destination, does bring good income for the city of Bandung itself and its people, but besides that it also raises problems, namely congestion, especially on weekends and national holidays (infobandung.co.id)^[13]. Increased motor vehicles of the tourists on the roads clearly adds to the problems of Bandung, this is because the number of vehicles owned by residents of Bandung was already very much. Based on the results of the exposure Yudhiana quoted infobandung.co.id, section chief of Traffic Management and Engineering Transportation Bandung, Bandung, at this time, there are at least 1.25 million motor vehicles in the city of Bandung, and of these about 94% are private vehicle. Related to the number of the motorcycle, he added, there are now approximately 895 thousand units, about 72% of the total composition of a motor vehicle in Bandung. While private cars approximately 282 thousand units, about 22% (Rusyanto: 2016)^[10]. Henceforth to be able to break the bottleneck that exists apart must add roads, city government also have homework to improve facilities and public transport services. This is because many Bandung residents who choose to use private vehicles to travel instead of using public transport, Bandung citizens feel uncomfortable and unsafe when using public transport due to the condition of the car public transport is not feasible and drivers who often inconsiderate (Taofiq: 2016)^[16]. A large number of private vehicles and the lack of interest and public confidence in the public transport has become rmah work for city government, but on the other hand these problems into business opportunities for innovative entrepreneurs. Today, there is a business concept to exchange resources, namely the sharing economy (Wardhana & Pradana, 2016)^[21].

One company that has adopted the concept of sharing business economy is Uber. Uber is a transportation intermediary services providers using mobile applications that

connect passengers with the owners of vehicles that can be accessed through a smartphone connected Internet network (kempar.pro)^[9]. Uber open opportunity for anyone who has a personal vehicle to give a ride to anyone who needs to keep their pay rates. Sharing resources like these, benefiting both sides, where the passenger side to get a ride to the destination and provide incentives that have been determined by calculating rates for vehicle owners, and the owners of such vehicles to earn extra income from services deliver passengers (ziliun.com)^[4]. There are several online businesses based mobile application on transportation services in Indonesia in addition to Uber, the Go-Jek, Bike Grab, Grab Taxi, Bajaj App, Transjek, Wheel Line, Bang Jek, Ojeks Syar'i, Blue Jek and much more. However, that offer transportation services with four-wheel vehicles in addition to Uber, the Go-Car and Grab (segiempat.com)^[9]. Based on data Sensor Tower known until the month of August 2016, mobile app Uber become a Top Free with Transportation category in Google Play on Android-based smartphones, with has been downloaded more than 8,000,000 times. Review mobile app users is also positive with a variety of opinions about why people are interested in the services offered Uber (sensortower.com)^[10]. Based on preliminary research with 30 people Uber users in the city of Bandung, obtained information related to their dominant preference in selecting the Uber services, namely: tariff of 46.7%, practicality 20%, 16.7% trust, comfort and safety 10% 6 7%.

Based on the description above, the researchers analyzed more interested in factors of what makes the citizens of Bandung prefer to use Uber services using factor analysis approach.

2. RELATED WORKS

2.1 Marketing

Marketing has several different definitions, namely the definition formally offered by the American Marketing Association (AMA), "marketing is a function orgsnisasi and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways favorable organizational and stakeholders "(Kotler and Keller, 2013)^[5].

2.2 Marketing of Service

Marketing services, since the 1980s experienced rapid growth and development of increasingly large, and therefore required the development of more sophisticated marketing approaches more marketing potential for responding to opportunities. Thus, organizations must be able to realize that everyone in the organization has the ability to contribute to internal and external marketing initiatives. (Sunnyoto and Susanti, 2015)^[14].

2.3 Consumer Behavior

Schiffman and Kanuk define consumer behavior as "behavior shown consumers to find, buy, use, evaluate, and spent products and services which they expect will satisfy their needs". Meanwhile, according to Lamb et al, consumer behavior as a "process of a customer to make a purchase decision, also to use and dispose of goods and services purchased, including the factors that influence purchasing decisions and product usage" (Sangadji and Sopiah, 2013)^[11].

2.4 Consumer Purchasing Decisions

The customer purchase decision is a process of interaction between affective attitude, the attitude of cognitive, behavioral and environmental factors attitude with which humans exchange in all aspects of life (Pradana & Reventiary, 2016)^[8]. Meanwhile, Multifiah, explained that consumer behavior will determine the decision-making process in consumer purchases, which process is a problem-solving approach to purchase a good or service in fulfilling the needs and desires. (Sangadji and Sopiah, 2013)^[11].

2.5 Consumer Decision in Transport Service User Selection

According to Purnama et al (2011)^[7], in an effort to differentiate a company which services of higher quality than competitors consistently and generally the service is higher in quality and experience and confidence, therefore, according to Philip Kotler consumers feel more risks in the purchase.

2.6 Consumer Preferences

Consumer preference is an attitude of consumers towards the brand choice of product formed through the evaluation of a variety of brands in a wide range of options available (Kotler dan Keller, 2011)^[5].

2.7 Consumer Preferences on Transport Services

Nowadays, competition increasingly competitive transportation service business, and therefore the success of a product in competition depending on how the product or service is on the intended target market and how consumers perceive the products offered as stated Kotler and Keller. When a company defines the competition, companies must determine how consumers' perception of competition and must think about what attributes considered important by consumers when consumers evaluate the product as stated by Blench on Syahputra (2014)^[15].

2.8 Consumer Preferences on Transport Service-Based Mobile Applications

To adapt to the development of technology, many companies are transformed to become more professional in their field. One of them in the fields of transport, it can be seen from the rise of mobile applications based transport services that can be

accessed on a smartphone by downloading via Google Play and Apple Store using the Internet connection. According to Kotler and Keller, success can be achieved if a company is able to deliver value and satisfaction to the buyer or consumer market. Consumers choose a select offer vary based on the perception will be deals that provide the greatest value (Harish:2016)^[3].

2.9 Attribute

According Tjiptono (2012)^[17], he attributes are the elements of a product that is considered important by consumers and serve as a basis for decision making.

Based on preliminary research on 30 respondents obtained five attributes that are considered by consumers when deciding to use the public transport service, namely: 1) The tariff, the tariff is the cost or the price paid by consumers who use a service as well as transparency about the details of the fees paid by consumers. Importance attribute this rate as stated in a study conducted by Purnama et al (2011)^[7], Syahputra (2014)^[15] and Harish (2016)^[3], 2) Practicality, practicality is the ease of access to consumers in using a services and access to contraceptive services. Importance attributes of practicality is as stated dala research done by Purnama et al (2011)^[7], Syahputra (2014)^[15] and Harish (2016)^[3], 3) Trust, trust is seen as consumer confidence to attribute Companies including the ability, integrity and attitude of the company when dealing with consumers, and the attitude of trust which implies that customers feel safe and willing to rely on the company. Importance attribute this belief, as stated in a study conducted by Purnama et al (2011)^[7], Syahputra (2014)^[15] and Harish (2016)^[3], 4) Comfort, comfort is konsisi environment that cause passengers to feel comfortable in using the facilities and conditions of service passengers feel comfortable to interact with service providers. The importance of this comfort attributes as revealed in research conducted by Purnama et al (2011)^[7], Syahputra (2014)^[15] and Harish (2016)^[3], 5) Safety, according to Dagun et al in Harish (2016)^[3], safety is the aspect of security that have suggested for getting passengers transportation services. The importance of security attributes as revealed in a study conducted by Purnama et al (2011)^[7], Syahputra (2014)^[15] and Harish (2016)^[3].

3. PROPOSED MODELLING

3.1 Research Framework

Previous research		
Purnama et al (2011):	Syahputra (2014):	Harish (2016):
1. Price	1. Tariff	1. Practical ly
2. Authoriz ed Agent	2. Services	2. Tariff

3. Formidab le Human Resource s	3. Pool Location	3. Speed
4. Responsi ve	4. Destinati on Location	4. Safety
5. Accuracy	5. Accuracy	5. Trust
6. Safety	6. Comfort	6. Comfort
7. Trust	7. The Departur e Schedule	
8. Empathy	8. Practicali ty	
9. Cleanline ss		

Consumer Preferences of Uber

Research Attributes

Tariff
Practicality
Trust
Comfort
Safety

Source: Modification of Purnama et al (2011)^[7], Syahputra (2014)^[15] and Harish (2016)^[3], based on preliminary research on 30 respondents.

3.2 Research Methods

The method used in this research is quantitative method with data analysis techniques using factor analysis. The population in this study is the Uber users in the city, while an unknown number of users Uber services in the city by looking at the number of mobile application downloads Uber in Indonesia as many as 9 million downloads in September 2016 (sensortower.com)^[12]. In determining the number of samples, the researchers used the formula slovin with an error rate of 10%. Based on the results of these calculations can be seen that the sample in this study amounted to 100. The sampling technique used in this study is nonprobability sampling with sub sampling technique that is incidental sampling. While

data collection techniques done by distributing questionnaires to the respondents and literature.

4. RESULTS AND DISCUSSIONS

According to Wardhana *et al* (2015)^[18], factor analysis is a method of research that aims to identify, classify, and reduce the factors that constitute a variable dimension. In this study, researchers using statistical software Statistical Program of Social Science (SPSS) version 21 for windows in performing calculations to obtain accurate data and minimize data processing errors.

4.1 KMO dan Barlett Test Sphericity

Suliyanto according to Harish (2016)^[3], to test the accuracy of the factors that form used statistical test Barlett Test Sphericity with significant values of <0.05 and Kaiser Mayer Olkin (KMO) to determine the feasibility of factor analysis. If the index values ranged from 0.5 to 1, then the factor analysis feasible. On the contrary, if the value of the index is below 0.5, then the factor analysis is not worth doing. Total factor used in this study are 5 factors, contained in the 12 questions in the questionnaire. Here are the results of calculations using KMO and Bartlett Test Sphericity:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.852
Approx. Chi-Square	231.392
Bartlett's Test of Sphericity	df
	10
Sig.	.000

Picture 4.1

Result of KMO and Bartlett Test Sphericity

Source: Processed Data SPSS (2016)

Based on Figure 4.6 is known that the KMO is 0, 852 with a significance of 0.000. Because the number is already above 0.5 KMO and significance below 0.05, then there are factors that can be further analyzed by factor analysis.

4.2 Anti Image Matrices

After performing data processing with KMO and Bartlett Test Sphericity, the next step is to see the correlation between the variables independently which can be seen in Table Anti Image Matrices having regard to the value Measure of Sampling Adequacy (MSA). MSA value ranges from 0 to 1 with the following provisions, Wardhana *et al* (2015:186)^[18]:

Table 4.1

Anti Image Matrices

		Tariff	Practicability	Trust	Comfort	Safety
Anti Image Covariance	Tariff	.629	-.037	-.021	-.174	-.073
	Practicability	-.037	.534	-.085	-.131	-.098
	Trust	-.021	-.085	.405	-.120	-.188
	Comfort	-.174	-.131	-.120	.429	-.050
	Safety	-.073	-.098	-.188	-.050	.439
Anti Image Correlation	Tariff	.879 [∇]	-.064	-.041	-.335	-.139
	Practicability	-.064	.892 [∇]	-.182	-.273	-.202
	Trust	-.041	-.182	.825 [∇]	-.287	-.447
	Comfort	-.335	-.273	-.287	.841 [∇]	-.116
	Safety	-.139	-.202	-.447	-.116	.840 [∇]

Source: Processed Data SPSS (2016)

Based on Table 4.1 shows that the value of MSA (the numbers on the diagonal Anti Image Correlation) > 0.5, then the value of each factor that is predictable and analyzed further.

After making the factoring process, the next step is grouping factors. According to Ward *et al* (2015: 188)^[18], the grouping of factors is to determine each factor beginning to tap into new form factors. Grouping is done by looking at factors Component Matrix generated. Can clearly be seen in Table below:

Tabel 4.2

Component Matrix

	Component
	1
Comfort	.852
Trust	.851
Safety	.836

Practicality	.795
Tariff	.720

Source: Data Processing SPSS (2016)

Based on Table 4.2 shows that there are five factors that early will enter into component 1 (new factor), this is because in this study only formed one new factor. The results of data processing Component Matrix above also shows that there are factors that the correlation <0.5 , then these five factors do not need dilakukan rotation factor. Rotation factors occur if there are more than one component and are of equal value in one component with another component, Wardhana et al (2015)^[18].

Based on the above data processing result is known that there are five sub-factors in sequence, namely: comfort 85.2%, 85.1% trust, 83.6% safety, practicality 79.5% and 72% tariff. Thus it can be seen that the most dominant factor in this study is the comfort factor with the highest correlation value is equal to 0.852 or 85.2%.

4.3 Naming Factor (Labelling)

After grouping the factors, the final stage in the analysis of data using factor analysis is to provide a new factor naming (labeling). Based on the results of data processing Total Variance Explained can be seen that from the beginning that there are 5 factors, ultimately formed one new factor called factor of competitive advantage Uber. This factor called factor Uber competitive advantage due to sub-factor of the new factors that include comfort, trust, safety, practicality and tariff are important owned Uber as an added value compared with competitors. In addition as an added value, it is also used to attract consumers to still choose to use Uber services compared to services based transport other mobile applications that have a business concept similar to the concept of business Uber sharing economy.

5. CONCLUSION

Based on the results of data processing and data analysis and consideration of the "Analysis of Factors Shaping Consumer Preferences Uber in the city", it can be concluded as follows:

Based on preliminary research, there are 6 baseline factors into consumer preferences in using Uber services in the city of Bandung in order, are: tariff, practicality, trust, comfort, and safety. Based on the result of data processing by factor of competitive advantage Uber, which consists of sub sequentially factors, namely: comfort, trust, safety, practicality, and tariffs.

Of the five sub-factors competitive advantage of Uber, it can be seen that the most dominant correlation value is equal to 0.852 or 85.2%.

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