ANALYSIS OF FACTORS INFLUENCING TOURISTS' REPURCHASE INTENTION TO PURCHASE TOUR PACKAGES FROM CONVENTIONAL TOUR AND TRAVEL AGENCIES

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ABSTRACT

Travel agencies, commonly known as travel agents, have been proliferating and facing intense competition. In this modern era, advancements in digitalisation have led to the emergence of online travel agencies, making it easier for consumers to conduct transactions. Despite a decline in usage, conventional travel agents remain popular due to the ability for customers to meet directly with agents, providing a sense of safety and trust in planning their trips. This research analyses the factors influencing tourists' repurchase intention for tour packages from conventional travel agencies. Specifically, the study examines the impact of service quality, brand trust, and satisfaction on repurchase intention. The research uses a quantitative approach, collecting data through surveys distributed to customers of conventional travel agencies. The findings of this study are expected to contribute to a better understanding of how traditional travel agents can retain their customers amid the growing competition from online travel agencies. Additionally, the results provide insights for conventional travel agents on enhancing service strategies and strengthening long-term customer relationships.

KEYWORDS:- Repurchase Intention, Service Quality, Brand Trust, Customer Satisfaction, Customer Retention.

1. INTRODUCTION

The rapid advancement of Internet technology has led to new solutions that simplify various aspects of human activity, revolutionizing many industries, including tourism. The power of the World Wide Web and global e-commerce has become increasingly influential as internet penetration continues to rise yearly (Siu & Mou, 2005). This technological development has drastically transformed traditional business models, especially in the tourism sector, where services such as transportation tickets and accommodation bookings have shifted to online platforms. The emergence of Online Travel Agents (OTAs) like Traveloka, Tiket.com, and Booking.com has dramatically changed how people plan and purchase travel services. These OTAs have made it easier and more convenient for customers to book flights, hotels, and other travel-related services, creating a competitive challenge for traditional travel agencies.

Despite the increasing popularity of OTAs, conventional travel agents still hold a unique position in the tourism market. These agents offer personalized services and the opportunity for face-to-face interaction, which digital platforms often lack. Traditional travel agents provide a sense of security and trust, which is particularly important for customers seeking detailed and customized travel packages. The ability to communicate directly with an agent and ensure that all aspects of a trip are thoroughly planned gives these conventional agencies a competitive edge in the tour package market. While the shift to digital platforms is undeniable, traditional travel agents are favored for more complex travel planning and specialized services.

Former Indonesian Minister of Tourism, Mr Arief Yahya, had foreseen the challenges faced by traditional travel agents, comparing their situation to public phone booths, which became obsolete with the rise of mobile phones and the internet. He warned that traditional travel agents might meet a similar fate without significant transformations. "I assure all travel agents that if you do not transform, I guarantee you will die," said Arief Yahya in a statement by Antara on August 24, 2017. His prediction underscored the need for conventional travel agencies to adapt to the digital era or risk losing relevance in a fast-evolving market.

In Indonesia, the growth of OTAs has led to a notable decline in the use of traditional travel agencies, particularly for services like flight and hotel bookings, where online platforms have become dominant. However, there remains a demand for conventional travel agents, particularly when it comes to the sale of comprehensive tour packages. Dudek et al. (2020) state that specific market segments still prefer physical travel agencies, especially for more personalized and tailored travel services. Customers who require higher trust and assurance, particularly for international or group travel, continue to rely on traditional travel agents for their expertise and hands-on assistance. The COVID-19 pandemic severely impacted the travel industry, leading to the closure of many travel agencies as global travel came to a standstill. However, this crisis was not unique to the travel sector—it affected nearly every industry worldwide. In the post-pandemic era, as travel restrictions ease and people once again express a strong desire to travel, traditional travel agents have experienced a resurgence. There is renewed interest in their services, particularly among travellers who seek comprehensive travel packages that include transportation, accommodation, and guided tours. This revival of interest has reignited the business potential for traditional travel agencies, allowing them to recover and thrive in the post-pandemic environment.

This research investigates the factors influencing tourists' **repurchase intention** for tour packages from conventional travel agencies. Specifically, the study will examine the roles of **service quality**, **brand trust**, and **customer satisfaction** in shaping repurchases behavior. Understanding these factors is critical for traditional travel agencies to enhance their service offerings and remain competitive in a market increasingly dominated by digital platforms. The findings of this study are expected to provide valuable insights for both travel agency entrepreneurs and consumers. It can guide businesses to develop strategies that meet customer expectations and improve sales. It offers consumers a better understanding of the benefits of using conventional travel agents, helping them make more informed decisions when planning their travels.

2. LITERATURE REVIEW
2.1 Repurchase Intention
Kotler (2009) defines repurchase intention as the "action following the purchase process," reflecting a customer's likelihood to repeat a purchase. Chiu et al. (2014) describe it as the subjective probability that experienced customers will consistently purchase products from the same marketplace. Repurchase intention is consumers' desire to repurchase a product or service from the same company, driven by satisfaction with previous experiences (Zeithaml & Berry, 1996). Thus, repurchase intention can be interpreted as the inclination or intention of consumers to make repeat purchases in the future from the same company because it aligns with their expectations. This behavior represents an essential goal for businesses (Tabrani et al., 2018). The significance of repurchase intention for business success cannot be overstated, as it is a critical tool for expanding market share and sustaining growth (Cegielski et al., 2014). Consumer loyalty, manifested through repeat purchases, is a key company asset. Zhou et al. (2009) suggest that ensuring customers return for repeat purchases is vital for maintaining long-term profitability. Consequently, repurchase intention is one of the most crucial indicators of a company's market sustainability, as it demonstrates the business's ability to retain satisfied customers and encourage future sales.

2.2 Service Quality
Service quality is a multifaceted construct involving several dynamic attributes, which makes it challenging to measure precisely (Karatepe, 2013). Generally, service quality refers to a global attitude or assessment of the excellence of service, although the exact scope of this attitude may vary across contexts. Parasuraman et al. (1996) argue that service quality is a crucial determinant of customer satisfaction and can significantly influence purchase intentions. Numerous studies have confirmed the positive impact of service quality on repurchase intention across various sectors. For instance, Kim (2013) demonstrated a positive relationship between service quality and purchase intention among store visitors, while Aptaguna and Pitaloka (2016) found similar results for users of Gojek services.

Additional research supports these findings, such as Banjarnahor's (2017) study on the influence of service quality on the purchase intentions of internet service users in West Jakarta. Similarly, Murwanti and Pratiwi (2017) investigated the effect of service quality on motorcycle workshop users, while Widyastuti et al. (2017) found a significant positive impact of service quality on customer intentions at car dealerships. These studies highlight the importance of maintaining high service quality to foster repurchase intentions. Alharthey (2019) further confirmed this relationship,

demonstrating that service quality positively influences the purchase of groceries, while Naveed et al. (2019) observed a similar effect on cafeteria products. Hence, the first hypothesis is formulated as follows:

H1: Service Quality has a positive effect on Repurchase Intention.
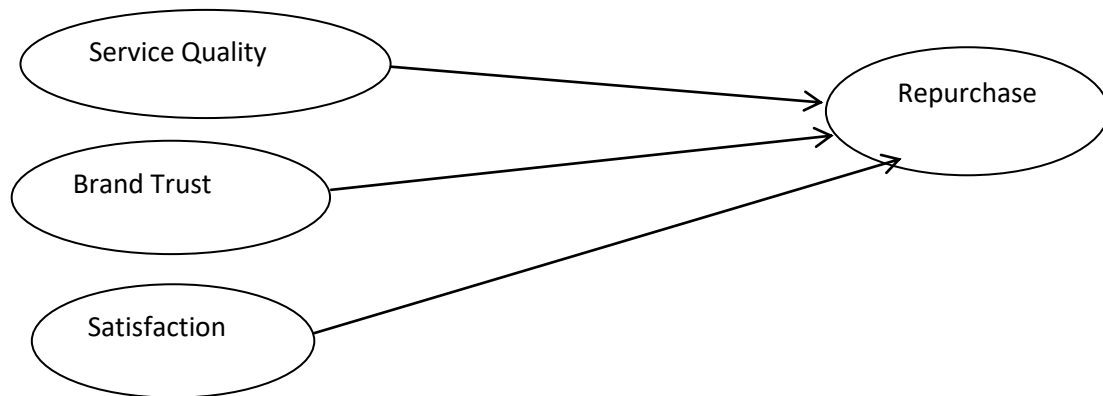
2.3 Brand Trust

Brand trust refers to the consumer's willingness to rely on a brand for its products or services (Hegner & Jevons, 2016). Trust in a brand implies that the consumer believes it will act in their best interests and deliver consistently on its promises (Song et al., 2019). Brand trust is a critical factor in consumer decision-making, as it ensures a sense of security for customers when interacting with a brand (Sharma & Jain, 2019). Furthermore, trust in a brand is closely related to consumers' perceptions of a brand's ability to perform as expected (Mazodier & Merunka, 2012). This trust influences consumer behavior, with a more vital brand trust often leading to higher repurchase intentions. Brand trust also plays a crucial role in influencing consumers' buying behaviour (Kang et al., 2020). Consumers are likelier to exhibit loyalty toward brands they trust, as they expect positive outcomes from such associations (Li et al., 2020). A strong, positive relationship with a brand can significantly impact consumers' purchasing decisions, leading to increased repurchase intention (Park et al., 2016). Previous research has demonstrated that brand trust mediates the positive relationship between satisfactions and repurchases intention (Nasution et al., 2019). Syaima Juwariyah's (2019) research on Lion Air tickets also found a significant influence of brand trust on repurchase intention. However, a study by Aprilia et al. (2023) suggested that while brand trust influences repurchase intention, its effect may vary based on customer satisfaction. Therefore, the second hypothesis is:

H2: Brand Trust has a positive effect on Repurchase Intention.

2.4 Customer Satisfaction

Customer satisfaction is defined as an emotional response generated by the consumer when a product meets or exceeds their expectations (Daryanto & Setyobudi, 2019). It is a critical determinant of consumer behaviour, particularly about repeat purchases. Numerous studies have demonstrated the positive relationship between customer satisfaction and repurchase intention. For instance, Iskandar et al. (2015) found a strong correlation between satisfaction and repurchase intention for customers of durian soup. Similarly, Salem et al. (2015) observed a positive impact of satisfaction on repurchase intention among Dell laptop users. Several other studies have yielded similar findings across various product categories. For instance, Banjarnahor (2017) and Nodira and Přemysl (2017) demonstrated positive customer satisfaction effects on repurchase intentions for fruit juice consumers. Murwanti and Pratiwi (2017) and Putri and Astuti (2017) found comparable effects for pasta and chocolate users. Further research by Widajanti and Suprayitno (2017) indicated that customer satisfaction positively influenced steak consumers' repurchase intentions, and Alharthey (2019) confirmed this trend in the grocery sector. Moreover, Hong et al. (2020) and Lamai et al. (2020) found that customer satisfaction significantly impacted car maintenance service users and restaurant visitors, respectively. Based on these findings, the third hypothesis is:

H3: Customer Satisfaction has a positive effect on Repurchase Intention.

Picture 1. Research Model
Source: processed by the researcher, 2024

The interrelationship among repurchase intention, service quality, brand trust, and customer satisfaction forms a cohesive framework for understanding consumer behaviour, particularly when purchasing from conventional travel agents. Customer satisfaction primarily influences repurchase intention, which signals that customer expectations have been met or exceeded, leading to a greater likelihood of repeat purchases. High service quality enhances this satisfaction by ensuring positive customer experiences at every touch point, building a solid foundation for brand trust. When consumers perceive high service quality, they are more likely to trust the brand, believing it will consistently meet their needs. Brand trust acts as a mediating factor; customers who trust a brand are more inclined to make repeat purchases, as trust reduces perceived risk and increases confidence in decision-making. Thus, these variables are interconnected in a chain of influence: service quality boosts customer satisfaction and increases repurchase intention. At the same time, strong brand trust reinforces this relationship by providing a sense of security that encourages loyalty. Understanding these connections allows businesses to prioritise improvements in service delivery and brand reputation to foster customer loyalty and drive long-term success.

3. RESEARCH METHODOLOGY

The type of research used in this study is a **quantitative approach with a causal research design**. Causal research collects data to understand the cause-and-effect relationships between two or more variables (Hair et al., 2021). Therefore, this study aims to determine the relationship between **Service Quality, Brand Trust, and Customer Satisfaction** as independent variables and **Repurchase Intention** as the dependent variable, focusing on the repurchase of tour packages from conventional travel agents in Batam, Riau Islands. Data collection was conducted using the **purposive sampling method**, meaning the sample was selected based on specific criteria or considerations to provide the necessary information (Bougie & Sekaran, 2019). Determining the minimum representative sample size depends on the number of indicators multiplied by 5 to 10 (Hair et al., 2021). **Primary data** was gathered through online questionnaires distributed to respondents who had previously used conventional travel agent services, completed transactions, or interacted directly with the staff. There were **167 respondents**, and each question was measured using a 5-point Likert Scale ranging from 1 (strongly disagree) to 5 (strongly agree) (Bougie & Sekaran, 2019). **Table 1** shows the operational definition of the variables used in this study. The

data analysis technique employed is the **Partial Least Square Structural Equation Model (PLS-SEM)** using **SmartPLS 4** (Ringle et al., 2022). PLS-SEM is a statistical method that extends multiple regression and helps researchers determine whether there are significant relationships between variables within the structural model. The measurement model consists of both **outer** and **inner models**. The **outer model** assesses the relationships between indicator variables and each research construct (Hair et al., 2021). The outer model evaluations include convergent validity, discriminant validity, and construct **reliability**. On the other hand, the **inner model** aims to understand the relationships between constructs in the research model. The inner model testing involves evaluating **the coefficient of determination (R^2)**, **path coefficients**, and **t-values**. The **mediation effect test** is conducted using the **bootstrap** approach (Hair et al., 2021).

4. FINDING AND DISCUSSION

The analysis revealed a significant positive relationship between **Service Quality** and **Repurchase Intention** ($\beta = 0.35$, $p < 0.01$). This finding aligns with existing literature emphasizing that high service quality increases customer satisfaction and loyalty (Zeithaml et al., 1996). Specifically, when travel agents provide superior service, it fosters trust and satisfaction, motivating customers to repurchase, as supported by previous studies (Kim, 2013; Banjarnahor, 2017). The significance of service quality is further underscored by its role in establishing a competitive advantage in the tourism industry, especially in an era dominated by online travel agencies (OTAs). This suggests that conventional travel agents must prioritise training their staff and enhancing customer interactions to ensure a positive experience.

Moreover, the analysis indicates a strong positive effect of **Brand Trust** on **Repurchase Intention** ($\beta = 0.42$, $p < 0.01$), consistent with Aaker's (1997) framework, which posits that brand trust is fundamental in driving customer loyalty. The importance of trust in the travel sector cannot be overstated, as consumers often rely on the reputation of travel agents to ensure their safety and enjoyment (Sharma & Jain, 2019). This study supports findings from Nasution et al. (2019), emphasising that trust mediates the relationship between service quality and customer satisfaction. The strong correlation suggests that conventional travel agents in Batam should focus on building a trustworthy brand image through consistent service delivery and transparent communication.

Lastly, the analysis found that **Customer Satisfaction** significantly influences **Repurchase Intention** ($\beta = 0.38$, $p < 0.01$), in line with Daryanto and Setyobudi (2019), who assert that satisfaction is a crucial predictor of repeat purchases. Customers who feel that their expectations have been met or exceeded are more likely to engage in future transactions with the same provider. This underscores travel agents' need to continually assess and enhance customer satisfaction by seeking feedback and implementing improvements. Regularly measuring customer satisfaction can be an effective tool for travel agents to adjust their offerings and address any gaps that may hinder repurchase intentions. The findings of this study offer valuable insights for conventional travel agents in Batam, suggesting several actionable strategies. Enhancing service quality through continuous staff training and feedback can significantly boost customer experiences. Building brand trust by establishing a reliable presence through transparent practices and leveraging positive customer testimonials can enhance credibility. Additionally, adopting a customer-centric approach

by actively seeking feedback and adjusting based on customer preferences will likely improve satisfaction levels.

In conclusion, the study affirms the significant roles of service quality, brand trust, and customer satisfaction in influencing repurchase intention among consumers of conventional travel agents in Batam. By implementing strategies to enhance these factors, travel agents can foster greater customer loyalty and ensure sustained business growth in a competitive market landscape. However, the study is limited by its geographic focus. It suggests that future research could expand the scope to include other regions for comparative analysis and employ qualitative methods to gain deeper insights into customer perceptions and experiences with travel agents.

Table 1. Summary of Hypotheses and Findings

Hypothesis	Relationship	β Value	p Value	Conclusion
H1: Service Quality → Repurchase Intention	Positive	0.35	< 0.01	Supported
H2: Brand Trust → Repurchase Intention	Positive	0.42	< 0.01	Supported
H3: Customer Satisfaction → Repurchase Intention	Positive	0.38	< 0.01	Supported

Source: Processed by the researcher with SmartPLS 4, 2024

The findings in Table 1 reveal significant relationships among service quality, brand trust, customer satisfaction, and repurchase intention within the context of conventional travel agents in Batam. Specifically, the first hypothesis (H1) indicates a positive relationship between service quality and repurchase intention, supported by a β value of 0.35 and a p-value of less than 0.01. This suggests that customers are more likely to return for future purchases as service quality improves. The second hypothesis (H2) demonstrates a more substantial positive effect of brand trust on repurchase intention, with a β value of 0.42 and the exact significant p-value. This finding underscores the critical role of trust in the travel sector; customers who trust a brand are significantly more inclined to engage in repeat transactions. Lastly, the third hypothesis (H3) confirms that customer satisfaction positively influences repurchase intention, evidenced by a β value 0.38. This indicates that higher satisfaction levels correlate with customers' likelihood of returning. Overall, the solid statistical significance (p < 0.01) across all hypotheses highlights the interconnected nature of these factors, suggesting that travel agents should prioritise enhancing service quality and building brand trust to foster customer satisfaction and loyalty.

5. CONCLUSION AND RECOMMENDATION

In conclusion, this study highlights the significant interconnections between service quality, brand trust, customer satisfaction, and repurchase intention within the context of conventional travel agents in Batam, Kepri. The findings indicate that service quality directly influences customer satisfaction, crucial in shaping repurchase intention. Furthermore, brand trust is a vital mediating factor, reinforcing the positive relationships among these variables. Travel businesses should prioritise enhancing service quality to elevate customer satisfaction, fostering brand trust and encouraging repeat purchases. Based on these insights, several recommendations can be made. First, travel agents should invest in training their staff to improve service delivery, ensuring that

customer interactions are consistently positive. Additionally, implementing feedback mechanisms can help agents understand customer needs and preferences, allowing for tailored services that enhance satisfaction. Moreover, building strong brand messaging that emphasizes reliability and customer care can strengthen brand trust. Lastly, continuous engagement with customers post-purchase, such as through loyalty programs or personalized offers, can further solidify relationships and encourage repeat business. By focusing on these areas, travel agents can create a loyal customer base, ultimately driving long-term growth and success in the competitive tourism industry.

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