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THE EFFECT OF PRICE AND SERVICE QUALITY ON CUSTOMERS' TRAVEL DECISION IN GARUDA INDONESIA ONLINE TRAVEL FAIR (GOTF) DURING COVID-19 PANDEMIC

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Abstract. This study aims to determine the effect of price and service quality on customers' travel decision in Garuda Online Travel Fair program. Data collection used a questionnaire distributed to 100 customers who had used and known about Garuda Indonesia Online Travel Fair. Data analysis used multiple linear regression. The data collected are declared valid, reliable, and meet the requirements for the goodness of multiple linear regression. The results of data analysis show that price and service quality have a partial and simultaneous influence on customers' travel decisions in Garuda Indonesia Online Travel Fair program. Price and service quality contribute to the formation of traveler's decision in Garuda Indonesia Online Travel Fair Program by 46.2%.

Keywords: Price, Service Quality, Travelers' Decision, Garuda Indonesia Online Travel Fair

Introduction

In this new normal period, various concessions are given to citizen to travel by Indonesian government. Health protocols are important to be obeyed to avoid the spread of the Covid-19 virus, so that every airline must comply with the health protocols set by the government. The airline in Indonesia that receives the title "5-Star COVID-19 Airline Safety Rating" from Skytrax is Garuda Indonesia (Garuda, 2021b). This airline quite often holds an event known as the Garuda Indonesia Travel Fair, but due to the pandemic in 2020, the event was canceled. However, the event was held online in March, 2021.

Garuda Indonesia Travel Fair is an event held by Garuda Indonesia in collaboration with certain companies to promote flight tickets at affordable prices for both domestic and international flight routes and fly based on certain schedules. In this year's Garuda Indonesia Online Travel Fair (GOTF) program, Garuda Indonesia provides a free rapid antigen test and hand sanitizer for its passengers, as well as strict health protocols. In addition, Garuda Indonesia also provides ease for passengers who want to change their flight schedule or class up to a maximum of 3 times, food in a box, and the use of an aircraft-wide body for favorite flight routes.

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In general, most people are still worried about traveling, but at the same time, other people are getting tired of the current condition. In GOTF, Garuda Indonesia has offered many facilities accepted by customer with a reduction in cost to attract customer attention. With this different price, will Garuda Indonesia provide similar quality in service to its regular service? Does this different price affect the customer's travel decision?

Based on the explanation above, this research aims to study the effect of price and service quality on customers' travel decisions in the Garuda Indonesia Online Travel Fair during the Covid-19 Pandemic.

Figure 1 *(Garuda, 2018)*

Figure 2 *(Garuda, 2021a).*

Literature Review

Price

In planning a trip, someone will look for accommodation at the cheapest price. According to Han & Hyun (2015) price is the nominal that must be paid in cash or other forms of exchange. Price is the main factor for some people in making travel decision; and it can determine the quality of a product.

Kotler & Armstrong (2011:52) explained that there are several elements in the price variable, namely, price lists, discounts, rebates, and payment periods. In other papers, (Susanto et al., 2019) and Stanton (1994) explained that prices have four main indicators including: (1) Price affordability, that is when setting prices, producers will consider the purchasing power of users (2) Price compatibility with product quality, which means prices set by producers are adjusted to the quality of products available to customers or users. (3) Price competitiveness, is the price offered by different manufacturers and competitive with the price of similar products offered by other producers (4) Price compatibility with benefits. This means pricing is adjusted by the manufacturer according to the benefits of the product obtained by the user.

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Service Quality

Service quality is an assessment given by customers after using or getting services provided by a company. Quoted from an article (Gupta, 2018; Setiawan et al., 2020) Parasuraman (1988) developed a five-dimensional instrument, namely tangibility, reliability, responsiveness, assurance and empathy. Tangibility (physical evidence) is the physical appearance and facilities, equipment and supplies, personnel and written communication materials; Reliability is the ability to accurately and reliably provide the promised service; Responsiveness is a willingness to help customers and provide services immediately; Assurance is the knowledge, friendliness, and ability of employees to create trust and confidence among customers; Empathy is the ease of doing relationships, good communication, and sincere attention to customer needs.

In his paper, Wirtz (2020) emphasized that airlines need to provide quality services for their passengers to get service excellence and high profits. According to Parasuraman (in Gupta, 2018), passenger ratings of flight service quality may vary from individual to individual and depend on the overall gap between expectations and reality.

Travel decisions

During this pandemic, there are many considerations for someone in determining whether they will travel or not. Travel decision is a decision-making process in visiting a tourist destination. Travel decisions are influenced by internal and external factors (Ni et al., 2018). Internal factors involve factors that are influenced by one's own needs, usually influenced by travel experience, personality, motivation, and interests, while external factors that influence travel decisions such as travel destinations, language used, accessibility, and so on. In his article, Karl (2016) explained that there are 3 dimensions which explain travel decisions, they are type of destination, vacation type and on-site behavior. (1) Type of destination is the type of destination represented by three items, namely a. The need for familiarity or tourist sensation, b. Preference of a clear tourism destination c. Choice of a challenging location. (2) Vacation Type. This vacation type is represented by the pre-planning process and items in the travel organization. Pre-Planning assumes that a trip that does not require careful planning adds a certain level of excitement

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to the pleasure-seeking traveler. (3) On-Site Behavior. On-site behavior is represented by two items, namely a. activities related to the type of activity that lies in the goal. b. Avoid uncertainty & seek new things by paying attention to culinary preferences at the destination.

Framework and Hypothesis

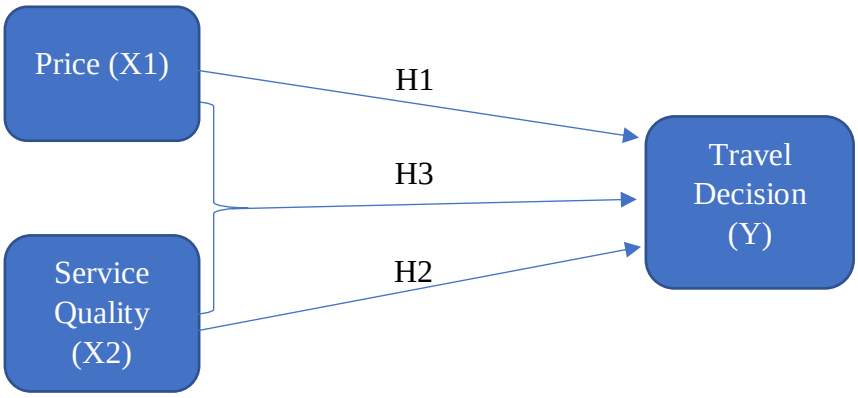

Figure 3 - Framework

H1: It is presumed that there is a positive relationship between Price and Travel Decision.

H2: It is presumed that there is a positive relationship between Service Quality and Travel Decision.

H3: It is presumed that there is a positive relationship between Price and Service Quality on Travel decision.

Research methods

This study used quantitative methods to analyze and measure the role of price and service quality in influencing customers' travel decisions in the Garuda Indonesia travel fair during the COVID-19 pandemic. Researchers distributed questionnaires using a Likert scale in the form of a google form as an instrument shared to the public as respondents for this study during the covid-19 pandemic. The questionnaire in this study used three identified variables and the sampling technique which was addressed to 100 respondents which would then be processed using SPSS.

Table 1

Measurement Items

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Variable	Indicator	Source	Scale
Price (X1)	X.1.1 Price Affordability X.1.2 Price Match with Product Quality X.1.3 Price Competitiveness X.1.4 Price Match with Benefits	(Kotler & Armstrong, 2011; Susanto et al., 2019)	Likert
Service Quality (X2)	X.2.1 Tangible X.2.2 Reliability X.2.3 Responsiveness X.2.4 Assurance	(Darwin, 2021; Gupta, 2018; Setiawan et al., 2020; Wirtz, 2020)	Likert
Travel Decision (Y)	Y.1 Destination Type Y.2 Vacation Type Y.3 On-Site Behavior	(Karl, 2016; Ni et al., 2018)	Likert

Research Results

Before testing the hypothesis, the data were tested for the level of validity and reliability.

Validity test

Validity test used product-moment correlation approach

Table 2

Summary Results of Validity Test

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Source: Data Processing Results

Based on the table above, it can be concluded that all of the indicator items are declared valid because the calculated r (Corrected item-total Correlation) is greater than the r table value, which is greater than 0.195.

Reliability Test

Reliability test used Cronbach Alpha. The questionnaire is declared valid if it has an r-count value > r-table at an error rate of 5% and reliable if the Cronbach Alpha value is > 0.6.

Table 3
Reliability Test Summary Results

Variable	Indicator	R count	R table	Information
Price (X1)	X1.1	0.723	0.195	Valid
	X1.2	0.658	0.195	Valid
	X1.3	0.664	0.195	Valid
	X1.4	0.584	0.195	Valid
Service Quality (X2)	X2.1	0.759	0.195	Valid
	X2.2	0.754	0.195	Valid
	X2.3	0.635	0.195	Valid
	X2.4	0.740	0.195	Valid
Travel Decision (Y)	Y1	0.751	0.195	Valid
	Y2	0.816	0.195	Valid
	Y3	0.761	0.195	Valid

Variable	Alpha	Information
Price (X1)	0.809	Reliable
Service Quality (X2)	0.876	Reliable
Travel Decision (Y)	0.862	Reliable

Source: Data Processing Results

Based on the results of the reliability test above, the outputs of the variable are Price (X1), Service Quality (X2), and Travel Decision (Y). Based on these outputs, it can be seen that the reliability values of Cronbach's Alpha are as follows: the value of Cronbach's Alpha for the Price variable (X1) is 0.809, the value of Cronbach's Alpha for the Service Quality variable (X2) is 0.876, and the value of Cronbach's Alpha for the Travel Decision variable (Y) is 0.862. Because the value of the three variables is above 0.6, it can be concluded that the measuring instrument in this study is reliable.

Multicollinearity Test

Table 4

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Multicollinearity Test Results

No	Variable	*Collinearity Statistics*	
		Tolerance	VIF
1	Price	0.675	1.482
2	Service Quality	0.675	1.482

Source: Data Processing Results

The results of the multicollinearity test can be seen in table 3. Based on the outputs, it can be seen that the VIF (Variance Inflation Factor) value is less than 10.00 and the tolerance value is more than 0.1 for both variables, so it can be concluded that the regression model does not have multicollinearity problems.

Heteroscedasticity Test

The heteroscedasticity test is carried out by Glejser test, which calculates absolute value, residual value or error from equality and correlates it to the independent variables, price and service quality.

Table 5

Heteroscedasticity Test

Variable	t-count	Significance	Information
Price (X1)	-1.198	0.234	Homoscedasticity
Service Quality (X2)	-0.125	0.901	Homoscedasticity

Source: Data Processing Results

Based on the table, it can be seen that there is no variance inequality from the residual values for all observations in the regression model usually called Homoscedasticity. This can be seen by looking at the t-count significance for Price of 0.234 and Service Quality of 0.901 exceeding the significant level set at 0.05.

Normality test

The normality test aims to test whether, in the regression model, the confounding variable or residual has a normal distribution. If it does not distribute normally, the residual can indicate biased results of the regression equation obtained, so it is less able to predict the results more accurately. Normality test used Kolmogorov-Smirnov Test.

Table 6

Normality Test

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Test	Test result	Signification	Information
One-Sample Kolmogorov-Smirnov Test	0.071	0.200	Normal

Source: Data Processing Results

Based on the results of multiple linear regression calculations, the following are the results obtained.

Table 7

Regression Test Results

Variable	Coefficient	t-count	Significance	Information
Constant	4.453	1.963	0.052	-
Price (X1)	0.169	2.333	0.022	Ho Rejected
Service Quality (X2)	0.460	5.921	0.000	Ho Rejected
F test	41.685		0.000	Ho Rejected
R-Square	0.462			

Source: Data Processing Results

The table provides information of the regression equation. Regression Equation Formula:

$Y = a + B1X1 + B2X2$

$Y = 4.453 + 0.169X1 + 0.460X2$

Price and service quality have a positive and significant influence on customers' travel decisions during the COVID-19 pandemic. It proves that the significant value for the two variables is less than 0.05. It means price and service quality partially affect customers' travel decisions during the covid-19 pandemic. Furthermore, referring to the significant value of the F-count, it shows a value of $0.000 < 0.05$ so that price and service quality simultaneously affect customers' travel decisions during the covid-19 pandemic. Service quality is the dominant variable in shaping customer travel decisions because it has the largest t-value and coefficient. From the R-square value of 46.2%, it can be concluded that the price and service quality variables can describe customers' travel decisions during the COVID-19 pandemic by 46.2% and the remaining 53.8% is described by other variables outside the equation model.

Results and Discussion

The Influence of Price on Customers' Travel Decisions

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The regression coefficient for the price variable is 0.169; this means that if the price increases by one unit, the customer's travel decision will increase by 0.169 unit with the assumption that the other independent variables have a fixed value.

The Influence of Service Quality on Customers' Travel Decisions

The service quality variable of regression coefficient is 0.460. It means that if the service quality increases by one unit, then the customer's travel decision will increase by 0.460 unit with the assumption that the other independent variables have a fixed value.

The Influence of Price and Service Quality on Customers' Travel Decisions

Testing of price and service quality variables was conducted simultaneously on customers' travel decisions during the covid-19 pandemic in which the calculated F value is 41,865 with a significant level of 0.000 below the significant level set at 0.05. It means that price and service quality have an effect on customer's travel decisions during the covid-19 pandemic.

Conclusion

Based on the results of the discussion and analysis of previous data, it can be concluded that prices are able to increase customers' interest in traveling during the Covid-19 pandemic and service quality also has a positive effect on customers' travel decisions, so service quality can improve customers' travel decisions during the Covid-19 pandemic. Therefore, price and service quality have a simultaneous and partial effect on customers' travel decisions during the Covid-19 pandemic. Price and service quality contributed 46.2% to customers' travel decisions during the Covid-19 pandemic while the remaining 53.8% is influenced by other variables outside the study.

Recommendation

Based on the conclusion above, researchers can provide the following suggestions, (1) Garuda Indonesia is expected to maintain and improve its service quality because service quality is able to improve customers' travel decisions even during the Covid-19 Pandemic; (2) It is better for Garuda Indonesia to lower its ticket prices as many customers still think that the ticket price is still high; (3) For further researches, it is

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recommended to use other independent variables outside the variables that have been used in this study, for example brand image and customer satisfaction on travel decisions.

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