

THE EFFECT OF CUSTOMER EXPERIENCE ON REPEAT PURCHASE DECISION OF UMRAH PACKAGES AT PT. SIM

Fadhilatul Azizah¹, Christina Whidya Utami²

Ciputra University, Surabaya
INDONESIA

Email: ¹azizah.fadhilatul@gmail.com

ABSTRACT

The purpose of this study is to determine what elements need to be improved in the Customer Experience of PT. SIM so that it can increase the repeat purchase decision of Umrah packages at PT. SIM. The variables studied are cognitive element (X1), emotional element (X2), physical element (X3), and social element (X4). The analytical tool used is descriptive statistical analysis. The population of this research is customers of PT. SIM, thus the population is limited to the number of customers who have purchased Umrah packages at PT. SIM, which amounted to 867 pilgrims. The survey was conducted on the number of respondents totaling 95 respondents. The results of the study show that the first element that determines the customer experience of PT. SIM is the emotional element, followed by cognitive element, social element and physical element in sequence. These elements will then be a factor in increasing the repeat purchase decision of Umrah packages at PT. SIM.

Keywords: Umrah, Umrah packages, service, customer, customer experience, cognitive, emotional, physical, social.

Introduction

The number of Indonesian Umrah enthusiasts continues to increase in a sustainable manner, which has led to the emergence of many new Umrah travel agencies in Indonesia and has caused a highly competitive environment. With the emergence of these Umrah travel agencies and the fierce competition, the condition of this industry can be called a red ocean.

Red ocean is a condition where the existing market has become very competitive and industry players are very large in size and they saturate the market, which will then lead to the decline in the prospect of profits and growth (Kim and Mauborgne, 2004). Even so, many business owners in the Umrah industry have managed to survive without competing in price. Travel agencies that have survived generally are agencies that are strong in quality and branding, and have a base of pilgrims who have trust their service sustainably.

PT. SIM (real name withheld) is one of the Umrah travel agencies that has an official permit from Umrah Travel Service Provider (PPIU) in Indonesia and since its founding in 2013, still survives in this industry. This travel agency does not prioritize competition in terms of price. Nevertheless, until 2018 the number of customers of PT. SIM continues to increase every year (Table 1).

Table 1. Increase in the number of pilgrims of PT. SIM in the last 3 years

Year	1436 H – 1437 H	1437 H – 1438 H	1438 H – 1439 H
Percentage increase	17,86 %	19,70 %	16,88 %

Source : PT. SIM internal data

Among existing customers, there are quite a number of pilgrims in PT. SIM who are customers that decided to make a repeat purchase on the products of PT. SIM. About one fifth of the total congregation in the last 2 years is a recommendation from pilgrims who have departed with PT. SIM in the last 3 years. PT. SIM also conducted a satisfaction survey of pilgrims and the survey results showed that only 14 pilgrims expressed dissatisfaction with the services of PT. SIM. Looking at the results of the survey and the potential for repeat-purchase customers on Umrah service products of PT. SIM, low price is not the main factor of the purchasing decision and on the contrary, the customer experience behind the service is a more decisive factor.

Kruman (2017) mentions that good Customer Experience is no longer a luxury in a company, but rather an utmost priority for a business. 67% of companies felt that the competition was generally on the Customer Experience side and 81% of companies said they would enter Customer Experience competition in the next two years (Gartner, 2017).

Customer Experience (CX) is "cognitive, emotional, physical, sensory, and social elements that mark customer interactions directly or indirectly with a market participant or a group of market participants" (DeKeyser et al., 2015). The cognitive element is a component in Customer Experience that relates to the thoughts obtained by customers when using/experiencing a product or service (Gentile et al., 2017). The emotional element is defined as emotions that customers feel that can influence customers to follow up on subsequent purchases (Keiningham et al., 2007). The physical and sensory elements refer to the man-made environment controlled by the company in which service experience occurs, the physical element refers to the physical elements perceived by the consumer while the sensory element refers to calculations based on servicescape (noise, color, humidity, etc.).

For physical and sensory elements in the case study of PT. SIM, the researcher will only use the physical element because the company cannot control the sensory element that occurs during the period of Umrah departure (9 days and 4 cities). The social element includes the influence of staff, other customers, and broader social media on customer experience of a brand (Verhoef et al., 2009). The researcher questions what elements of Customer Experience that make customers satisfied with PT. SIM that leads to the customers making a repeat purchase and recommending the company to friends and relatives. There are four hypotheses from this study, namely:

- H1: Cognitive Element in Customer Experience has a significant effect on repeat purchase decision of Umrah packages at PT. SIM.
- H2: Emotional Element in Customer Experience has a significant effect on repeat purchase decision of Umrah packages at PT. SIM.
- H3: Physical Element in Customer Experience has a significant effect on repeat purchase decision of Umrah packages at PT. SIM.
- H4: Social Element in Customer Experience has a significant effect on repeat purchase decision of Umrah packages at PT. SIM.

Research Methods

This research uses quantitative methods. Quantitative method is an approach carried out to test objective theory through relationships between variables (Bungin, 2014). The type of research used is descriptive research, namely research that seeks to describe a symptom, incident, or current events. The technique carried out in this study was a questionnaire distributed to 95 sample people from the pilgrims of PT. SIM and this study uses multiple linear regression analysis method $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$. The function of multiple linear regression is to determine the relationship of cognitive element, emotional

element, physical element, and social element (independent variables) to repeat purchase decision (dependent variable).

Results

1. Validity and Reliability Test

Validity test results show all indicators for independent variables, cognitive element (X1), emotional element (X2), physical element (X3), social element (X4), and dependent variable repeat purchase decision (Y), declared valid with a significance below the specified error tolerance, which is 0.05. Therefore, the data can be forwarded for further testing. Whereas for reliability testing, cognitive element (X1), emotional element (X2), physical element (X3), social element (X4), and repeat purchase decision (Y) each has a Cronbach's Alpha value greater than 0.6, thus it can be concluded that all indicators used to measure variables in this study are reliable.

2. Multiple Linear Regression Test

Table 2 Multiple Linear Regression Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.187	.766		-5.464	.000
	AVGX1	.431	.129	.269	3.348	.001
	AVGX2	.416	.094	.318	4.431	.000
	AVGX3	.464	.156	.235	2.968	.004
	AVGX4	.617	.179	.255	3.450	.001

Source: Data processed by SPSS (2019)

Based on Table 2, it can be seen that through the multiple linear regression test, the regression model obtained is as follows: $Y = 0.269 X1 + 0.318 X2 + 0.235 X3 + 0.255 X4$. Based on the regression equation, the multiple linear regression coefficient obtained from the cognitive element variable (X1) is 0.269, the emotional element variable (X2) is 0.318, the physical element variable (X3) is 0.235, and the social element variable (X4) is 0.255.

3. F Test

Table 3 F Test Results

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.808	4	5.202	37.086	.000 ^b
	Residual	12.624	90	.140		
	Total	33.432	94			

a. Dependent Variable: AVGY

b. Predictors: (Constant), AVGX4, AVGX2, AVGX3, AVGX1

Source: Data processed by SPSS (2019)

Based on Table 3, it can be seen that the F test produces a significance value of 0,000 where this value is smaller than 0.05. The result of this test indicates that the independent variables, namely cognitive element, emotional element, physical element, and social element have a significant effect on repeat purchase decision of Umrah packages at PT. SIM simultaneously. Therefore, it can be concluded that the test of this model is feasible to be used in this study.

4. t Test

Table 4 t Test Results

Variable	Coefficient	Significance	Conclusion
X1	0,431	0,001	H1 accepted
X2	0,416	0,000	H2 accepted
X3	0,464	0,004	H3 accepted
X4	0,617	0,001	H4 accepted

Source: Data processed by SPSS (2019)

Based on Table 4, it can be seen that the significance value of the cognitive element (X1), emotional element (X2), physical element (X3), and social element (X4) is less than 0.05. It can be concluded that H1, H2, H3, and H4 are all accepted, which means that all the independent variables significantly influence the dependent variable.

5. Coefficient of Multiple Determination (R2) and Correlation Coefficient (R)
Table 5 Coefficient of Multiple Determination and Correlation Coefficient

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.789 ^a	.622	.606	.37452	1.908

a. Predictors: (Constant), AVGX4, AVGX2, AVGX3, AVGX1

b. Dependent Variable: AVGY

Source: Data processed by SPSS (2019)

Based on Table 5, it can be seen that the value of the correlation coefficient (R) is quite high, which is 0.789 (close to 1), which means there is a strong relationship between independent variables (cognitive element, emotional element, physical element, and social element) and the dependent variable (repeat purchase decision of Umrah packages at PT. SIM). The coefficient of multiple determination (R2) of 0.606 (60.6%) shows that the independent variables (cognitive element, emotional element, physical element, and social element) are able to contribute 60.6% to the changes that occur in the dependent variable (repeat purchase decision of Umrah packages at PT. SIM), while the remaining 39.4% is explained by other variables outside of this study.

Discussion

1. The Effect of Cognitive Element in Customer Experience on Repeat Purchase Decision of Umrah Packages at PT. SIM

Table 2 shows that cognitive element (X1) has a positive effect on repeat purchase decision of Umrah packages at PT. SIM (Y). Based on Table 2 Multiple Linear Analysis, the repeat purchase decision will increase if each indicator on the cognitive element variable is raised by one unit. The increasing amount of material provided, information provided, and programs that are held will be able to increase repeat purchase decision of Umrah packages at PT. SIM. The results of this study are in line with the research conducted by Gentile, et al (2017) which also shows that cognitive element is a component in Customer Experience, where this element relates to achieving goals and the satisfaction of customer expectations when using or experiencing products or services.

2. The Effect of Emotional Element in Customer Experience on Repeat Purchase Decision of Umrah Packages at PT. SIM

Table 2 shows that emotional element (X2) has a positive effect on repeat purchase decision of Umrah packages at PT. SIM (Y). Based on Table 2 Multiple Linear Analysis, the

repeat purchase decision will increase if each indicator on the emotional element variable is raised by one unit. The increasing feeling of pleasure because of choosing PT. SIM, positive emotions along the way, and the impression of departure will be able to increase repeat purchase decision of Umrah packages at PT. SIM. The results of this study are in line with the research conducted by Keiningham, et al (2017) which shows that the emotional element relates to positive emotions felt by consumers when dealing with products and services of a company.

3. The Effect of Physical Element in Customer Experience on Repeat Purchase Decision of Umrah Packages at PT. SIM

Table 2 shows that physical element (X3) has a positive effect on repeat purchase decision of Umrah packages at PT. SIM (Y). Based on Table 2 Multiple Linear Analysis, the repeat purchase decision will increase if each indicator on the physical element variable is raised by one unit. The increasing physical facilities felt by pilgrims will increase repeat purchase decision of Umrah packages at PT. SIM. The results of this study are in line with the research conducted by Keiningham, et al (2017) which shows that the physical element refers to man-made environments and facilities that are controlled by companies when services occur.

4. The Effect of Social Element in Customer Experience on Repeat Purchase Decision of Umrah Packages at PT. SIM

Table 2 shows that social element (X4) has a positive effect on repeat purchase decision of Umrah packages at PT. SIM (Y). Based on Table 2 Multiple Linear Analysis, the repeat purchase decision will increase if each indicator on the social element variable is raised by one unit. The increasing social comfort felt by pilgrims will increase repeat purchase decision of Umrah packages at PT. SIM. The results of this study are in line with the research conducted by Verhoef, et al (2009) which shows that the social element refers to the influence of staff and other customers on the customer experience of a brand.

Conclusions and Recommendations

Conclusions

1. Cognitive Element in Customer Experience has a positive and significant effect on repeat purchase decision of Umrah packages at PT. SIM. Therefore, the first hypothesis is accepted.
2. Emotional Element in Customer Experience has a positive and significant effect on repeat purchase decision of Umrah packages at PT. SIM. Therefore, the second hypothesis is accepted.
3. Physical Element in Customer Experience has a positive and significant effect on repeat purchase decision of Umrah packages at PT. SIM. Therefore, the third hypothesis is accepted.
4. Social Element in Customer Experience has a positive and significant effect on repeat purchase decision of Umrah packages at PT. SIM. Therefore, the fourth hypothesis is accepted.

Recommendations

1. To PT. Sahabat Insan
Mulia:

The company is expected to increase and improve the cognitive element to continue to exceed the expectations of pilgrims, as well as improve the positive emotions felt by pilgrims and the convenience of physical facilities and company services so that it can lift the competitiveness of the company and increase the number of pilgrims with recommendations from existing associates and pilgrims in the hope that they will not turn to other bureaus.

2. To the next
researchers:

The next researchers are expected to be able to find other variables in order to expand the results

of the research for repeat purchase decisions in general and the research is expected to be more beneficial for similar business owners and other industries.

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