

## The Influence of Service Quality on Repurchase Intention with Customer Satisfaction as a Mediating Variable. Study on Traveloka

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Article Info	ABSTRACT
<b>Keywords:</b> Service Quality, Repurchase Intention, Customer Satisfaction.	This study aims to examine the effect of service quality on repurchase intention with customer satisfaction as a mediating variable in the study on Traveloka. The criteria for being used as a sample in this study are people domiciled in NTB who have made online purchases on Traveloka with at least one transaction. Through a quantitative approach, this study will collect data using an online questionnaire to 100 respondents with a sample collection technique in the form of simple random sampling. This study uses the Structural Equation Modeling-Partial Least Square (SEM-PLS) data analysis method with the help of Smart-PLS software version 4.0. The results of the study indicate that Service Quality does not have a significant effect on Repurchase Intention, but on Consumer Satisfaction it has a significant effect. Customer Satisfaction has a significant effect on Repurchase Intention, and Customer Satisfaction can mediate Service Quality on Repurchase Intention.
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## INTRODUCTION

In the rapidly advancing digital era, the travel and tourism industry has undergone significant transformations with the advent of online platforms that facilitate consumers in planning and booking their journeys. According to the World Tourism Organization (WTO) (Suwena, et al., 2017), the evolution of tourism in the modern age is marked by increasingly diverse motivations and desires of tourists that need to be met, owing to the rise of human culture. The industrial revolution in Western countries initiated the development of essential transportation means that have greatly contributed to the growth of tourism. The invention of the steam engine led to the introduction of trains and steamships, which replaced animal-driven transportation. Subsequently, motorized vehicles, which offered greater speed and flexibility for land travel, were developed. The latest technological advancement in modern times is air transportation, enabling long-distance travel within shorter time

frames. Since the onset of the modern age, organizations dedicated to planning and regulating travel, as well as commercial accommodation establishments, have proliferated, offering increasingly comprehensive facilities.

One of the platforms that organizes travel arrangements and accommodations is Traveloka, a technology company providing ticket booking services for flights, hotels, and various other travel needs. Traveloka's products relevant to travel include airplane tickets, train tickets, hotel bookings, recreation tickets, airport transport, and bus services.

The transformation in the travel and tourism industry driven by digital technology has significantly changed how consumers plan and book trips. With online platforms like Traveloka, consumers can now easily access information, compare prices, and make direct bookings from their devices. This not only enhances convenience and efficiency for consumers but also opens new business opportunities and intensifies competition in the tourism industry.

According to data from the Top Brand Index on Online Booking Sites for Flights and Hotel Reservations sourced from the Top Brand Award ([www.topbrand-award.com](http://www.topbrand-award.com)), Traveloka ranks first among online booking sites for flights and travel, as well as hotel reservations. However, over the past five years, Traveloka's percentage has fluctuated. In 2021, it increased from 30.50% to 38.30%, then rose to 38.50% in 2022, followed by a decline of 2.60% to 35.90% in 2023. Although Traveloka managed to raise its percentage to 37.10% in 2024, the previous declines indicate potential issues that need attention.

Additionally, the competition in the field of online booking services for flights and hotel reservations cannot be overlooked. Competitors like Pegipegi.com, Tiket.com, Agoda.com, Misteraladin, and Trivago.co.id are also continuously growing, which may pose a threat. Therefore, to retain customers' preference for Traveloka's services, service quality must be consistently improved, ensuring ease of use in the application to enhance customer satisfaction.

Service quality is a key factor affecting customer perception and experience. Customer satisfaction directly influences repeat purchases and has an indirect impact on repeat purchases mediated by consumer satisfaction (Muiz, Rachma, and Slamet 2019). Service quality is thus crucial in determining the success of online platforms like Traveloka. In this context, service quality encompasses various aspects, such as ease of navigation on the website or app, speed and accuracy in processing bookings, and the platform's capability to effectively address customer complaints and issues.

Customer satisfaction refers to the feeling of pleasure or disappointment someone derives from comparing perceived performance or product results with their expectations (Richard L. Oliver). Therefore, consumer satisfaction heavily depends on service performance relative to consumer expectations and whether the consumer perceives a deviation or gap between performance and

expectations. If performance falls short of expectations, consumers will feel dissatisfied; if performance meets expectations, they will feel satisfied. If performance exceeds expectations, they will feel highly satisfied.

Once consumers achieve satisfaction, they are likely to engage in repeat purchases in the future. Satisfied customers may also consider up-buying (purchasing a higher version of the product) or cross-buying (purchasing other products from the same company) (Tjiptono, et al., 2022). Consequently, Traveloka should focus on strategies that can enhance customer satisfaction, such as offering attractive promotions, providing responsive customer service, and ensuring consistent service quality.

This study aims to examine the effect of service quality on repurchase intention with customer satisfaction as a mediating variable in the context of Traveloka. By understanding these dynamics, it is hoped that this research can provide deeper insights for Traveloka's management and similar industries to improve their service quality and build long-term relationships with customers.

Therefore, this research aims to answer the following questions: Does service quality affect repurchase intention? Does service quality impact customer satisfaction? Does customer satisfaction influence repurchase intention? Can customer satisfaction mediate the impact of service quality on repurchase intention? The answers to these questions are expected to make a significant contribution to marketing literature and business practices in the travel and hospitality industry.

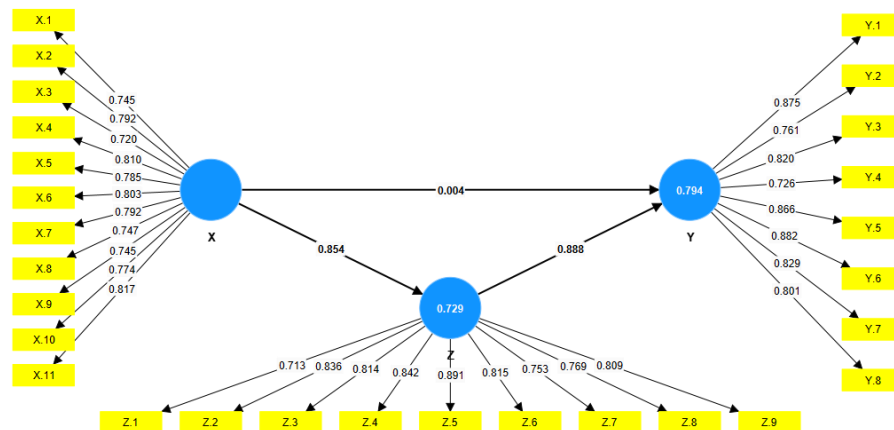
## **METHOD**

Through a quantitative approach, this study will collect data using an online questionnaire to 100 respondents using Google Forms linked via social media in the form of WhatsApp and Instagram. Then analyzed using Structural Equation Modelling-Partial Least Square (SEM-PLS) with the help of Smart-PLS software. The criteria for being used as a sample in this study are people domiciled in NTB who have made online purchases at Traveloka.com with at least one transaction.

## **RESULTS AND DISCUSSION**

### **Evaluation of Measurement Model (Outer Model)**

The analysis stage in the outer model is measured using Reflective measurements with testing steps such as Convergent Validity, Discriminant Validity, and Reliability.



**Figure 1 PLS Model**

Source: SEM-PLS 4.0 Output Results

### Convergent Validity Test

It is a test to determine the extent of the relationship between indicators and their latent variables or constructs. In convergent validity testing there are two calculation methods, namely calculating the Loading Factor or Outer Loading and Average Variance Extracted (AVE).

### Loading Factor

The purpose of this calculation is to determine the value produced by each indicator in measuring each variable. The accepted standard value for convergent validity is more than 0.7. Indicators that have an outer loading value below 0.7 are considered invalid and will be eliminated. (Hair et al., 2019)

**Table 1. Loading Factor Values**

Item	X	Y	Z
X.1.	0.745		
X.2.	0.792		
X.3.	0.720		
X.4.	0.810		
X.5.	0.785		
X.6.	0.803		
X.7.	0.792		
X.8.	0.747		

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X.9.	0.745	
X.10.	0.774	
X.11.	0.817	
Y.1		0.875
Y.2		0.761
Y.3		0.820
Y.4		0.726
Y.5		0.866
Y.6		0.882
Y.7		0.829
Y.8		0.801
Z.1		0.713
Z.2		0.836
Z.3		0.814
Z.4		0.842
Z.5		0.891
Z.6		0.815
Z.7		0.753
Z.8		0.769
Z.9		0.809

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Sumber: Output SEM-PLS 4.0

Based on the results of data processing in table 1, all statement items have a factor loading  $>0.7$ , namely between 0.713 and 0.891. So it can be stated that the data is valid and meets the Convergent Validity test.

#### **Average Variance Extracted (AVE)**

The purpose of AVE calculation is to calculate the value of each variable measured

against the variable itself/other variables. The accepted AVE value standard is more than 0.50 (Hair et al., 2019).

Table 2. AVE values

Variabel	Nilai Average Variance Extracted (AVE)
Quality of Service	0,603
Repurchase Intention	0,675
Customer satisfaction	0,650

Sumber: Output SEM-PLS 4.0

Based on the results of data processing that can be seen in table 2, all statement items have an AVE value  $>0.50$ , which is between 0.603 and 0.675. So it can be stated that the data is valid and meets the convergent validity test.

### Discriminant Validity Test

It is a type of validity that shows how well a measuring instrument can differentiate between different constructs. The goal is to ensure that the aspects measured in a study are different from other aspects.

Table 3

	Customer satisfaction	Quality of Service	Repurchase Intention
X	0.822		
Y	0.776	0.891	
Z	0.762	0.822	0.806

Sumber: Output SEM-PLS 4.0

Based on the data in table 3, the AVE root value for each variable has a value greater than the correlation between variables, so its discriminant validity is considered valid. This shows that each construct can be distinguished from each other.

### Reliability Test

This test is conducted to determine the quality of a research instrument that can be accounted for to prove the accuracy, consistency and precision of the instrument in measuring variables. Reliability is measured using Crombach's alpha and composite reliability values. The level of variable reliability can be accepted if the Crombach's alpha value and composite

reliability value are  $> 0.70$  (Hair et al., 2019).

Table 4

Variabel	<i>Crombachs al-pha</i>	<i>Composite Reliability</i>
X	0.934	0.935
Y	0.931	0.935
Z	0.932	0.935

Sumber: Output SEM-PLS 4.0

Based on the data in table 4, the level of reliability of all variables is acceptable, as indicated by the Crombach's alpha value and the composite reliability value of more than 0.70, namely 0.935 (reliable).

### Evaluasi Model Struktural (Inner Model)

#### R-Square

The Coefficient of Determination or R-Square is a statistical measure that shows how much variation in the dependent variable can be explained by the independent variable in a regression model. According to Hai et al (2019) the qualitative interpretation value of R-Square is 0.25 has a low effect, 0.50 has a moderate effect, 0.75 has a high effect.

Tabel 5

Variabel	R-Square	Results
Repurchase Intention	0.794	Tall
Customer satisfaction	0.729	Currently

Sumber: Output SEM-PLS 4.0

Based on the data in table 5, the magnitude of the influence of Service Quality on Repurchase Intention is 79.4% (highly influential). The magnitude of the influence of Service Quality and Consumer Satisfaction Mediation on Repurchase Intention is 72.9%.

#### F-Square

F-Square measures the influence of independent variables on dependent variables in a structural model. Common interpretations of F-Square values are 0.02 (low), 0.15 (medium), 0.35 (high).

**Tabel 6**

	<b>F-Square</b>	<b>Results</b>
$X \rightarrow Y$	0,000	Low
$X \rightarrow Z$	2,694	Tall
$Z \rightarrow Y$	1,036	Tall

Sumber: Output SEM-PLS 4.0

Based on the data in table 6, it shows that variable X has no influence on variable Y, but variable X has a large influence on variable Z. Meanwhile, variable Z has a large influence on variable Y.

### **Hypothesis Testing**

Hypothesis testing is a statistical procedure used to determine whether there is sufficient evidence in sample data to support or reject a statement or claim (hypothesis) about a population. Hypothesis testing is done by looking at the path coefficient and the resulting p-value. If the path coefficient is less than 0, then the hypothesis is rejected, but if it is more than 0, the hypothesis is accepted. Meanwhile, the p-value is used to assess the significance of the relationship between the independent and dependent variables. The relationship is considered significant if the p-value is less than or equal to the alpha value ( $p\text{-value} \leq \alpha$ ). In this study, the alpha value used was 0.050 or 5%.

**Table 7**

	<b>Original Sample</b>	<b>T Statistik</b>	<b>P Value</b>	<b>Results</b>
$X \rightarrow Y$	0.004	0.044	0.965	Not Significant
$X \rightarrow Z$	0.854	27.296	0.000	Significant
$Z \rightarrow Y$	0.888	10.309	0.000	Significant
$X \rightarrow Z \rightarrow Y$	0,758	9.963	0.000	Significant

Sumber: Output SEM-PLS 4.0

### **Hypothesis Test 1**

#### **Service Quality has an effect on Repurchase Intention**

The results of the analysis show that the Hypothesis is not significant or rejected. This is due to the p value of 0.965 with a t value of 0.965 and a positive path coefficient of 0.050. Therefore, the p value obtained is greater than 0.05 and the t value is smaller than 1.96 and



the positive path coefficient, it is concluded that Service Quality has no effect on Repurchase Intention.

## **Hypothesis Test 2**

### **Service Quality Influences Customer Satisfaction**

The results of the analysis show that the Hypothesis is significant or accepted. This is indicated by the p value of 0.00 with a t value of 27,296 and a positive path coefficient of 0.854. Therefore, the p value obtained is smaller than 0.05 and the t value is greater than 1.96 and the path coefficient is positive, it can be concluded that Service Quality has a positive effect on Customer Satisfaction.

## **Hypothesis Test 3**

### **Customer Satisfaction has an effect on Repurchase Intention**

The results of the analysis show that the Hypothesis is significant or accepted. This is indicated by the p value of 0.00 with a t value of 10,309 and a positive path coefficient of 0.888. Therefore, the p value obtained is smaller than 0.05 and the t value is greater than 1.96 and the path coefficient is positive, it can be concluded that Customer Satisfaction has a positive effect on Repurchase Intention.

## **Hypothesis Test 4**

### **Customer Satisfaction mediates the effect of Service Quality on Repurchase Intention**

The results of the analysis show that the Hypothesis is significant or accepted. This is indicated by the p value of 0.00 with a t value of 9.963 and a positive path coefficient of 0.758. Because the p value obtained is smaller than 0.05 and the t value is greater than 1.96 and the path coefficient is positive, it can be concluded that Consumer Satisfaction can mediate the effect of Service Quality on Repurchase Intention.

## **CONCLUSION**

Based on the results of the analysis of the three variables in this study, namely Service Quality (variable X), Repurchase Intention (variable Y), and Customer Satisfaction (variable Z), it can be concluded that the Service Quality variable does not have a significant effect on Repurchase Intention, but on Customer Satisfaction it has a significant effect. While the Customer Satisfaction variable has a significant effect on Repurchase Intention. And the Customer Satisfaction variable can mediate the Service Quality variable on Repurchase Intention.

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