HOW DOES DIGITAL TRANSFORMATION MEDIATE OF PRICE AND PROMOTION IN INFLUENCING ONLINE TRAIN TICKET PURCHASING DECISIONS?

[1]*Muhamad Farid Mahmud**, [2]*Rini Tesniwati*, [3] *Istiqomah*
[1, 2, 3] *Fakultas Ekonomi Universitas Gunadarma*
Jl. Margonda Raya No. 100, Depok 16424, Jawa Barat
[1] mfarid282@gmail.com; [2] rinitesni@gmail.com
**Corresponding author*: [1] mfarid282@gmail.com

Abstract

The ease of digital markets in mediating and bridging train ticket reservations has become an interesting phenomenon in Indonesia. Consumers are increasingly interested in exploring online platforms because of their ease of use and variety. This study examines how digital transformation mediates the impact of pricing and advertising on online rail ticket purchases. Employing the Structural Equation Model approach to investigate the link between latent variables, the researchers find that digital transformation strengthens consumer decision-making by making pricing strategies more transparent and accessible. These findings provide insights for businesses to improve their digital strategies.

Keywords*: digital transformation; price; promotion; purchase decision*

INTRODUCTION

Information is vital in improving the quality of public transportation systems. Digital information sources complement traditional methods such as posters and signage. However, the overall impact of these information sources on service perceptions remains unclear, according to Romero, Zamorano, and Monzon (2023) who conducted research in Madrid, further stating that one business strategy to encourage more online train ticket purchases is to offer several cheaper price options than those available at the counter. This strategy drives consumers to choose online ticket purchases (Guan, Wu, & Jia, 2020). A similar phenomenon could be observed in Indonesia, where the digital shift in the online train ticket market holds significant potential.

In 2023, there were 215.63 million internet users in Indonesia, up 2.67% from the previous year's 210.03 million users, according to the Indonesian Internet Service Providers Association (APJII). This figure represents 78.19% of Indonesia's total population, which is 275.77 million. Indonesians used the internet at a rate of 64.8% in 2018 and 73.7% in 2019–2020 (Indonesian Internet Service Providers Association, 2020). By 2021-2022, it had risen to 77.02%, and in 2022-2023, it reached 80% (source: Apjii.or.id). One of the key motivations for many internet users is to search for train ticket information. Internet has been widely used by business actors to market their products and provide information about product prices, purchasing systems, and promotional patterns, including the train tickets sales (Thommen & Hintermann, 2023). Internet also enables digital-based promotional activities.

Train tickets are frequently promoted through online platforms and other electronic networks, with promotional strategies designed creatively to attract people's interest in purchasing tickets online. These activities go beyond simple price discounts at the counter and may include offering reward points, various benefits, and added conveniences for

online ticket purchases. Huber, Meier, and Wallimann (2022) found that discounts increased purchasing decisions, especially for train ticket purchases for recreational purposes in Switzerland. Zahara and Sembiring (2020) also identified that promotions and prices influenced train ticket purchase decisions in Indonesia. Furthermore, Teddy and Zuliestiana (2020) found that price significantly influenced purchasing decisions, particularly for airline tickets on Tiket.com. However, an interesting finding from Kienzler, Kowalkowski, and Kindstrom's (2021) research in Sweden revealed that the strong relationship between customers and producers made price changes ineffective in influencing purchasing decisions. In contrast, research by Mal and Mertayasa (2018) in Bali, Indonesia, on digital-based airline ticket purchases through the Traveloka.com platform concluded that promotions positively impacted online airline ticket purchase decisions. In other words, the extensive promotional activities of marketplaces like Traveloka encourage customers to make purchase decisions. Similarly, Silaban and Manihuruk (2020) in Medan, Indonesia, found that the decision to purchase train tickets via the Tiket.com application was influenced by various factors, including promotions and pricing.

When a business entity overhauls strategic processes, organizational activities, and operational systems using the latest technology to achieve specific goals, this is referred to as digital transformation. The implementation of digital transformation is conducted with an integrated approach to enhance trade transaction efficiency and optimize existing technologies (Mahmud & Tesniwati, 2023).

Digital transformation is also multidisciplinary in nature, as it involves changes in strategy, organization, information technology, supply chains, and marketing (Verhoef et.al, 2021). Changes in digital-based ticket transaction patterns began with traditional methods, such as obtaining departure and price information directly at the station counter, including details like carriage, seat availability, destination, train type, and departure times. Promotional activities have evolved as well, moving from direct promotions at schools and institutions to being facilitated through digital platforms. Research by Zeng, Liu, Zhang, Wu, and Xu (2023) in China found that digitalization, particularly through short video live streaming, had a positive influence on agricultural product consumption. Clarke (2001) noted that online transactions, especially via mobile phones, maximize user time value by offering convenience, localization, and personalization, enabling purchases anytime and anywhere (Hew, 2017). Various studies on digital transformation, including those by Mahmud, Purwoko, Zulkifli, and Sutawijaya, (2022), Teng, Wu and Yang (2022), Guo and Xu (2021), and Zhang, Long, and von Schaewen (2021), determined that the performance of businesses and organizations is significantly impacted by digital transformation.

This paper fills the gap from previous studies by complementing and revealing broader facts, related to how digital transformation mediates the role of price and promotion in influencing digital-based train ticket purchasing decisions in Jabodetabek, Indonesia. Exploring the value of market fit in the digitalization construct and the emergence of flywheel marketing. In which dimension among the three constructs is decisive so that this study further explores the value that is the measure of its latent construct. The goal of this research is to investigate or analyze how digital transformation mediates the latent variables of price and promotion when it comes to online rail ticket purchases in Jabodetabek. The Partial Least Square-Structural Equation Model (PLS-SEM) method is used to examine the data quantitatively and compare it with the literature

for information enrichment. This allows the mediation role in the path diagram structure to be seen.

LITERATURE REVIEW

Price and its influence on purchasing decisions

Price is the total value that consumers must pay to obtain certain benefits or uses from a product (Kotler & Armstrong, 2014). According to Tjiptono (2014), a price is a monetary unit (including other goods and services) exchanged for ownership or the right to use a product or service. Price then becomes a critical factor in purchasing decisions (Medina, Fiestas, Viedma-del Jesus, & Aranda, 2020). Economic dynamics demonstrate that raising the price of a product can reduce consumption while encouraging the purchase of substitute products (Cheng, 2012). Most studies reveal the role of price in purchasing decisions (Konuk, 2018). Price also allows for the comparison of various products based on their monetary and perceived value (Papatheodorou & Koura, 2012). These studies also demonstrate that the impact of price on decision making varies across consumer profiles (Umashankar, Ward, & Dahl, 2017). As a result, Medina et al. (2020) argue that it is critical to gain a better understanding of how each type of consumer processes prices. According to Tjiptono (2014), pricing objectives include profit, sales quantity, business image, market share retention, and serving as a competitor's entry barrier. Adapting the opinion of Kotler and Amstrong (2014) in this study, price indicators include: affordability, according to quality, competitive and according to benefit.

Promotion and its influence on purchasing decisions

In the digital era, consumers are increasingly able to access platforms, choose and compare products, making it more difficult to sell goods. In addition to increasingly fierce competition, the variety of substitute products is also increasing. A certain communication pattern is needed with promotion. The five primary communication tools: publicity, personal selling, promotion, public relations, and direct marketing are a combination of advertisements for promotional purposes (Fill & Turnbull, 2019). Promotional activities are defined as marketing activities that raise awareness or positive attitudes toward an organization or product (Tan & Bogomolova, 2016). Promotion is any type of marketing activity designed to increase consumer demand for products offered by producers or sellers (Sudaryono, 2016). A structured action plan that combines skills and knowledge to achieve the organization's vision and task reports, which typically lead to the organization's goals and priorities (Chukwudi, 2021). According to Kertajaya (2019), sales promotion can help businesses attract new customers, persuade customers to try new products, encourage customers to buy more, compete with competitors' promotional activities, increase impulse buying (purchasing without prior planning), and seek closer collaboration with retailers. Promotion can be defined as an activity that instills confidence in potential customers to purchase a product. The essence of promotion is a marketing strategy for selecting target markets and developing the appropriate promotional mix to influence and persuade consumers to improve organizational performance (Chukwudi, 2021). The primary goal of sales promotion is to increase demand by utilizing temporary sales tactics such as product displays, contests, coupons, free samples or related merchandise giveaways, price reductions, and rebates (Tellis, 1998 in Pettigrew, Jongenelis, Moore, & Prett, 2015). Sales promotion activities, in addition to causing customers to switch brands, have been shown to increase total

category sales. Saputri and Darasta (2023) found that promotions have a positive effect on airline ticket purchasing decisions at Traveloka. In general, there are four indicators used as a measure of promotion (Kotler & Keller, 2016), namely: messages, media, time, and frequency of promotion.

Digital Transformation Mediates Business and Performance Improvement

Digital transformation is defined as the incorporation of technology into all aspects of an organization's operations, resulting in structural changes to how the organization operates and provides value to customers (McGrath & Maiye, 2010). In other words, it is a process that organizations use to integrate digital technology into all aspects of their operations (Mahmud, Purwoko, Zulkifli, & Sutawijaya, 2022). This process fundamentally alters the way organizations provide value to their customers. Another definition includes digital transformation as the third and highest level of digital skills attained when the use of digital also facilitates innovation and creativity and drives significant change in professional or knowledge fields (Lankshear & Knobel, 2008). Venkatrayulu, Gurumoorthi, Abhishek, Basu, Jayalakshmi & Basha (2023) found that digital transformation can mediate standard marketing strategy variables with market growth for seafood products in India. Tongdhamachart, and Niyomsilpa, (2022) found that digitalization in marketing can mediate between effective marketing patterns towards business communities in Thailand. Wahirayasa and Kusuma (2018) found that digital marketing can mediate market orientation towards business performance, Al-Slehat (2023) found that digital transformation can mediate financial technology towards financial inclusiveness. According to Mahmud and Rini (2023), digital transformation can mediate adaptive culture and work patterns, resulting in improved organizational performance. In this study, the indicators of digital transformation are developed from Mahmud and Rini's (2023) research, which includes digital society, integrated platform, service efficiency, innovative (adaptive), and agile.

Purchasing Decisions

Purchasing decisions are the process of combining all of the knowledge obtained by consumers into useful consideration values when choosing among two or more alternatives in order to decide on one product (Peter & Olson, 2013). The process of deciding to buy products or services online is complex and influenced by a variety of factors. Price perception has a greater impact on loyal customers' purchasing decisions than potential customers. In terms of perceived trust, it was discovered that potential customers' purchasing decisions are more influenced by trust than loyal customers'. Katawetawaraks and Wang (2011) show that the online shopping decision-making process involves comparing offline and online decision-making. It was discovered that the communication process and marketing strategies must vary in order to influence consumer decisions both online and offline. Tjiptono (2014) stated that purchasing decisions are a way in which customers search for data about products or brands and evaluate them so that they can make purchasing decisions. Consumers evaluate all alternative products or brands before making a purchase decision (Tjiptono and Andrianombonana, 2016). Consumers seek information after their needs have been met. There are several types of information sources, including personal, commercial, public, and experimental. Before making a final purchasing decision, it is critical to evaluate all relevant information (Huarng & Christopher, 2003). Many researchers explain the consumer decision-making process in stages (d'Astous, Colbert, & Mbarek, 2006). Five

typical factors influence consumer purchasing decisions, whether consciously or unconsciously (Huarng & Christopher, 2003). The purchasing decision process has five components: need recognition, information search, information evaluation, purchase decision, and post-purchase behavior (Leppaniemi, & Karjaluoto, 2005). Need recognition is the result of a mismatch between desired conditions and actual situations (Lihra & Graf, 2007), as well as internal or external stimuli (Kotler & Armstrong, 2014). Kotler and Armstrong (2014) identify five stages in the purchasing decision process: problem recognition, information search, alternative evaluation, decision, and feedback. This study's indicators include stability, suitability of desires and needs, recommendations (referential), and routines. Table 1 showed several similar studies.

Table 1. Several Similar Studies

No	Author/year	Findings	*Gap Research*
1	Akdogan (2021)	Price influences purchasing decisions, but depends on the elasticity of each product	Specifically for digital ticket purchases
2	Levrini and dos Santos (2021)	Price consciousness influences purchasing	Some price indicators
3	Fareed, Felice, Forcina and Petrillo (2023)	Digital transformation drives impulsive buying, price influences psychological and cultural purchasing decisions	Digital transformation mediates price and promotion, with several indicators
4	Ostrowska, et.al (2022)	Price, travel schedules and electronic presentation formats influence train ticket consumption in Poland	More exploration of digital transformation dimensions in Indonesia
5	Angeline, Sean and Angeline (2023)	Image mediates Promotion influences purchasing decisions	Promotion mediated by digital transformation influences purchasing decisions
6	Vasan and Kamaraj (2023)	How quickly web promotions will influence purchasing decisions of young consumers	Promotion strengthens digital transformation with different indicators to drive consumer purchasing decisions in general

Research Hypothesis

Based on the review of the literature, the hypotheses in this study are:

H1: Price affects purchasing decisions positively.
H2: Prices have a positive effect on digital transformation
H3: Promotion improves digital transformation.
H4: Promotion influences buying decisions.
H5: Digital transformation improves purchasing decisions.
H6: Digital transformation can mediate the effects of price and promotion on purchasing decisions.

Here is a research framework that schematically explains the relationship between variables (Figure 1), the flow of research variables, and hypothesis confirmation:

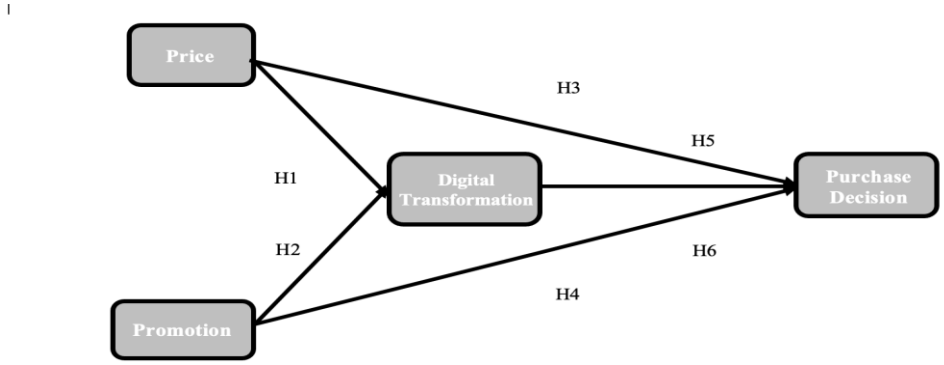

Figure 1. Research Framework

RESEARCH METHOD

This study employs a quantitative approach to determine the extent of the influence of exogenous latent constructs on endogenous variables, testing hypotheses and responding to problem formulations, statistical data processing (multivariate), and the structural equation method (PLS-SEM). This method reveals confirmatory factor analysis, which reduces multi-indicator measurement bias in latent variables. Furthermore, the use of SEM can explain the role of each independent variable's dimensions or indicators, allowing business units to prioritize policy or strategy. This research instrument takes the form of numbers derived from the results of a Likert-scale questionnaire survey. This study uses purposive sampling, with special criteria for customers who purchase train tickets online. The Structural Equation Modeling (SEM) analysis approach requires a representative sample size that is at least five times the number of indicators or parameters (Hair, Black, Babin & Anderson, 2010, p. 96)). There are 17 indicators in this study (Table 2), so a minimum sample size of 80 is required. However, from the distributed questionnaire, a sample of 200 people was obtained.

Table 2. Operational Variable

Latent Variable	Manifest Variable (Indicator)	Scale
Price (X1) (Kotler & Amstrong, 2014)	▪ Affordability ▪ According to quality ▪ Competitive ▪ According to benefits	Likert 1-5
Promotion (X2) (Kotler & Keller, 2016)	▪ Promotion Message ▪ Promotion Media ▪ Promotion Time ▪ Promotion Frequency	Likert 1-5
Digital Transformation (X3) (Mahmud et al, 2022; McGrath & Maiye, 2010)	▪ Digital society ▪ Integrated platform ▪ Service efficiency ▪ Innovative / adaptive ▪ Agile	Likert 1-5
Purchase Decision (Y) (Kotler & Keller., 2016)	▪ Stability ▪ Need ▪ Referential ▪ Routines (habit)	Likert 1-5

RESULTS AND DISCUSSION

Description of respondents can be explained with several classifications, namely: gender, age, domicile, profession and platforms commonly used in transactions. Respondents were taken randomly, but were limited by the criteria as train consumers who transact digitally (online) in the Jabodetabek area. the majority of consumers are women, namely 82 percent and men as much as 18 percent. This fact explains that women's mobility is higher than men, especially for digital-based train users. Then if you look at their age, their domicile is more than 50 percent in the Jakarta area, then the rest between Bogor, Depok, Tangerang to Bandung, where in addition to inter-city and provincial trains, there are also special trains to Soekarno Hatta Airport and fast trains to Bandung which will start operating in 2023. Of course, this is also interesting for them to take advantage of these facilities in their activities. No less interesting, because in fact 77 percent of train users are students, then 20 percent are employees. Of the several existing platforms, it seems that consumers use the top three platforms, namely KAI access, Tiket.com and Traveloka. This study has not explored the reasons why most consumers choose these platforms. However, at least as information for future analysis. The structural equation below demonstrates that the independent latent variables studied have a strong influence or can explain the dependent latent variables, as indicated by the coefficient of determination (R^2). Price, promotion, and digital transformation all have a significant influence on purchasing decisions, with exogenous variables explaining 0.718 percent of their influence on endogenous variables. Of the three exogenous latent constructs, they show a proportional influence that is almost equally significant. Indirectly, price can influence purchasing decisions more through the digital process than promotion with a loading factor of 41.9 percent. The influence of price through digitalization is stronger than directly. This means that consumers find it easier to access price comparisons offered through digital platforms. Table 3. The path coefficient below demonstrates this clearly. Covergent Validity reinforces the statistical results by determining the validity of each relationship between indicators and constructs. The results of data processing with SmartPLS software show the loading factor value for each construct indicator. To assess Covergent Validity, the loading factor value must be greater than 0.5, and the average extracted (AVE) and collectively values must be greater than 0.5, so the following results are obtained.

Table 3. Path Coefficient

Variable Relationship	Inner Loading Factor
Dig -> Pur	0,351
Pri -> Dig	0,419
Pri -> Pur	0,324
Pro -> Dig	0,284
Pro -> Pur	0.304

Table 3 above confirms how the correlation between latent variable (constructs), loading factor describes the extent to which the correlation between exogenous and endogenous variables occurs, it was found that the price construct appears to have the strongest correlation in influencing digital transformation and purchasing decisions. However, both price, promotion, and digital constructs are quite strong and maintain positive values on consumer purchasing decisions. This correlation has important

implications in formulating strategies to influence purchasing decisions. A more detailed explanation is explained in the discussion.

Table 4. Construct Reliability and Validity

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Dig	0,897	0,898	0,918	0,582
Pri	0,931	0,931	0,943	0,674
Pro	0,895	0,895	0,914	0,543
Pur	0,923	0,923	0,938	0,685

In Table 4, the AVE figure is safe because all variables are greater than 0.5, implying that each latent variable can explain more than half of the variance of its indicators on average. This convergent validity demonstrates that a set of indicators represents or underlies a single latent variable. In line with the loading factor results, the largest AVE value is shown in the price construct, detailed elaboration is described in the discussion.

Validity and Reliability Test Results

Several concepts about the validity and reliability criteria of an indicator strengthen the reasons for this study: as according to Ertz, Karakas and Sarigollu (2016) a loading factor of 0.4 and above is considered valid. Then, according to Malhotra (2007), an indicator is valid if its loading factor value is 0.50 or higher. This was confirmed by Truong & Mc Coll (2011) that for better results the value of all loading factors for each item is more than 0.50, it is important to confirm a good questionnaire, as well as Hair, Black, Babin and Anderson (2010). Ghozali (2018) defines a reliable construct as having a composite reliability value of ≥0.7 for each variable. The validity test results for each indicator on the latent price variable (Pri) show a loading factor value of 0.80 - 0.83, the latent promotion variable (Pro) is in the range of 0.71 - 0.76, while the latent digital transformation variable (Dig) is 0.72 - 0.77, while the latent purchasing decision variable (Pur) is in the range of 0.81 - 0.85. Thus, all variables studied are valid. Then it appears in table 4, the reliability test produces a composite reliability of the Pri variable of 0.93, the Pro variable of 0.89, Dig of 0.89 and the Pur variable of 0.92. The path diagram containing the loading factor is presented in Figure 2.

Confirmatory Factor Analysis (CFA) Results and Model Feasibility

The CFA test results show that each variable met the goodness of fit criteria, which include the main indicators (SRMR, d_ULS, d_G, and NFI). As shown in Table 5, the model is good and meets the Goodness of fit criteria.

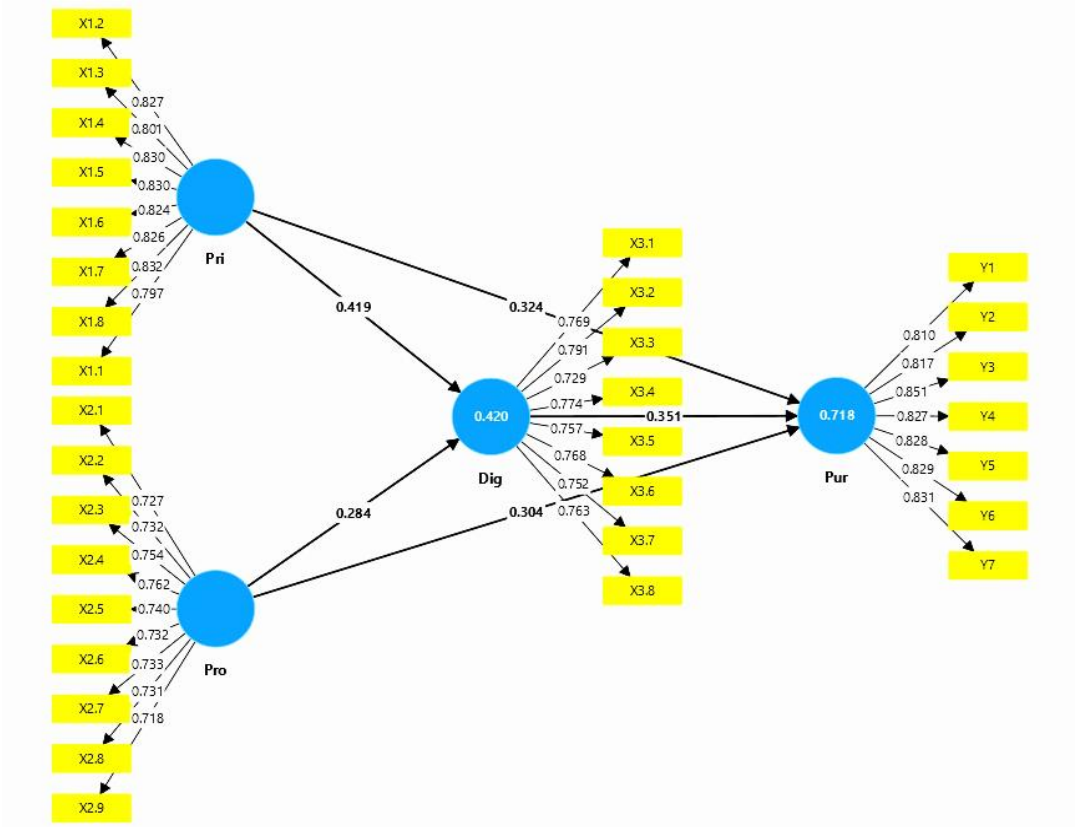

Figure 2. PLS Algorithm

Table 5. Goodness of fit

Criteria	Saturated Model	Estimated Model	Cut off
SRMR	0,045	0,045	≤ 0,08
d_ULS	1,092	1,092	≥0,05
d_G	0,659	0,659	≥0,05
NFI	0,843	0,843	≥0,50

The NFI value, which ranges from 0 to 1, is derived by comparing the hypothesized model to a specific independent model. If the value approaches one, the model has a good fit. Based on the table above, the NFI value is 0.843, indicating a good model fit. According to the fit test results in table 4, the SRMR is 0.078, d_ULS is 2.275, d_G is greater than 0.9, and the NFI value is greater than 0.5, all of which directly explain this research model in accordance with the assessment criteria.

Hypothesis Test Results

To determine the structural relationship between latent variables, hypothesis testing must be performed on the path coefficients between variables, comparing the p-value with alpha (≤ 0.05) or t-statistics (> 1.96). The bootstrapping method is used to determine the magnitude of the p-value and t-statistics from SmartPLS output.

Table 6. Direct and Specific Indirect Effect

Variable Relationship	Original sample (O)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Dig -> Pur	0,351	0,062	5,685	0,000
Pri -> Dig	0,419	0,099	4,232	0,000
Pri -> Pur	0,324	0,058	5,598	0,000
Pro -> Dig	0,284	0,106	2,683	0,007
Pro -> Pur	0,304	0,064	4,725	0,000
Mediating Relationship	Original sample (O)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Pri -> Dig -> Pur	0,147	0,046	3,173	0,002
Pro -> Dig -> Pur	0,099	0,040	2,487	0,013

This test is designed to test the hypothesis, which consists of six hypotheses. Based on Table 6, it can be concluded that all hypotheses are accepted, implying that there is a positive and significant influence of the relationship between exogenous variables and intervening variables, exogenous variables directly on endogenous variables, and intervening variables in mediating. This can be explained by the T-statistic value, which exceeds the T-table's minimum requirement of 1.96. Similarly, when viewed from the P-value, all exogenous variables are less than 0.05, indicating a significant influence of the variables (Table 7).

Table 7. Significance of indicators

Latent	Indicator	Loading	T-Statistic
Price	Affordability	0,810	30,87
	According to quality	0,817	32,64
	Competitive	0,826	32,61
	According to benefits	0,830	35,13
Promotion	Promotional Message	0,729	21,04
	Promotional Media	0,748	23,66
	Promotion Time	0,733	21,91
	Promotion Frequency	0,725	21,15
Digital Transformation	Digital Society	0,769	25,59
	Integrated Platform	0,759	24,37
	Service Efficiency	0,765	25,46
	Innovative (adaptive)	0,769	25,98
	Agile	0,764	24,24

Discussion

This research identifies innovation (adaptation) and service efficiency or speed as the key dimensions of digital transformation, the identification is in accordance with table

7 above, where the digital transformation variable shows the highest loading factor and significant value on the indicator. It backs up the notion that customers are more likely to stay loyal and make purchases when products meet their needs and are easily accessible. Customers fuel growth, marketing, and support teams work together to keep the momentum going (Vazirani & Jaiwant, 2023). Organizations can achieve long-term growth by providing exceptional experiences at every stage of the customer journey.

Product variety, competitive prices, and quick procurement times characterize cross-border e-commerce transactions., which make digital platforms increasingly attractive to consumers. As a result, more consumers are making purchases online. At the same time, consumer perceptions, beliefs, and attitudes play a crucial role in influencing shopping behavior (Wang et al., 2023).

Flywheel marketing is a long-term strategy for encouraging consumers to engage with cross-border platforms. This strategy emphasizes customer satisfaction, engagement, and loyalty, with a focus on customer-centric marketing, and customer service strategies (Vazirani & Jaiwant, 2023). The study's results emphasize the significance of digitalization in driving long-term purchasing decisions and fostering consumer loyalty. Digitalization bridges key marketing variables—price and promotion—which remain central in conventional marketing models.

A key question arises: will these dynamics shift as society achieves a higher level of welfare? Consumption interest can serve as a measure to evaluate new distribution channels, helping businesses assess whether these channels are worth developing, determining geographic markets, or refining segmentation and targeting strategies (Morwitz, Steckel & Gupta, 2007). In Indonesia, digitalization is expanding access to consumption opportunities, as evidenced by Reinartz, Wiegand, & Imschloss (2019), who found that digital transformation enables innovative ways to meet long-standing consumer needs. This transformation combines value creation with automation, personalization, environmental immersion, interaction, and transparency, streamlining numerous activities and processes. Within intensive competition in Indonesia's e-commerce and online travel sectors, KAI must adopt strategies to attract and retain customers. One approach to improving online ticket booking services is using the Quality Function Deployment (QFD) method to identify and address user needs and expectations (Firjanabila, Nugroho, & Saptadi, 2022).

In Indonesia, product prices are a major factor in influencing purchasing decisions. The alignment of price with the perceived benefits is crucial, showing that consumers focus on both price competitiveness and the value they receive. Consumers tend to be rational in their purchases, weighing both price and benefits. Looking ahead, pricing strategies will become more personalized, dynamic, transparent, and sustainable. With more consumer data and better analytics, companies can offer tailored pricing based on individual buying behaviors, allowing for real-time adjustments and more effective pricing strategies (Gao, 2023).

At the operational level, effective pricing tactics include day-based ticket pricing, zoning systems, seat types, departure times, and digitalized booking. These strategies help customers easily choose and order tickets efficiently while preventing scalping. A price differentiation strategy based on quality and service benefits can attract a broad range of consumers, though during peak seasons like Eid and New Year, price variations may have less impact due to high demand. Social media is also used extensively to promote products and services. Managing online opinions and partnering with the right influencers is essential for successful promotion (Lin, Bruning & Swarna, 2018).

Opinions can be shaped through experts, celebrities, influencers, market specialists, and fans. Lin et al. (2018) demonstrated that opinion leaders are crucial in promoting the hedonic value and utility of products and services via various online forums. In today's digital age, promotions can spread more easily across multiple platforms and consumer networks (Kasali, 2019; Kertajaya, 2019). This view is echoed by domestic studies, such as Vania and Simbolon (2021), which suggest that promotions spark interest in using services. Similar findings were made by Charoensereechai, Nurittamont, Phayaphrom, and Siripipatthanakul (2022) in Thailand, Kara and Yaprakli (2017) in Turkey.

In Indonesia, PT KAI has successfully developed a comprehensive promotional strategy that spans electronic media, integrated ordering and payment platforms, and innovative services on trains. These services enhance the customer experience, offering amenities like meal services, more comfortable carriages, and friendly, agile attendants. This approach, while already effective, has room for further development to meet market trends and demands.

Promoting services through digital media does not only offer efficiency, speed, and cost-effectiveness but also reaches a wider audience due to its massive, crowd-driven nature. Ultimately, success depends on aligning the product, content, or service with market expectations (market fit). Innovation, creativity, transformation, advertising, reliability, and efficiency are essential components. However, these will only be valuable if they meet market demand. Customer involvement, attention, and collaboration are key to ensuring this alignment, and this process should be continuous.

Steven Elov, the former CEO of Nokia, made numerous innovations across various sectors but saw his company falter when new consumer expectations emerged. This study supports the idea that KAI's digital ticket sales service meets consumer desires, particularly for the current generation seeking efficiency, agility, and adaptability. By leveraging widespread promotions with influencers, crowds, and mainstream platforms, PT KAI has created a service that becomes an essential aspect of daily life. Customers are more likely to remember and recommend caring and collaborative services to their communities, both in person and via electronic word-of-mouth.

CONCLUSION AND SUGGESTIONS

In the context of train ticket purchasing decisions in Indonesia, especially in the Jabodetabek area, price and promotion are still equally important considerations in direct purchases.. However, with regard to the digital transformation of the train ticket purchasing process, the price becomes a more important consideration than promotion with a greater influence than promotion. This is understandable because through the ease of the digital purchasing process, consumers can easily access and compare prices from one platform to another. Rational consumers will be more interested in choosing low prices with various variants for various types of train services, such as seats, carriages, time, and other facilities. Therefore, when deciding a pricing strategy it is important to consider this during normal times.

Thus, digital transformation in the train ticket sales environment is able to mediate price and promotion by considering the efficiency or speed of the service process and differentiation or product variants offered. Thanks to digitalization and shopping experience, the customers feel closer and tend to provide positive reviews and recommendations in the digital crowd they have. This can create a flywheel. Therefore, platform owners must be more creative in digital engineering to make their products and

promotional contents are in accordance with customer expectations (market fit), for example with the latest style, issues and communication patterns based on culture, tradition, and local wisdom so as to give a deep impression on customers. Future researchers can explore risk factors or customer lifestyles in purchasing train tickets. Alternatively, they can look into the impact of demographic factors like age and income on the effectiveness of digital transformation in consumer decision making.

The limitations of this study are the scope and subject of the study which are specific criteria for respondents, and thus, the results and conclusions of this study are limited, particularly in the Jabodetabek area. Therefore, future research can expand the reach of respondents.

REFERENCES

Akdogan, I.U. (2023). The demand for money and the real exchange rate misalignments in emerging European countries: A nonlinear approach. *Bulletin of Economic Research*, *75*(3), 776-807. doi.org/10.1111/boer.12380

Al-Slehat, Z.A.F. (2023). Fintech and financial inclusion: The mediating role of digital marketing. *Business: Theory and practice*, *24*(1), 183-193. doi.org/10.3846/btp.2023.1764.

Angeline, M. W. W., Sean, G., & Angeline, H. D. T. S. (2024). Analysis of the impact of brand image, promotion and product quality on consumer purchasing decision at PT Tirtasari Pure Source. *Proceeding International Conference on Economic, Business, Management and accounting (ICEBESMA)*, p. 157.

Charoensereechai, C., Nurittamont, W., Phayaphrom, B., & Siripipatthanakul, S., (2022). Understanding the effect of social media advertising values on online purchase intention: A case of Bangkok, Thailand. *Asian Administration & Management Review Journal* , 5(2), 1-11. doi.org/10.2139/ssrn.4103522.

Cheng, SY., (2012). Substitution or complementary effects between banking and stock markets: Evidence from financial openness in Taiwan. *Journal of International Financial Markets, Institutions and Money*, 22(3), 508-520. doi.org/10.1016/j.intfin.2012.01.007

Chukwudi, O.J., (2021). The influence of promotional activities on the success of retail business: A critical review. *International Journal of Science and Management Studies* 4(3), 134-161. doi.org/10.51386/25815946/ijsms-v4i3p113

Clarke III, I., (2001). Emerging value propositions for m-commerce. *Journal of Business Strategies, 18*(2), 133-148.

d'Astous, A., Colbert, F., & Mbarek, I. (2006). Factors influencing readers' interest in new book releases: An experimental study. *Poetics*, *34*(2), 134-147.

Ertz, M., Karakas, F., & Sarigöllü, E. (2016). Exploring pro-environmental behaviors of consumers: An analysis of contextual factors, attitude, and behaviors. *Journal of Business Research*, *69*(2016), 3971-3980. doi.org/10.1016/j.jbusres.2016.06.010

Fareed, A. G., De Felice, F., Forcina, A., & Petrillo, A. (2024). Role and applications of advanced digital technologies in achieving sustainability in multimodal logistics operations: A systematic literature review. *Sustainable Futures, 8*(2024), 1-15. doi.org/10.1016/j.sftr.2024.100278

Fill, C., & Turnbull, S. (2019). Marketing communications. London: Pearson Education.

Firjanabila, F., Nugroho, S. W., & Saptadi, S. (2023). Pengembangan strategi peningkatan kualitas jasa pemesanan tiket kereta api online menggunakan CZIPA

dan QFD pada KAI Access. *Industrial Engineering Online Journal, 12*(1), 1-9. Retrieved from: https://ejournal3.undip.ac.id/index.php/ieoj/article/view/37340.
Hair, J.F., Black, W.C., Babin, B.J. & Anderson, R.E. (2010). *Multivariate data analysis* (7th Edition). New York: Pearson.
Hew, J.-J., (2017). Hall of fame for mobile commerce and its applications: a bibliometric evaluation of a decade and a half (2000–2015). *Telematics Inf., 34*(2017), 43–66. doi.org/10.1016/j.tele.2016.04.003.
Huber, M., Meier, J.& Wallimann, H. (2022). Business analytics meets artificial intelligence: Assessing the demand effects of discounts on Swiss train tickets. *Transportation Research Part B: Methodological, 163*(September 2022), 22-39. doi.org/10.1016/j.trb.2022.06.006.
Huarng, A. S., & Christopher, D. (2003). Planning an effective internet retail store. *Marketing intelligence & Planning*, *21*(4), 230-238.
Indonesian Internet Service Providers Association (APJII). (2020). *Laporan survei internet APJII 2019 – 2020*. Asosiasi Penyelenggara Jasa Internet Indonesia. Retrieved from: https://apjii.or.id/survei Internet Indonesia, 2020, 1–146.
Gao, R. (2023). On the importance of pricing strategy in marketing strategy. *Frontiers in Business, Economics and Management, 10*(1), 158-161. doi.org:10.54097/fbem.v10i1.10234.
Ghozali, I. (2018). *Structural equation modeling metode alternatif dengan partial least square*. Semarang: Badan Penerbit Universitas Diponegoro.
Guan, Y., Wu, B. & Jia, J. (2020), Does online ticket booking system make people better off? An empirical study on railway service, *Transportation-research-part-f-traffic-Psychology-and-Behaviour Journal, 73*(2020), 143-154. doi.org/10.1016/j.trf.2020.03.014
Guo, L. & Xu, L. (2021). The effects of digital transformation on firm performance: Evidence from China's manufacturing sector. *Sustainability Journal*, *13*(22), 1-18. doi.org/10.3390/su132212844.
Kasali, R. (2019). *#MO: Sebuah dunia baru yang membuat orang gagal paham*. Jakarta: Mizan.
Kara, E., & Yaprakli, T. S. (2017). The effects of promotional activities on the intention to purchase: Study in Kahramanmaras. *International Journal of Academic Research in Business and Social Sciences*, 7(5), 2222–6990. doi.org/10.6007/ijarbss/v7-i5/2892.
Katawetawaraks, C., & Wang, C. L. (2011). Online shopper behavior: Influences of online shopping decision. *Asian Journal of Business Research*, *1*(2), 66–74. doi.org/10.14707/ajbr.110012.
Kienzler, M., Kowalkowski, C. & Kindstrom, D. (2021). Purchasing professionals and the flat-rate bias: Effects of price premiums, past usage, and relational ties on price plan choice, *Journal of Business Research, 132*(2021), 403-415. doi.org/10.1016/j.jbusres.2021.04.024.
Konuk, A. F. (2018). The role of store image, perceived quality, trust and perceived value in predicting consumers' purchase intentions towards organic private label food. *Journal of Retailing and Consumer Services*, 43, 304-310. doi.org/10.1016/j.jretconser.2018.04.011
Kotler, P., & Amstrong, G. (2014). *Prinsip-prinsip manajemen* (Edisi 14). Jakarta: Erlangga.
Kotler, P., & Keller, K. L. (2016). *Marketing Management* (14th edition). New Jersey:

Pearson Education Limited.
Lankshear, C. & Knobel, M. (2008). *The 'twoness' of learn 2.0: Challenges and prospects of a would-be new learning paradigm. Keynote presented at the Learning 2.0: From Preschool to beyond conference.* Retrieved from: https://www.academia.edu/3011348/The_twoness_of_learn_2_0_Challenges_and_prospects_of_a_would_be_new_learning_paradigm.
Leppaniemi, M., & Karjaluoto, H. (2005). Factors influencing consumers' willingness to accept mobile advertising: a conceptual model. *International Journal of Mobile Communications*, *3*(3), 197-213. doi.org/10.1504/IJMC.2005.006580.
Levrini, G. R., & dos Santos, M. J. (2021). The influence of price on purchase intentions: Comparative study between cognitive, sensory, and neurophysiological experiments. *Behavioral Sciences*, *11*(2), 1-16. doi.org/10.3390/bs11020016.
Lihra, T., & Graf, R. (2007). Multi-channel communication and consumer choice in the household furniture buying process. *Direct Marketing: an international journal*, *1*(3), 146-160. doi.org/10.1108/17505930710779324.
Lin, H. C., Bruning, P. F., & Swarna, H. (2018). Using online opinion leaders to promote the hedonic and utilitarian value of products and services. *Business Horizons*, *61*(3), 431–442. doi.org/10.1016/j.bushor.2018.01.010
Mahmud, MF., & Tesniwati, R. (2023). Peningkatan kinerja melalui transformasi digital layanan publik kepabeanan yang diperkuat dengan budaya dan pola kerja adaptif. *Jurnal Ilmiah Ekonomi Bisnis*, *28*(2), 161-182. doi.org/10.35760/eb.2023.v28i2.7004
Mahmud, M. F., Purwoko, B., Zulkifli & Sutawijaya, A.H. (2022). How to improve organiztional performance with digital transformation as an intervening variable: Study in Indonesian Customs. *Hong Kong Journal of Social Science*, 60(autumn/winter), 371-381. doi.org/10.55463/hkjss.issn.1021-3619.60.37
Mal, L. H., & Mertayasa, I. G. A. (2018). Pengaruh harga, promosi dan kualitas layanan terhadap keputusan pembelian tiket pesaway secara online di situs Traveloka pada Maasiswa Prodi Manajemen Universitas Dhyana Pura Bali. *Jurnal Ekonomi Dan Pariwisata*, *13*(1), 63-73. doi.org/10.36002/jep.v13i1.343.
McGrath, K., & Maiye, A. (2010). The role of institutions in ICT innovation: learning from interventions in a Nigerian e-government initiative. *IT for development. 16*(4), 260-278. *Cogent Business & Management*, *16(4), 260-278.* doi.org/10.1080/23311975.2022.2082015.
Medina, C.A.G., Martinez-Fiestas, M., Viedma-del Jesus, M., & Aranda, L.A.C. (2020). The processing of price during purchase decision making: Are there neural differences among prosocial and non-prosocial consumers?. *Journal of Cleaner Production*, *271*(10),12-26. doi.org/10.1016/j.jclepro.2020.122648.
Morwitz, V. G., Steckel, J. H. & Gupta, A. (2007). When do purchase intentions predict sales?. *International Journal of Forecasting*, *23*(3), 347-364. doi.org/10.1016/j.ijforecast.2007.05.015.
Ostrowska, M., Ficek, D., Stoltmann, D., Stoń-Egiert, J., Zdun, A., Kowalewski, M., Zapadka, T., Majchrowski, R., Pawlik, M., & Dera, J. (2022). Ten years of remote sensing and analyses of the Baltic Sea primary production. *Remote Sensing Applications: Society and Environment*, *26*(2022*)*,1-19.doi.org/10.1016/j.rsase.2022.100715.
Papatheodorou, A. & Koura, F. (2012). Customer satisfaction from public service obligation (PSO) routes: Thessaloniki as a case study. *Journal of Air Transport*

Studies, *3*(2), 23-37. doi.org/10.38008/jats.v3i2.89.
Peter, PJ., & Olson, JC. (2013). *Perilaku konsumen dan strategi pemasaran* (Buku 1 edisi 9). Jakarta: Salemba Empat.
Pettigrew, S., Jongenelis, M.I., Moore, S., & Pratt, I. S. (2015). A comparison of the effectiveness of an adult nutrition education program for Aboriginal and non-Aboriginal Australians, *Social Science & Medicine*, *145*(2015), 120-124. doi.org/10.1016/j.socscimed.2015.09.025.
Reinartz, W., Wiegand, N. & Imschloss, M. (2019). The impact of digital transformation on the retailing value chain. *International Journal of Research in Marketing*, *36*(2019), 350-366. doi.org/10.1016/j.ijresmar.2018.12.002
Romero, C., Zamorano, C. & Monzon, A. (2023). Exploring the role of public transport information sources on perceived service quality in suburban rail. *Travel Behaviour and Society Journal*, 33(2023), 1-12. doi.org/10.1016/j.tbs.2023.100642.
Saputri, C. C., & Dharasta, Y. S. M. A. (2023). Pengaruh promosi dan diskon terhadap keputusan pembelian tiket pesawat melalui Traveloka (Studi pada Taruna/I Sekolah Tinggi Teknologi Kedirgantaraan Yogyakarta). *Flight Attendant Kedirgantaraan*, *5*(1), 9-22. doi.org/10.56521/attendant-dirgantara.v5i01
Silaban, P. H., & Manihuruk, B. K. (2020). *Pengaruh persepsi harga, promosi dan kualitas pelayanan terhadap keputusan pembelian tiket pesawat secara online pada situs Tiket.Com (Studi Kasus Masyarakat Kota Medan)* (Undergraduate thesis). Fakultas Ekonomi Universitas HKBP Nommensen, Medan. Retrieved from: http://repository.uhn.ac.id/handle/123456789/4790.
Sudaryono, (2016). *Manajemen pemasaran teori dan implementasi*. Yogyakarta: C.V Andi Offset.
Tan, P. J., & Bogomolova, S. (2016). A descriptive analysis of consumer's price promotion literacy skills. *International Journal of Retail & Distribution Management*, *44*(12), 1223-1244. doi:10.1108/IJRDM-08-2015-0104.
Teddy, A. & Zuliestiana, D.A. (2020). Pengaruh citra merek, harga, dan kualitas produk terhadap keputusan pembelian melalui aplikasi Gofood di Kota Bandung. *eProceedings of Management*, *7(*3), 5422-5428.
Teng, X., Wu, Z. & Yang, F. (2022). Impact of the digital transformation of small- and medium-sized listed companies on performance: Based on a cost-benefit analysis framework. *Journal of Mathematic*, *2022*(1), 1-14. doi.org/10.1155/2022/1504499.
Tjiptono, F. (2014). Pemasaran jasa: Prinsip, penerapan, dan penelitian. Yogyakarta: Andi Offset.
Tjiptono, F., & Andrianombonana, H. T. R. (2016). Examining brand origin recognition accuracy in Indonesia. *Asia Pacific Journal of Marketing and Logistics*, *28*(5), 878-897. doi.org:10.1108/apjml-09-2015-0139.
Thommen, C. & Hintermann, B. (2023). Price versus commitment: Managing the demand for off-peak train tickets in a field experiment. *Transportation Research Part A Journal*, 174(2023), 1-19. doi.org/10.1016/j.tra.2023.103691
Tongdhamachart, N., & Niyomsilpa, S. (2022). Mediating effect of digital marketing capability on marketing effectiveness of community enterprises in Nakhon Pathom Province, Thailand. *Jurnal Komunikasi: Malaysian Journal of Communication*, *38*(1), 201-220. doi.org/10.17576/JKMJC-2022-3801-11
Truong, Y. & McColl, R. (2011), Intrinsic motivation, self-esteem and luxury good consumption. *Journal of Retailing and Consumer Services* 18(6), 555-561. doi.org/10.1016/j.jretconser.2011.08.004

Umashankar, N., Ward, M. K., & Dahl, D. W. (2017). The benefit of becoming friends: Complaining after service failures leads customers with strong ties to increase loyalty. *Journal of Marketing*, *81*(6), 79-98. doi.org/10.1509/jm.16.0125

Vania, I., & Simbolon, R. (2021). Pengaruh promo Shopeefood terhadap minat beli pengguna Shopee (Di daerah Tangerang Selatan). *Jurnal Ekonomis*, *14*(2b), 46-58. doi.org/10.58303/jeko.v14i2b.2593.

Vasan, M. G. K., & Kamaraj, R. (2023). Social media contribution towards agricultural sector with special reference to Chengalpattu District. *SELP Journal of Social Science, XV*(57), 23-28.

Vazirani, K., & Jaiwant, S. V. (2023). The flywheel: A new digital marketing model. *Ushus Journal of Business Management*, *22*(3), 63-77. doi.org/10.12725/ujbm.64.5.

Venkatrayulu, C., Gurumoorthi, S. K., Abhishek, Basu, S., Jayalakshmi, M., & Basha, A. M. M. (2023). The mediating role of digital marketing practices in relationship between the standard marketing strategies and the market growth of fisheries and aqua products in India. *Journal of Survey in Fisheries Sciences*, *10*(2S), 2292-2300. doi.org/10.17762/sfs.v10i2S.1216

Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: a multidisciplinary reflection and research agenda. *Journal of Business Research*, *122*(2021), 889–901. doi.org/10.1016/j.jbusres.2019.09.022

Wahirayasa, C. G., & Kusuma, A. G. A. A. (2018). Peran e-marketing dalam memediasi pengaruh orientasi pasar terhadap kinerja bisnis. *E-Jurnal Manajemen*, *7*(6), 3291-3319.

Wang, C., Liu, T., Zhu, Y., Wang, H., Wang, X. & Zhao S. (2023). The influence of consumer perception on purchase intention: Evidence from cross-border E-commerce platforms, *Heliyon Journal*, 9(11), 1-21. doi.org/10.1016/j.heliyon.2023.e21617

Zahara, R. & Sembiring, N. (2020). Effect on the promotion and price on decision to purchase of Railway Airport Transport Tickets. *Dinasti International Journal of Digital Business Management*, *1*(2), 224-239. doi.org/10.31933/dijdbm.v1i2.154

Zhang, J., Long, J. & von Schaewen, A.M.E. (2021). How does digital transformation improve organizational resilience?. *Sustainability Journa*l, *13*(20), 1-22. doi.org:10.3390/su132011487.

Zeng, B., Liu, X., Zhang, W., Wu, L. & Xu, D. (2023), Digital transformation of agricultural products purchasing: From the perspective of short videos live-streaming. *Sustainability*, *15*(20), 1-18. doi.org/10.3390/su152014948.