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The Influence of Hedonic Value, Utilitarian Value, and Economic Value on Ride-Hailing App Users in Indonesia in a Sustainable Way

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ABSTRACT

The transportation industry has undergone significant changes due to technological developments and increasing consumer demand for efficiency. In Indonesia, the emergence of ride-hailing apps such as Go-Jek, Grab, and Maxim reflects a growing preference for the sharing economy model. This study aims to analyze the influence of hedonistic values, utilitarian values, and economic values on consumer satisfaction, as well as the influence of satisfaction on the intention to continue using this application. Data was collected from 210 active users through an online survey. The results showed that hedonistic value and economic value had a significant positive impact on user satisfaction, while utilitarian value had no effect. In addition, economic value and satisfaction have a positive effect on the intention to continue using ride-hailing services. In conclusion, to increase user loyalty, ride-hailing service providers need to prioritize increasing economic value and user satisfaction. This study provides insights into the development of services that are more in line with consumer needs and preferences in the digital era.

Introduction

Transportation is a process of moving goods and people from one place to another. Nowadays the transportation industry has changed due to rapid technological changes and consumer needs for efficiency and quick access to services. (Cook et al., 2021). An example of the changes that are happening today is the ride-sharing system in the world of transportation where the process adheres to the sharing economy. The number of ride-sharing uses has surpassed that of conventional vehicle rental systems. (Lee & Kim, 2018). Economic sharing is an alternative way that provides lower costs. (Gligor et al., 2021). The idea of a sharing economy was first proposed in 1978 and the sharing economy only emerged in the early 1980s (Shaikh et al., 2024).

In Indonesia, ride-hailing application services began to be known in 2015 and are growing until now (Christina et al., 2018). At that time, Go-Jek was the first local company to provide ride-hailing services in 2011 and was followed by Grab and Uber in

2014 (Zhao et al., 2012). Despite the rejection by conventional motorcycle taxis and unclear regulations from the government, finally, this transportation system can still survive and develop to this day. After Uber ceased operations in mid-2018, Grab acquired Uber's assets in the Southeast Asian region (Forbes, 2018). Currently, the largest online transportation service in Indonesia is Go-Jek (PT Aplikasi Karya Anak Bangsa) followed by Grab.

In its development, ride-hailing has undergone significant changes in usage data every year. This shows that most users are satisfied with the ease of booking and the convenience of using this service. In addition, the study found that the value that customers feel and the satisfaction they get are the determining factors in continuing, which is a measure of customer loyalty. This confirms that ride-hailing applications will be a transportation solution that is in demand in the digital era in the future.

Based on the formulation of the problems mentioned above, this study has the following objectives:

1. Analyze the positive influence of hedonic value on satisfaction in the use of ride-hailing applications.
2. Analyze the positive influence of utilitarian value on satisfaction in the use of ride-hailing applications.
3. Analyze the positive influence of economic value on satisfaction in the use of ride-hailing applications.
4. Analyze the positive influence of hedonic value on continuance Intention in the use of ride-hailing applications.
5. Analyze the positive influence of economic value on continuance Intention in the use of ride-hailing applications.
6. Analyze the positive effect of satisfaction on continuance intention in the use of ride-hailing applications.

This research is expected to be of positive benefit to the following parties:

1. For ride-hailing service providers

This research is a reference in developing ride-hailing services to better understand consumer needs and preferences as an improvement in service quality and customer satisfaction levels to implement increased customer trust and attraction to service providers.

2. For ride-hailing service users

This research can be a comparative reference to make decisions in choosing a more appropriate ride-hailing application. Users also need to be aware of values that can affect future reuse intentions. So that users can choose which application to choose according to customer needs.

3. For the next researcher

The results of this study open up opportunities to develop new theories and frameworks to investigate ride-hailing as well as wider scopes such as ride-sharing. These findings will also encourage the development of better research methods to identify greater aspects of satisfaction in the context of the use of ride-hailing applications.

Method

The type of research used is a hypothesis test where there are several hypotheses proposed to be further tested. This research is intended to test the hypothesis by focusing on evaluating the relationship between several variables. The hypothesis testing in this study is a causal hypothesis. In this study, a hypothesis test was carried out to determine whether there was an influence between variables that would later be studied, namely the influence of hedonic value, utilitarian value, and economic value, on satisfaction and continuance intention. By collecting data at a specific time point, this study will use a cross-sectional approach to provide an understanding of the variables being studied. The answers from the respondents are expected to reflect the actual conditions of the field. To improve the efficiency and effectiveness of data collection, online surveys distributed over the internet, such as Google Forms, will be used to obtain primary data. The respondents who will be the main unit of analysis are users of ride-hailing applications in Indonesia (Gojek, Grab, Maxim, etc.) and the analysis will be focused on the individual level. This study is expected to have a significant influence on the understanding of the relationship between the variables studied.

Variables and Measurements

This study uses two types of variables, namely free and bound. Hedonic value, utilitarian value, economic value, and satisfaction are independent variables, and continuance intention is a bound variable.

Data Collection Methods

The population of this study consists of people who know ride-hailing applications such as Gojek, Grab, Maxim, InDrive, and others. Furthermore, the sample used in this study is part of the population that knows and has used the ride-hailing application by several criteria that have been set. The data collected consists of preliminary data obtained directly through a survey, also known as a research survey, which is submitted through a Google Form form. The instruments used in the research questionnaire are tested first to ensure that the data collected must be of good quality to produce a good level of validity and reality.

Sample Withdrawal Method

The drawdown design in this study uses a nonprobability sampling method, which means that each element of the population has a different chance of being examined as a research subject (Sekaran & Bougie, 2016). The sampling technique is purposive sampling where the sampling method is collected from a specific target or group of people based on predetermined criteria. The type of respondents in this study is someone who has been actively using ride-hailing applications from several service providers in Indonesia (Gojek, Grab, Maxim, inDrive) for at least six months. The number of samples will be determined based on the analysis tool used, then the analysis tool that will be used is SEM with the recommended sample number ranging from 200-400 respondents (Hussaini et al., 2018).

Data Testing Methods

(Hussaini et al., 2018) unobserved variable, variables like this require an indicator for measurement and the indicator cannot be measured directly.

Validity Test

Before deciding on whether an indicator is declared valid or not, it is necessary to first determine the factor loading value that will be used as the basis for decision-making.

Table 1
Factor loading Based on Sample

Factor loading	Sample Size
0.30	350
0.35	250
0.40	**200**
0.45	150
0.50	120
0.55	100
0.60	85
0.65	70
0.70	60
0.75	50

In this study, a total of 210 respondents were used, so the basis for making validity test decisions is as follows:

a. The indicator is declared valid if the resulting factor loading value ≥ 0.4.
b. The indicator is declared invalid if the resulting factor loading value < 0.4.

Data Analysis Methods

1. Descriptive Statistics

Descriptive statistics are statistics that are used to describe information from a data set using frequency, mean, standard deviation, and so on (Sekaran & Bougie, 2016). This study uses mean values and standard deviations for descriptive statistics. The mean value shows the average response of respondents to the variables assessed, while the standard deviation value shows the difference in respondents' responses to the data.

2. Uji Hipotesis

Structural Equation Modeling (SEM) analysis is a multivariate statistical tool that combines factor analysis and multiple regression. This method will be used to test the research hypothesis. Hypothesis test decision-making will be made by comparing the p-value with an error rate or alpha of 5%. Here are the decisions made in the hypothesis test:

a. Ho is rejected or the hypothesis is supported when the p-value ≤ α 0.05.
b. Ho is accepted or the hypothesis is not supported when the p-value > α 0.05.

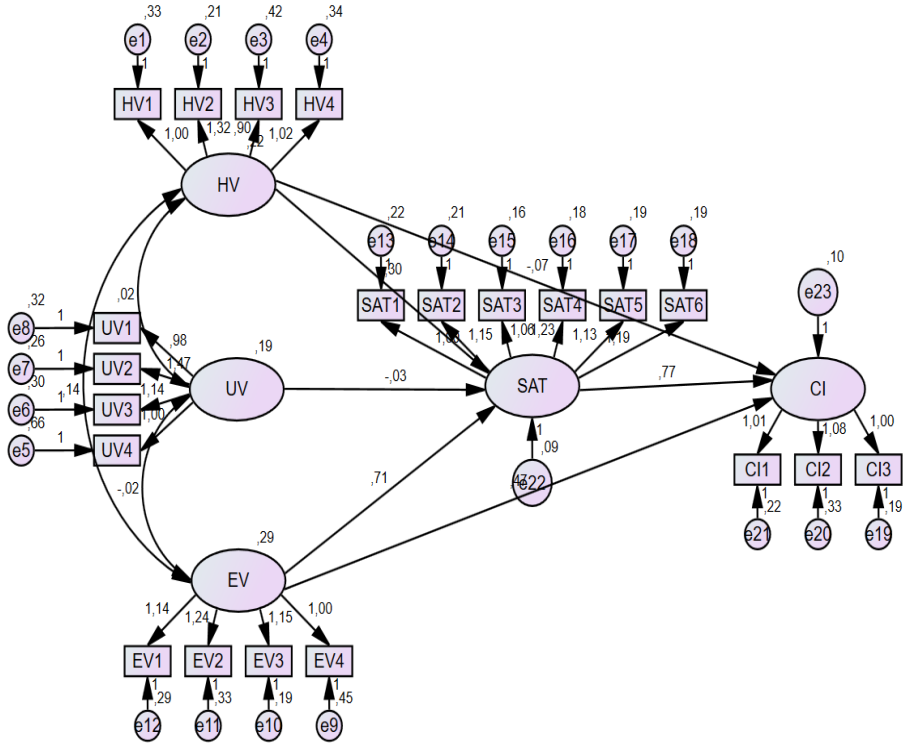

Figure 2
Structural Equation Modelling

Before conducting a research hypothesis test, it is necessary to conduct a goodness of fit model test to determine whether the research model can be considered feasible to use.

Results and Discussion

Description of Research Data

The statistical description of the variables used in this study included utilitarian value, hedonic value, economic value, satisfaction, and continuance intention, which was measured by 210 respondents. The majority of respondents (97.6%) have used ride-hailing apps for more than six months, with 90.5% using them more than three times in the past six months. Most respondents use GOJEK (62.4%), followed by GRAB (29.0%), MAXIM (8.1%), and inDrive (0.5%). Respondents consisted of 53.3% men and 46.7% women, with the majority aged 27-31 years (30.5%), followed by 22-26 years old (28.1%), 17-21 years old (21.4%), 32-36 years old (13.8%), and over 36 years old (6.2%). This distribution of characteristics helps to understand the context of the research results and supports the conclusions drawn.

Descriptive Statistics

The analysis of descriptive statistical results was carried out to see the average value of the responses and the diversity of answers from respondents related to the variables of utilitarian value, hedonic value, economic value, satisfaction, and continuance intention. The mean value will be used to see the middle value of each variable. Meanwhile, the standard deviation value will be used to see the homogeneity value of each variable tested. The following are the results of the descriptive statistical analysis:

Table 2
Descriptive Statistics of Utilitarian Value Variables

No	Statement	Mean	Std. Deviation
Utilitarian Value			
1	Using *ride-hailing* apps, users can efficiently book online transportation.	4,12	0,708
2	Ride-hailing *applications* can save time in waiting *for online* transportation.	4,11	0,822
3	Users can improve their mobility from one place to another.	4,20	0,744
4	Users can save time and money to get *online transportation*.	3,99	0,925
	Average	4,11	

Based on the data and description of table 2 above, it can be seen that the mean value of the utilitarian value variable is 4.11 which means that the average respondent feels that the ride-hailing application provides practical benefits and values obtained by ride-hailing app users. These variables are related to the efficiency, comfort, and practicality in accessing transportation felt by the respondents. Meanwhile, the standard deviation of all indicators used in measuring the utilitarian value variable ranged from 0.7 to 0.9, which showed that respondents had diverse answers to this variable.

Table 3
Descriptive Statistics of Hedonic Value Variables

No	Statement	Mean	Std. Deviation
Hedonic Value			
1	For users, the service of this *ride-hailing* application is one of the things that I enjoy.	4,25	0,742
2	Using the services of this *ride-hailing* application makes users feel good.	4,08	0,775
3	Using the services of this *ride-hailing* application is fun because there are various types of vehicles that I can choose from.	4,28	0,776

No	Statement	Mean	Std. Deviation
4	Using the benefits of this *ride-hailing* app provides fun.	4,17	0,761
	Average	4,19	

Based on the information in Table 3 above, it can be seen that the mean value of the hedonic value variable is 4.19 which means that the average respondent feels that the ride-hailing application provides satisfaction and pleasure obtained by ride-hailing app users through the experience of using the service. Meanwhile, the standard deviation value of all indicators used in measuring the hedonic value variable is around 0.7, which shows that respondents have diverse answers to this variable.

Table 4
Descriptive Statistics of Economic Value Variables

No	Statement	Mean	Std. Deviation
Economic Value			
1	Using *a ride-hailing* application provides good value for the price that the user pays.	4,01	0,818
2	Users can find great deals when using this *ride-hailing* app.	3,85	0,878
3	The services provided by this *ride-hailing* app are an economical alternative compared to conventional transportation.	4,04	0,757
4	The services of this *ride-hailing* app have a reasonable price.	4,06	0,862
	Average	3,99	

Based on the information in Table 4 above, it can be seen that the mean value of the economic value variable is 3.99 which means that the average respondent feels that the ride-hailing application provides financial benefits or economic value provided when using the ride-hailing app. Meanwhile, the standard deviation value of all indicators used in measuring economic value variables ranges from 0.7 to 0.8, which shows that respondents have diverse answers to this variable.

In the process of analyzing the research data, two values will be observed. In hypothesis testing, the p-value is used to determine whether there is an influence between the variables being tested. Meanwhile, the prediction value is used to determine the direction of influence between the independent variable and the dependent variable.
Here is the basis for decision-making in hypothesis testing:

1. Ho is rejected or the hypothesis is supported if the resulting *p-value* ≤ α 0.05. (There is influence)

2. Ho is accepted or the hypothesis is not supported if the resulting *p-value* > α 0.05. (No influence)

Table 5
Direct Hypothesis Test Results

Hypothesis	Estimate	P-Value	Results
Hedonic Value has a positive effect on Satisfaction	0,298	0,000	H1 supported
Utilitarian values have a positive effect on Satisfaction	-0,026	0,358	H2 Not supported
Economic Value has a positive effect on Satisfaction	0,706	0,000	H3 supported
Hedonic Value has a positive effect on Continuance Intention	-0,074	0,242	H4 Not supported
Economic Value has a positive effect on Continuance Intention	0,469	0,000	H5 supported
Satisfaction has a positive effect on Continuance Intention	0,775	0,000	H6 supported

Hypothesis 1

Hypothesis 1 tests whether Hedonic Value has a positive effect on Satisfaction, with the null hypothesis (Ho) and alternative hypothesis (Ha) as follows:
Ho: Hedonic Value has no positive effect on Satisfaction
H1: Hedonic Value has a positive effect on Satisfaction

Based on the results of hypothesis 1 testing in Table 4.6, it is known that the p-value is 0.000 < α 0.05 with a positive estimate value of 0.298, so it can be said that hypothesis 1 is supported. Thus, it can be concluded that Hedonic Value has a positive effect on Satisfaction.

Hypothesis 2

Hypothesis 2 tests whether Utilitarian Value has a positive effect on Satisfaction, with the null hypothesis (Ho) and alternative hypothesis (Ha) as follows:
Ho: Utilitarian Value has no positive effect on Satisfaction
H1: Utilitarian Value has a positive effect on Satisfaction

Based on the results of hypothesis 2 testing in Table 5, it is known that the p-value is 0.358 > α 0.05 which means that there is no influence between the variables studied, so it can be said that hypothesis 2 is not supported. Thus, it can be concluded that Utilitarian Value does not have a positive effect on Satisfaction.

Hypothesis 3

Hypothesis 3 tests whether Economic Value has a positive effect on Satisfaction, with the null hypothesis (Ho) and alternative hypothesis (Ha) as follows:
Ho: Economic Value has no positive effect on Satisfaction
H1: Economic Value has a positive effect on Satisfaction

Based on the results of hypothesis 3 testing in Table 4.6, it is known that the p-value is 0.000 < α 0.05 with a positive estimate value of 0.706, so it can be said that hypothesis 3 is supported. Thus, it can be concluded that Economic Value has a positive effect on Satisfaction.

Hypothesis 4

Hypothesis 4 tests whether Hedonic Value has a positive effect on Continuance Intention, with null hypothesis (Ho) and alternative hypothesis (Ha) as follows:
Ho: Hedonic Value has no positive effect on Continuance Intention
H1: Hedonic Value has a positive effect on Continuance Intention

Based on the results of hypothesis 4 testing in table 4.6, it is known that the p-value is 0.242 > α 0.05 which means that there is no influence between the variables studied, so it can be said that hypothesis 4 is not supported. Thus, it can be concluded that Hedonic Value does not have a positive effect on Continuance Intention.

Hypothesis 5

Hypothesis 5 tests whether Economic Value has a positive effect on Continuance Intention, with null hypothesis (Ho) and alternative hypothesis (Ha) as follows:
Ho: Economic Value Does Not Have a Positive Effect on Continuance Intention
H1: Economic Value has a positive effect on Continuance Intention

Based on the results of hypothesis 5 testing in Table 4.6, it is known that the p-value is 0.000 < α 0.05 with a positive estimate value of 0.469, so it can be said that hypothesis 5 is supported. Thus, it can be concluded that economic value has a positive effect on continuance intention.

Hypothesis 6

Hypothesis 6 tests whether Satisfaction has a positive effect on Continuance Intention, with the null hypothesis (Ho) and the alternative hypothesis (Ha) as follows:
Ho: Satisfaction has no positive effect on Continuance Intention
H1: Satisfaction has a positive effect on Continuance Intention

Based on the results of hypothesis 6 testing in table 4.6, it is known that the p-value is 0.000 < α 0.05 with a positive estimate value of 0.775, so it can be said that hypothesis

6 is supported. Thus, it can be concluded that satisfaction has a positive effect on continuity intention.

Hypothesis 1

The more customers enjoy using the ride-hailing application, the more customer satisfaction will also increase. The aspects that subjectively provide pleasure or satisfaction to the users of ride-hailing apps play an important role in determining how satisfied they are with the experience of using this service (Fobiri et al., 2024). Factors associated with hedonic value include user comfort, attractive interfaces, and additional features that are believed to contribute positively to customer satisfaction. An application should not be too complicated or too difficult for users to learn because it will cause dissatisfaction with the application (Keni, 2020). Comfortable vehicle quality, positive interaction with drivers, or attractive promotions are also examples that can increase the emotional satisfaction of users (Yuan et al., 2022). In examining the determining factors of satisfaction, the perceived customer value, which includes emotional value, contributes to generating customer satisfaction. The results of this study support the results of previous studies which also show similar results, namely hedonic value has a positive effect on satisfaction, such as the results of the study.

Hypothesis 2

Mobile apps that can save time are preferred by users because they are considered to provide more satisfaction. The results of the hypothesis test in this study showed that utilitarian value had no positive effect on satisfaction. Some aspects such as service speed, ease of booking, or competitive prices are considered elements that are expected by users, but they are not significant to increase user satisfaction. Currently ride-hailing is equipped with a mobile payment method that makes transactions faster. Using a mobile payment system can support users to make payments faster than other payment options and improve the quality of user transactions, which will increase user satisfaction with using the application. However, especially in Indonesia, users who have not used mobile payment and prefer to use cash payment are often encountered. In the context of ride-hailing, user satisfaction is more likely to be influenced by aspects of hedonic value, such as vehicle comfort, interaction with drivers, or application interfaces. Therefore, ride-hailing service providers need to pay attention to and improve aspects that are more oriented to hedonic value to increase user satisfaction levels and strengthen their attachment to the service.

Hypothesis 3

Economic value is conceptually similar to price value and positively affects satisfaction (Yuan et al., 2022). The affordability of the services provided by ride-hailing can increase user satisfaction, especially for those looking for a cost-efficient alternative. This shows that the more economical the price of the ride-hailing application, the more satisfied customers will be with the use of the ride-hailing application. Furthermore, ride-hailing users can often take advantage of various promotions, discounts, or special offers

offered by service providers, such as promo codes or loyalty programs, which can provide added value and reinforce user satisfaction. The results of this study support the results of previous studies which also show similar results, namely economic value has a positive effect on satisfaction, such as the results of the study (Jani et al., 2023); (Yuan et al., 2022).

Hypothesis 4

The results of this study do not support the arguments put forward when developing the hypothesis that hedonic value has a positive influence on continuance intention. Several previous studies from several cases stated that there was a positive influence between the two variables. Ideally, hedonic value has several ways to influence continuity intention, first regarding the direct relationship with user satisfaction, and then affecting continuity intention (Yuan et al., 2022). One of the reasons this hypothesis is not supported is that while a pleasant experience in using a ride-hailing service can improve user satisfaction, factors such as the availability of service alternatives, changes in user preferences, issues, and external factors such as changes in fares or service policies, can all influence users to continue using ride-hailing apps. For example, even if a user enjoys the experience of using a particular ride-hailing service at first, changing needs or the availability of alternatives that are more suitable for a particular situation may reduce the desire to continue using the app.

Hypothesis 5

Economic value is one of the factors that can increase continuity intention, so the ride-hailing industry needs to increase economic value by providing more economical prices from ride-hailing applications, such as providing vouchers and free service fees so that both trips and purchases on ride-hailing applications become more affordable. With this offer, users feel that they get better value from using ride-hailing services than using other alternatives such as taxis or their private vehicles. This can make them more likely to continue using the service on an ongoing basis. The results of this study support the results of previous studies which also show similar results, namely economic value has a positive effect on continuity intention, such as the results of the study (Tumaku et al., 2023).

Hypothesis 6

Satisfaction has a positive influence on continuance intention in the use of ride-hailing in addition to user awareness and pleasure, which then affects the intention of continuous use. For example, a user who is satisfied with the fast service, vehicle cleanliness, and travel comfort provided by a ride-hailing service, will tend to use the application continuously for his transportation needs. To improve user satisfaction and ensure high user retention, ride-hailing apps can improve the quality of service by providing clean and well-maintained vehicles and friendly and professional driver service. In addition, companies also need to respond quickly to user complaints and issues, offer attractive loyalty programs and discounts, enhance security with features such as emergency calls and driver background checks, and ask for feedback regularly to continuously improve the service. With this strategy, ride-hailing apps can ensure that

users feel satisfied and continue to use their services in the future. The results of this study support the results of previous studies which also show similar results, namely Satisfaction has a positive effect on continuity intention, such as the results of the study (Yuan et al., 2022); (Ofori et al., 2022).

Conclusion

Based on the analysis in the previous chapter, it can be concluded that in the context of using ride-hailing applications, hedonic value has a positive influence on satisfaction, while utilitarian value does not have a positive influence. Economic value also has a positive impact on satisfaction. However, hedonic value does not have a positive influence on continuance intention, while economic value has a positive influence on continuance intention. Furthermore, satisfaction was proven to have a positive effect on continuance intention. Therefore, to increase user intention to continue using ride-hailing applications, it is important to pay attention to factors such as economic value and user satisfaction, while also considering the role of hedonic value in increasing user satisfaction.

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