

# CHAPTER I

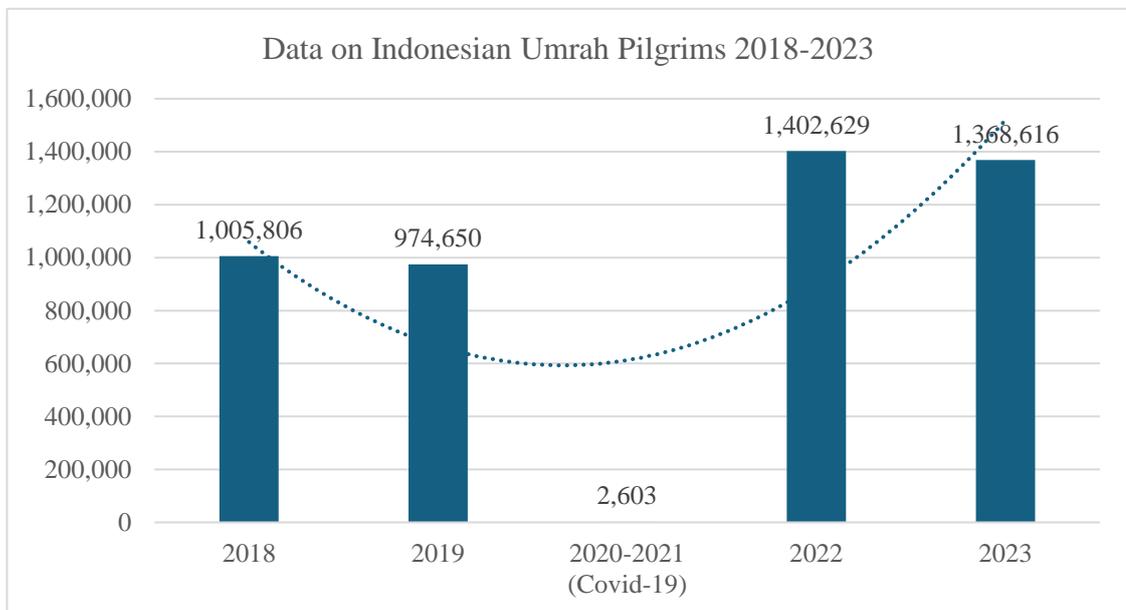
## INTRODUCTION

### 1.1 Background

The Umrah and Hajj journeys play an important role in the lives of millions of Muslims around the world. As worship that is considered holy and brings many spiritual benefits, Umrah and Hajj travel is not just a physical journey, but is also a deep and meaningful experience for every pilgrim. Both trips have unique aspects that influence the pilgrim's experience and decision in choosing a trip organizer. Indonesia is the country with the largest Muslim population in the world, which makes it a very active center for Islamic religious activities. Every year, millions of Muslims in Indonesia carry out various rituals and worship which are an important part of their spiritual life. One of the most anticipated acts of worship is the Umrah trip to the Holy Land of Makkah and Medina. Departures of Umrah pilgrims from Indonesia continue to increase every year, making Indonesia the second largest sender of Umrah pilgrims in the world after Pakistan. The popularity of Umrah in Indonesia can be seen from the increasing enthusiasm of the people for carrying out this pilgrimage.

According to the latest data quoted by [himpuh.or.id](http://himpuh.or.id), the number of Umrah pilgrims from Indonesia has continued to increase significantly in the last year. In 2023, the number of Indonesian Umrah pilgrims will reach more than 1.3 million people. This increase reflects the growing interest of the Indonesian people in carrying out the Umrah pilgrimage, driven by factors such as easy access to

transportation, increasing purchasing power, as well as increasing awareness of the importance of carrying out the Umrah pilgrim.



**Figure 1. 1 Data on Indonesian Umrah Pilgrims 2018-2023**

Source: Kemenag Kalteng, 2021, HIMPUHNEWS, 2024

Data shows fluctuations in the number of Umrah pilgrims from 2018 to 2023. In 2019, there was a decrease of 3.10% compared to the previous year. A drastic decline occurred in 2020 and 2021, with the number of pilgrims decreasing by 99.73% due to the COVID-19 pandemic lockdown, which closed access to Saudi Arabia for Umrah. However, there were 2,603 Umrah participants when access was temporarily opened from November 2020 to February 2021. In 2022, the number of pilgrims again increased sharply to reach 1,402,629 people, indicating a significant recovery with a very high increase. However, in 2023, there will be a slight decrease of 2.42% to 1,368,616 people. Even though there is a decline, the number of Umrah pilgrims in 2023 will still remain high compared to before the pandemic.

Although the Umrah and Hajj journeys promise profound spiritual experiences, they are also faced with a number of challenges that need to be overcome. From an organizing perspective, factors such as quota availability, travel costs and service quality are major concerns for travel organizers and the government. In addition, in the era of the COVID-19 pandemic, safety and health are top priorities, with strict health protocols implemented to protect congregants from the risk of disease transmission. On the other hand, Umrah and Hajj trips also open up great opportunities in the tourism and economic sectors. The increasing number of Umrah and Hajj pilgrims creates an ever-increasing demand for various related services, ranging from accommodation, transportation, to other supporting services. This opens up opportunities for the development of the tourism industry and empowerment of the local economy in Umrah and Hajj destinations.

According to the latest data quoted from [simpu.kemenag.go.id](http://simpu.kemenag.go.id), the number of Umrah organizers in Indonesia has reached 2,682 organizers. The development of the Umrah travel business in Indonesia has become an important highlight in the last few decades, along with the increasing public interest in carrying out the Umrah pilgrimage. As a country with a majority Muslim population, Indonesia has a large customer base for Umrah travel services. Interest has increased significantly, driven by various factors including increasing people's purchasing power, easy access to transportation, and aggressive promotions from Umrah travel agents. In this context, Umrah travel companies in Indonesia continue to compete to gain and maintain an increasingly competitive market share.

One of the companies facing challenges and opportunities in the Umrah travel industry is PT. Al Amin Mulia Lestari, known by the Daqu Travel brand. As one of the main players in this industry, Daqu Travel aims to become the leading Umrah travel service provider. A Service is an act that one entity performs for another that is essentially intangible and does not result in the ownership of anything. It may or may not be tied to a physical product (P. Kotler et al., 2022) . The production of services can be related to physical products or vice versa. In facing increasingly fierce competition and changing market dynamics, Daqu Travel hopes to increase customer loyalty as one of the key strategies to achieve long-term growth and sustainability.

Increasing the number of providers can also be interpreted as a positive step in improving service quality. With so many choices of organizers, people have more options to choose organizers that suit their needs and budget. Competition between organizers also encourages improvements in service standards, so that congregations can experience a better worship experience. However, with the increasing number of organizers, the government through the Ministry of Religion also faces challenges in ensuring that all organizers comply with the regulations and standards that have been set. Strict supervision is needed to ensure that each provider provides services that are safe, comfortable and in accordance with sharia.

Daqu Travel has been established since 2000 with a clear vision: to provide optimal guidance and services for organizing the Hajj, Umrah, and Wisdom Tourism to all pilgrims. Since its inception, this company has prioritized service quality and commitment to spirituality in every trip it provides. With official permits

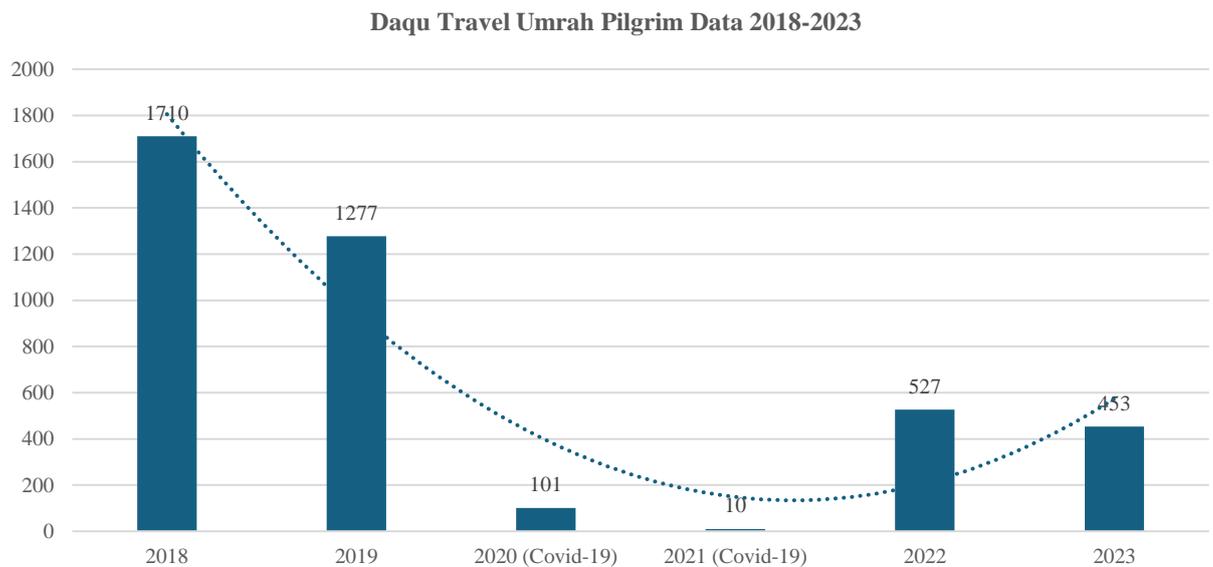
for Umrah since 2007 (No.D/416 of 2007) and Hajj since 2008 (No.D/517 of 2008), Daqu Travel has demonstrated its commitment to carrying out worship activities by complying with applicable requirements and regulations. The permit extension process, such as the extension of permits for organizing Umrah services in 2018 (No. 803 TH. 2018) and Hajj services in 2019 (No. 799 TH. 2019), is also proof of the company's commitment to maintaining service quality.

Daqu Travel has succeeded in building a strong reputation in the Tangerang area as one of the leading providers of Umrah and Hajj travel services. This success was achieved thanks to excellent service, a wide choice of travel packages, and a strong commitment to customer satisfaction. Daqu Travel not only competes with local competitors but also stands out among them. In the Tangerang area, several main competitors, such as Jejak Imani Travel, which has the first operational permit from the Indonesian Ministry of Religion in the region, Khairo Travel, Rihlah Wisata, and BIG Travel, also offer various attractive Umrah and Hajj package options. However, Daqu Travel remains superior thanks to the innovation and personal approach provided to the congregation.

All these Umrah and Hajj travel companies, including Daqu Travel, have the best accreditation with an “A” accreditation. This shows their commitment to meeting high service standards and ensuring a safe and comfortable spiritual journey for pilgrims. In this intense competition, Daqu Travel continues to innovate and strive to provide services that exceed customer expectations, with a focus on improving the quality and variety of travel packages tailored to the needs and preferences of pilgrims.

Apart from that, PT. Al Amin Mulia Lestari also has close ties with the Tahfidz Daarul Qur'an Islamic Boarding School, where this company not only has a financial contribution but is also supported by asaaidz (permanent teaching staff) from the Islamic boarding school. This shows the company's commitment to supporting religious education and community development through education. As part of the company's identity, Daqu Travel emphasizes its passion to provide the best service and guidance for Umrah and Hajj pilgrimages, while providing a deep spiritual experience through the Koran. By being certified by KAN (National Accreditation Committee), this company confirms that the services provided have met the standards set by the competent authority. Daqu Travel also holds an official permit from the Ministry of Religion of the Republic of Indonesia and is registered as a member of Himpuh (Association of Umrah and Hajj Organizers), indicating that this company is officially recognized in the industry of organizing Umrah and Hajj services in Indonesia.

Sales of Umrah packages over the last 5 (five) years have decreased which is inversely proportional to the increase in Umrah pilgrims from all over Indonesia. The following is data from Umrah pilgrims from Daqu Travel for the last 5 (five) years.



**Figure 1. 2 Daqu Travel Umrah Pilgrim Data 2018-2023**

Source: Annual Report of PT Al Amin Mulia Lestari, 2020 - 2023

Trend in the number of Umrah pilgrims from Daqu Travel over the last five years has shown significant changes, which have been influenced by various external factors, including the impact of the COVID-19 pandemic. In 2018, the number of Umrah pilgrims reached 1710, indicating a fairly high level of participation from the community in carrying out the Umrah service. However, in 2019, this number decreased drastically to 1277 or around 25.29% compared to the previous year. This decline may reflect several factors such as changes in market demand, competition with other travel agents, or other economic and social factors that may influence an individual's decision to undertake an Umrah trip.

The years 2020 and 2021 have been very challenging years for the international travel industry as a whole, including Umrah travel. Due to the COVID-19 pandemic, all Umrah and Hajj trips have been stopped to control the spread of

the virus. As a result, the number of Umrah pilgrims from Daqu Travel experienced a drastic decline, reflecting the significant impact of this unexpected global situation.

Even though in 2022 the global situation will begin to improve along with mass vaccination and other control measures, the number of Umrah pilgrims from Daqu Travel still experienced a significant decline compared to 2019, namely only reaching 527. This may indicate that even though travel policies are starting to be relaxed, there are still concerns or limitations that make people reluctant to travel internationally. This downward trend appears to continue until 2023, where the number of Umrah pilgrims from Daqu Travel only reached 453 or 14.05% from the previous year. Although the pandemic situation has gradually improved, this decline may reflect the long-term impact of the pandemic on people's interest and ability to undertake Umrah travel.

From the results of a pre-customer satisfaction survey given after the trip to 40 umrah pilgrims, it was revealed that 85% of customers wanted to travel again using Daqu Travel if guided by a particular guide. The results of this survey show a significant concern: inconsistency in the quality of service between different guide. While some counselors have set high standards with exceptional service, there are others who have not met the same standards. These inconsistencies suggest that there is not yet a standard of service among all mentors, leading to variations in customer experiences.

This indicates that there is dissatisfaction among customers if they are guided by other parties who do not meet their expectations. Customers feel that the quality

of service depends largely on who guides them, and this creates uncertainty and discomfort.

Besides that, the price factor is an important consideration for customers. Even though they like Daqu Travel's services, many customers realize that there are other more well-known travel companies that offer the same or even cheaper prices. This makes customers critically compare the costs and benefits they receive.

With the background of the problems that have been described, and supported by pre-survey results and research gap findings, this study aims to determine the effect of service quality and price on user satisfaction and its implications on user repurchase intention at PT. Al Amin Mulia Lestari, with a focus on case studies of users of the Umrah service "Daqu Travel".

(Sulaiman, 2019) emphasize that consumer behavior is influenced by various factors including cultural, social, personal and psychological. They describe how culture and the social environment shape values and preferences. Increasing repurchase intention is not an easy task, especially in an industry as dynamic as Umrah travel. Daqu Travel must understand that customers have a wide choice in choosing an Umrah travel service provider. In the face of increasingly fierce competition, deeply understanding the factors that influence customer decisions is a must. First of all, service quality is the main element that differentiates companies in this industry. Daqu Travel must ensure that every aspect of the services they offer, from the registration process, accommodation, to services at holy sites, reflects high and consistent quality standards. Staff skills, cleanliness and comfort

of the facilities must be prioritized to create an unforgettable experience for every Umrah pilgrim.

Additionally, competitive prices are also a very important factor in influencing customer decisions. The price is the monetary charge that customers and collaborators incur to receive the benefits provided by the company's offering (P. Kotler et al., 2022). In the Umrah travel industry which is driven by financial considerations, Daqu Travel must ensure that the prices they offer are in line with the value provided to customers. This not only includes the price of the Umrah travel package, but also additional costs such as accommodation, transportation and other additional services. Smart pricing strategies, such as offering economical packages or special discounts for loyal customers, can help Daqu Travel maintains their appeal in an increasingly competitive market.

Furthermore, in the context of this research, the customer satisfaction variable functions as an intervening variable that links the variables of service quality and price to repurchase intention of service user. Customer satisfaction is a customer's reaction or response to the level of fulfillment of their needs or expectations for the product or service they receive. In other words, customer satisfaction reflects the extent to which customer expectations are met by their experience with a particular product or service.

In the Umrah travel industry, customer satisfaction can be reflected in various aspects, ranging from comfort during the trip, quality of service provided, to success in meeting customers' spiritual and practical expectations. Thus, customer

satisfaction is an important indicator in assessing the quality of services provided by Daqu Travel.

In the theoretical framework, customer satisfaction is considered an intervening variable because it can mediate the relationship between the price offered by the company and repurchase intention. This means that when customers are satisfied with the value provided by a product or service for the price they pay, they tend to have a higher level of repurchase intention to the company. In other words, customer satisfaction is the link between the prices set by the company and repurchase intention of customer.

In facing complex challenges and ever-changing dynamics in the Umrah travel industry, it is important for Daqu Travel (PT. Al Amin Mulia Lestari) to deeply understand the needs and expectations of their customers. Based on the background of the problem previously described, as well as support from pre-survey results and research gap findings, this research takes the title "THE INFLUENCE OF SERVICE QUALITY AND PRICES TOWARDS REPURCHASE INTENTION THROUGH CUSTOMER SATISFACTION (Study On Umrah Service Customers At Daqu Travel (PT. Al Amin Mulia Lestari))".

This research aims to explore and analyze in depth how service quality and price influence the level of customer satisfaction, as well as how customer satisfaction then impacts repurchase intention of service user. Through a case study approach carried out directly on Umrah Service Customers At Daqu Travel (PT Al Amin Mulia Lestari), this research will provide a deeper understanding of the dynamics of the relationship between companies and their customers.

First of all, service quality is considered a crucial aspect in influencing customer experience. By considering factors such as staff friendliness, responsiveness to

questions or complaints, and ease of processing reservations or schedule changes, companies can build a positive image and gain customer trust. High service quality can also increase customer satisfaction levels and influence their decision to continue using the company's services.

Furthermore, price is also an important factor in influencing customer perceptions of the value of the services provided. Although high service quality is important, competitive prices can also be a major consideration for customers in choosing a service provider. Therefore, it is important for Daqu Travel to understand price dynamics in the context of their customers' needs and preferences.

By analyzing the relationship between service quality, price, customer satisfaction and repurchase intention, this research will provide valuable insight for Daqu Travel in developing more effective marketing and service strategies. It is hoped that the results of this research can help companies strengthen relationships with customers, increase customer retention, and increase their competitive advantage in the competitive Umrah travel industry.

## **1.2 Problem Formulation**

Based on the problem formulation, the following research statement can be formulated:

1. Is there an influence of service quality on customer satisfaction?
2. Is there an influence of price on customer satisfaction?
3. Is there an influence of service quality on repurchase intention?
4. Is there an influence of price on repurchase intention?
5. Is there an influence of customer satisfaction on repurchase intention?

6. Is there an influence of service quality on repurchase intention through customer satisfaction?
7. Is there an influence of price on repurchase intention through customer satisfaction?

### **1.3 Research Purpose**

The objectives to be achieved in this research are as follows:

1. To determine the effect of service quality on customer satisfaction of Umrah service users at Daqu Travel.
2. To determine the effect of price on customer satisfaction of Umrah service users at Daqu Travel.
3. To determine the effect of service quality on repurchase intention of Umrah service users at Daqu Travel.
4. To determine the effect of price on repurchase intention of Umrah service users at Daqu Travel.
5. To determine the effect of customer satisfaction on repurchase intention of Umrah service users at Daqu Travel.
6. To determine the effect of service quality through customer satisfaction on repurchase intention of Umrah service users at Daqu Travel.
7. To determine the effect of price through customer satisfaction on repurchase intention of Umrah service users at Daqu Travel.

### **1.4 Benefit of Research**

It is hoped that the research carried out by this author will provide the following uses:

### **1.4.1 Benefits for the theoretical**

It is hoped that the results of this research can provide something positive for the development of science in this modern era, especially in the field of business administration.

### **1.4.2 Practical Benefits**

#### **1. For Researchers**

This study can provide knowledge for researchers regarding the knowledge they have gained while studying at university, especially subjects related to the variables studied, namely service quality, price, customer satisfaction and Repurchase Intention.

#### **2. For companies**

This study can be used as material for consideration and suggestions for improving or as a medium for improving company policies, especially regarding the subjects studied in this study.

#### **3. For the other party**

The results of this study can be useful as material for consideration and literature for more in-depth study activities, especially for academics, as well as providing insight for non-academics.

## **1.5 Theoretical Framework**

### **1.5.1 Consumer behavior**

Consumer behavior is a field of research that focuses on the visible actions, decisions, preferences and purchasing habits of individuals or groups when they make transactions to purchase goods or services. It involves a series of complex

processes, such as need recognition, information search, choice evaluation, decision making, and post-purchase actions.

Consumer behavior is guided by a value system—a set of principles and notions of “right and wrong”—that determines what is meaningful and important to consumers and how they choose to live and interact with others (Kotler et al., 2022). In this research, this value system determines what is meaningful and important for consumers, which in the context of Umrah services includes perceptions of service quality and price. These values will influence the level of consumer satisfaction with the services provided, which in turn will determine their loyalty. Thus, understanding the values and principles adhered to by Daqu Travel customers is the key to increasing their satisfaction and loyalty through improving service quality and offering prices that meet their expectations.

(Sulaiman, 2019) emphasize that consumer behavior is influenced by various factors including cultural, social, personal and psychological. They describe how culture and the social environment shape values and preferences.

The conclusion from the experts' explanations is that consumer behavior examines the actions, decisions, preferences and purchasing habits of individuals or groups in goods or service transactions, through complex processes such as need recognition, information search, choice evaluation, decision making and post-purchase actions. Psychological, social, cultural, and personal factors influence this behavior, with culture and the social environment shaping values and preferences.

## **1.5 2 Service**

According to (Saladin, 2004) the definition of services is as follows: "Services are any activity or benefit offered by one party to another party and are basically intangible, and do not result in ownership of something. The production process may or may not be associated with a physical product."

According to (P. Kotler et al., 2022) Service is an act that one entity performs for another that is essentially intangible and does not result in the ownership of anything. It may or may not be tied to a physical product.

The definition of service according to (Kotler, 2009) is an action, service, or performance offered to others and does not have any form and does not result in ownership.

It can be concluded that services are any activity or benefit offered by one party to another party that is intangible and does not result in ownership of something, with a production process that may or may not be related to a physical product. This definition includes actions or activities that occur in interaction with a person or machine to provide satisfaction to consumers.

### **1.5.3 Service Quality**

According to (P. Kotler & Keller, 2016) quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy stated or implied needs. Meanwhile, service is any action or performance that can be offered by one party to another party which is basically intangible and does not result in ownership of something, (P. Kotler & Keller, 2016a). So, Service quality is a form of a consumer assessment of the level of service and the expected level of service (P. Kotler, 2019)

Quality is a dynamic condition that influences products, services, people, processes and environments that meet or exceed expectations (Tjiptono, 2008), so that the definition of service quality can be interpreted as an effort to fulfill consumer needs and desires as well as the accuracy of delivery in keeping with consumer expectations (Tjiptono, 2008).

(Batinggi dan Badu Ahmad, 2009), stated that based on the General Indonesian Dictionary; The basic word for service is service and the verb is to serve, meaning to help, to provide everything that other people need. Meanwhile, S. Lukman and Moenir in (Batinggi dan Badu Ahmad, 2009), also say "service is an activity or sequence of activities that occurs in direct interaction between a person and another person or physical machine and provides customer satisfaction".

It is concluded that services are intangible activities provided from one party to another party without resulting in ownership. Service quality includes meeting consumer needs and the accuracy of delivery to meet or exceed their expectations. Service involves direct interaction to provide satisfaction, and its quality is measured by the comparison between customer perceptions and their expectations.

#### **1.5.4 Price**

Price according to (P. Kotler et al., 2022) is the monetary charge that customers and collaborators incur to receive the benefits provided by the company's offering.

(Stanton, 2016) defines that price is the amount of money (possibly plus how many goods) needed to obtain some combination of a product and accompanying services.

(Tjiptono, 2008) believes that price is a monetary unit or other measure (including goods and other services) that is exchanged in order to obtain ownership rights or use of a good or service.

From the explanation above, it can be concluded that price is the value set for a product or service, reflecting the amount of money or value exchanged by consumers for the benefits of ownership or use. This includes money or goods required to obtain related products and services, and is a monetary unit or other measure exchanged for ownership or use rights.

### **1.5.5 Customer Satisfaction**

The word "satisfaction" or satisfaction comes from the Latin "satis" (meaning good enough, adequate) and "facio" (doing or making), so it can simply be interpreted as an effort to fulfill something. According to (P. dan K. Kotler, 2007) satisfaction is a person's feeling of happiness or disappointment that arises after comparing the performance (results) of the product they are thinking about with the expected performance (or results). If performance falls below expectations, customers are dissatisfied. If performance meets expectations, customers are satisfied. If performance exceeds expectations, the customer is very satisfied or happy.

Satisfaction will encourage consumers to buy and re-consume the product. On the other hand, feelings of dissatisfaction will cause consumers to be disappointed and stop repurchasing or consuming the product, (Nirwana, 2004). According to (Zikmund, 2003) satisfaction is defined as an evaluation after purchase resulting from a comparison between expectations before purchase and

actual performance. Satisfaction is a function of perceived performance and expectations.

According to (Tjiptono, 2014) Customer satisfaction is a person's feeling of happiness or disappointment that arises after comparing perceptions of the performance (results) of a product with their expectations.

It is concluded that satisfaction is a feeling of pleasure or disappointment after comparing product performance with expectations. If performance is below expectations, customers are dissatisfied; if appropriate, the customer is satisfied; if it exceeds, the customer is very satisfied. Satisfaction drives repeat purchases, while dissatisfaction leads to purchase discontinuation.

### **1.5.6 Repurchase Intention**

According to (Peter & Olson, 2010), repurchase intention involves the act of purchasing a product more than once or multiple times. (Hellier et al., 2003a) define repurchase intention as an individual's willingness to repurchase a product they have consumed from the same company, based on their prior experience. Understanding the concept of repurchase intention enables companies to design effective strategies to retain customers and encourage repeat purchases. This, in turn, enhances customer loyalty and ensures long-term profitability.

## **1.6 Relationship Between Variables**

### **1.6.1 The Influence of Service Quality on Customer Satisfaction**

Service quality plays a crucial role in determining customer satisfaction. (Zeithaml, Bitner & Gramler, 2009) states Service quality, the customer's perception of the service component of a product, is also a critical determinant of customer

satisfaction” The service quality model identifies five key dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. High-quality services lead to increased customer satisfaction because they enhance the overall customer experience and fulfill expectations (P. Kotler & Keller, 2016).

When customers perceive high service quality, they are more likely to develop positive feelings toward the service provider, leading to higher satisfaction. Conversely, poor service quality can result in dissatisfaction, reducing the likelihood of customer retention and positive word-of-mouth recommendations. In the context of Daqu Travel, providing excellent service will likely lead to higher customer satisfaction, ensuring long-term customer relationships.

- **Hypothesis 1:** It is suspected that there is an influence of service quality on customer satisfaction among Umrah service users at Daqu Travel.

### **1.6.2 The Influence of Price on Customer Satisfaction**

Price is a key determinant of customer satisfaction, as it directly affects customers' perceived value of the service. (Kotler and Keller, 2016) state that increasing prices can increase consumer perceptions of satisfaction, which in turn can create customer loyalty.

In the case of Daqu Travel, if customers find the pricing for Umrah services reasonable in relation to the service quality, their satisfaction will be higher. However, if they perceive the pricing as too high compared to the value they receive, their satisfaction may decrease, potentially leading to negative word-of-mouth and lower customer retention.

- **Hypothesis 2:** It is suspected that there is an influence of price on customer satisfaction among Umrah service users at Daqu Travel.

### **1.6.3 The Influence of Service Quality on Repurchase Intention**

Service quality is a strong predictor of repurchase intention. High service quality positively affects consumer trust, which in turn enhances loyalty. Service quality refers to how well a service meets or exceeds customer expectations. Repurchase intention refers to a customer's likelihood of purchasing a product or service again from the same provider based on past experiences (Hellier et al., 2003).

For Daqu Travel, maintaining high service quality can encourage customers to return for future Umrah trips. Customers who are satisfied with the service quality will be more inclined to choose Daqu Travel again rather than switching to a competitor.

- **Hypothesis 3:** It is suspected that there is an influence between service quality and repurchase intention among Umrah service users at Daqu Travel.

### **1.6.4 The Influence of Price on Repurchase Intention**

Price is an essential factor influencing repurchase intention. If the price is too high relative to perceived benefits, repurchase intention declines. Conversely, reasonable and competitive pricing enhances customer loyalty and encourages repeat purchases (P. Kotler & Keller, 2016b).

For Daqu Travel, customers who perceive the pricing as fair and justified are more likely to continue using their services. However, if they find the price

excessive compared to competitors, they may opt for alternative providers for their next Umrah journey.

- **Hypothesis 4:** It is suspected that there is an influence of price on repurchase intention among Umrah service users at Daqu Travel.

#### **1.6.5 The Influence of Customer Satisfaction on Repurchase Intention**

(P. Kotler & Keller, 2016) emphasize that when customers have positive experiences, they are more likely to form long-term relationships with a brand, leading to increased repurchase intention.

For Daqu Travel, satisfied customers are more inclined to book another Umrah trip with the same company rather than seeking an alternative provider. Maintaining high satisfaction levels is essential for ensuring long-term customer retention.

- **Hypothesis 5:** It is suspected that there is an influence of customer satisfaction on repurchase intention among Umrah service users at Daqu Travel.

#### **1.6.6 The Influence of Service Quality on Repurchase Intention Through Customer Satisfaction**

Customer satisfaction serves as a mediator between service quality and repurchase intention. (Kotler and Keller, 2016) explain that customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the performance (results) of a product that is thought to the expected performance. This satisfaction affects repurchase intentions.

For Daqu Travel, ensuring high service quality can lead to increased satisfaction, which in turn encourages customers to book Umrah services again.

This highlights the importance of consistently delivering high-quality service to maintain customer loyalty.

- **Hypothesis 6:** It is suspected that there is an influence of service quality on repurchase intention through customer satisfaction of Umrah service users at Daqu Travel.

### 1.6.7 The Influence of Price on Repurchase Intention Through Customer Satisfaction

(Kotler and Keller, 2012) stated that pricing is a form of marketing effort that has various objectives, including attracting new consumers and encouraging consumers to buy again. The perception of an appropriate price for a product can increase consumer purchasing interest.

For Daqu Travel, offering fair pricing can enhance customer satisfaction, which in turn increases the probability of repeat bookings. This indicates that pricing strategies should be carefully considered to maintain customer loyalty.

- **Hypothesis 7:** It is suspected that there is an influence of price on repurchase intention through customer satisfaction of Umrah service users at Daqu Travel.

### 1.7 Previous Research

**Table 1. 1 Previous Research**

No.	Researcher's Name	Research Title	Research Result
1.	Hilda Khuzafah, Ignatia Martha Hendrati, Sugeng Purwanto (2023)	THE EFFECT OF SERVICE QUALITY AND PRICE PERCEPTION ON REPURCHASE INTENTION THROUGH CUSTOMER SATISFACTION	- Service quality influences repurchase intention. - Price does not influence repurchase intention.

		CITILINK JUANDA AIRPORT SURABAYA	<ul style="list-style-type: none"> <li>- Customer satisfaction mediates service quality towards repurchase intention.</li> <li>- Customer satisfaction does not mediate price towards repurchase intention.</li> </ul>
2.	Muhammad Ulul Fahmi (2021)	PENGARUH SERVICE QUALITY DAN PRICE TERHADAP REPURCHASE INTENTION YANG DIMEDIASI CUSTOMER SATISFACTION (Studi Kasus Pada Konsumen SuperIndo Cabang Meyjen HR Muhammad Surabaya)	<ul style="list-style-type: none"> <li>- Service quality influences repurchase intention.</li> <li>- Price does not influence repurchase intention.</li> <li>- Service quality influences customer satisfaction.</li> <li>- Price influences customer satisfaction.</li> <li>- Customer satisfaction influences repurchase intention.</li> <li>- Customer satisfaction mediates service quality towards repurchase intention.</li> <li>- Customer satisfaction does not mediate price towards repurchase intention.</li> </ul>
3.	Verdy Suprianto ,Himawan Brahmantyo, Rahmat Ingkadijaya (2023)	THE INFLUENCE OF FOOD QUALITY, SERVICE QUALITY AND PRICE ON REPURCHASE INTENTIONS THROUGH CUSTOMER SATISFACTION AT PUTU MADE RESTAURANT JAKARTA	<ul style="list-style-type: none"> <li>- Service quality does not influence repurchase intention.</li> <li>- Price does not influence repurchase intention.</li> <li>- Service quality influences customer satisfaction.</li> <li>- Price influences customer satisfaction.</li> <li>- Customer satisfaction influences repurchase intention.</li> <li>- Customer satisfaction mediates service quality towards repurchase intention.</li> <li>- Customer satisfaction mediate price towards repurchase intention.</li> </ul>

4.	Boi Tebulo Laia, Sri Handini (2022)	The Influence of Product Quality, Service Quality and Perceived Quality on Repurchase Intention with Customer Satisfaction as Intervening Variables at XXYZ Surabaya Store Customers	<ul style="list-style-type: none"> <li>- Service quality influences customer satisfaction.</li> <li>- Customer satisfaction influences repurchase intention.</li> <li>- Service quality influences repurchase intention.</li> <li>- Customer satisfaction mediates service quality towards repurchase intention.</li> </ul>
5.	Rita Alfi, Nur Qomariah (2023)	STUDY OF THE INFLUENCE OF PRICE, SERVICE QUALITY, SATISFACTION, AND REPURCHASE INTENTIONS AT CITRAMULIA TRAVEL AND TOUR LOMBOK	<ul style="list-style-type: none"> <li>- Service quality influences customer satisfaction.</li> <li>- Price influences customer satisfaction.</li> <li>- Customer satisfaction influences repurchase intention.</li> <li>- Service quality influences repurchase intention.</li> <li>- Price does not influence repurchase intention.</li> <li>- Customer satisfaction does not mediate service quality towards repurchase intention.</li> <li>- Customer satisfaction mediates price towards repurchase intention.</li> </ul>
6.	Eva Setyaning Wanda, Hari Susanto (2024)	Pengaruh Kualitas Pelayanan dan Harga terhadap Minat Beli Ulang pada Toko Lariez48 di Sampit	<ul style="list-style-type: none"> <li>- Service quality influences repurchase intention.</li> <li>- Price influences repurchase intention.</li> </ul>
7.	Frans Sudirjo, Dedy Setyo Oetomo, Flora Grace Putrianti, Faisal Abubakar, Victor Lamboy Sinaga (2024)	Analysis of The Influence of Price, Digital Advertising and E-Service Quality on Digital Repurchase Intention of Online Travel Platform Users	<ul style="list-style-type: none"> <li>- Price influences repurchase intention.</li> </ul>

8.	Luh Anggi Bellyantia, Ketut Rahyuda (2019)	Role of Customer Satisfaction Mediated Relationship Between Service Quality and Price Fairness on Repurchase Intentions	<ul style="list-style-type: none"> <li>- Service quality influences customer satisfaction.</li> <li>- Price influences customer satisfaction.</li> <li>- Customer satisfaction influences repurchase intention.</li> <li>- Service quality influences repurchase intention.</li> <li>- Price influences repurchase intention.</li> <li>- Customer satisfaction mediates service quality towards repurchase intention.</li> <li>- Customer satisfaction mediates price towards repurchase intention.</li> </ul>
9.	Tri Wahyu Putra Susanto, Nyoman Sudapet, Hamzah Denny Subagyo, Joko Suyono (2021)	The Effect of Service Quality and Price on Customer Satisfaction and Repurchase Intention (Case Study at Crown Prince Hotel Surabaya)	<ul style="list-style-type: none"> <li>- Service quality influences customer satisfaction.</li> <li>- Service quality does not influence repurchase intention.</li> <li>- Price influences customer satisfaction.</li> <li>- Price influences repurchase intention.</li> </ul>
10.	Aura Nadhifa S, Basrah Saidani, Agung K, Rivai P (2022)	Pengaruh Kualitas Pelayanan dan Harga terhadap Minat Beli Ulang melalui Kepuasan Pelanggan sebagai Variabel Intervening: Studi Kasus Pada Pelanggan Gen Z	<ul style="list-style-type: none"> <li>- Service quality influences positively on customer satisfaction.</li> <li>- Price influences positively on customer satisfaction.</li> <li>- Customer satisfaction influences positively on repurchase intention.</li> <li>- Service quality influences positively on repurchase intention.</li> <li>- Price influences repurchase positively on intention.</li> <li>- Customer satisfaction mediates service quality towards repurchase intention.</li> </ul>

			- Customer satisfaction mediates price towards repurchase intention.
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Source: Various Sources Processed By The Author

## 1.8 Hypothesis

(Sugiyono, 2018) said that a hypothesis is a momentary answer to a problem formulation: the problem formulation is in the form of a question sentence. When testing the truth of a hypothesis, it is necessary to have data that is valid and related to the problems discussed in the research. Based on the relationship between the research objectives and the theoretical framework for problem formulation, the following hypothesis can be formulated:

H1: It is suspected that there is an influence of service quality on customer satisfaction of Umrah service users at Daqu Travel.

H2: It is suspected that there is an influence of price on customer satisfaction of Umrah service users at Daqu Travel.

H3: It is suspected that there is an influence of service quality on repurchase intention of Umrah service users at Daqu Travel.

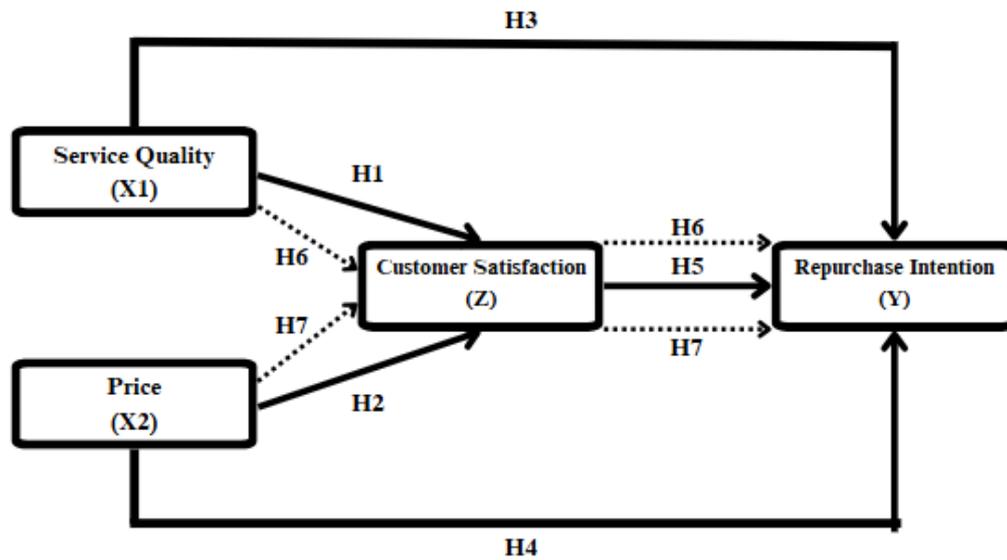
H4: It is suspected that there is an influence of price on repurchase intention of Umrah service users at Daqu Travel.

H5: It is suspected that there is an influence of customer satisfaction on repurchase intention of Umrah service users at Daqu Travel.

H6: It is suspected that there is an influence of service quality on repurchase intention through customer satisfaction of Umrah service users at Daqu Travel.

H7: It is suspected that there is an influence of price on repurchase intention through customer satisfaction of Umrah service users at Daqu Travel.

The relationship between the variables above can be identified as a hypothesis in the model analysis as follows:



**Figure 1.3 Hypothesis**  
Source: Processed Primary Data, 2025

Service Quality (X1) : Independent variable

Price (X2) : Independent variable

Satisfaction (Z) : Intervening variable

Repurchase Intention (Y) : Dependent variable

## 1.9 Conceptual Definition

### 1.9.1 Service Quality (X1)

According to (P. Kotler, 2019) a form of consumer assessment of the level of service received and the expected level of service.

### **1.9.2 Price (X2)**

(Stanton, 2016) defines that price is the amount of money (possibly plus how many goods) needed to obtain some combination of a product and accompanying services.

### **1.9.3 Satisfaction (Z)**

According to (Tjiptono, 2014) Customer satisfaction is a person's feeling of happiness or disappointment that arises after comparing perceptions of the performance (results) of a product with their expectations.

### **1.9.4 Repurchase Intention (Y)**

Hellier et al. (2003) define repurchase intention as an individual's willingness to repurchase a product they have consumed from the same company, based on their prior experience.

## **1.10 Operational Definition of Variables**

### **1.10.1 Service Quality (X1)**

Service quality is how well a service meets or exceeds customer expectations. Service quality indicators according to (P. Kotler & Keller, 2016a) are as follows:

- 1) Reliability, the ability to perform reliable and accurate services.
- 2) Responsiveness, willingness to help customers and provide fast service.
- 3) Assurances, knowledge and politeness of employees and their ability to guarantee quality so that participants trust and have confidence.
- 4) Empathy, individual attention to customers.

- 5) Tangibles, the appearance of physical facilities, equipment, facilities and infrastructure

### **1.10.2 Price (X<sub>2</sub>)**

Price is the value or amount of money set or exchanged to obtain a product or service. According to (Stanton, 2016) price indicators, namely:

- 1) Affordability of prices based on consumer purchasing power
- 2) Price competitiveness with other similar products
- 3) Price conformity with product quality
- 4) Price matches benefits

### **1.10.3 Customer Satisfaction (Z)**

Customer Satisfaction is a feeling of pleasure or satisfaction felt by someone after comparing the performance or results received with the expectations they have. According to Hawkins and Lonney quoted in (Tjiptono, 2014), indicators that form consumer satisfaction consist of:

- 1) Conformity of expectations, is the level of conformity between the service performance expected by consumers and that perceived by consumers.
- 2) Interest in returning to visit, is the consumer's willingness to visit again or reuse related services.
- 3) Willingness to recommend, is the willingness of consumers to recommend services they have experienced to friends and family.

#### **1.10.4 Repurchase Intention (Y)**

Repurchase intention refers to a customer's plan or willingness to continue purchasing or contributing to a previously used product, measured by the following dimensions:

- 1) Intention to Continue Buying: The consumer's intention to maintain at least the same level of purchasing or contribution as before.
- 2) Likelihood of Actual Purchase: The probability that the consumer will make a repurchase or continue contributing, considering all influencing factors, at least at the same level as before.
- 3) Opportunities to Repurchase/Contribute: The chance the consumer will persist in purchasing or contributing to the product.

### **1.11 Research Methodology**

#### **1.11.1 Research Methods**

In general, research methods are the methods used in research to obtain data with the aim of supporting scientific research. The subjects of this research are umrah service users of Daqu Travel (PT Al Amin Mulia Lestari). So, the data needed is data regarding the variables service quality (X1) and price (X2) as independent variables, satisfaction (Z) as an intervening variable, and repurchase intention (Y) as the dependent variable.

#### **1.11.2. Research Type**

Explanatory research aims to determine the relationship or influence between variables. This research will explain the influence of service quality and

price on the repurchase intention of umrah service users at Daqu Travel through satisfaction.

### **1.11.2. Population and Sample**

#### 1.11.2.1. Population

Population refers to a general collection consisting of objects or subjects that are determined to be researched and used as a basis for drawing conclusions. In this research, the population in question is umrah service users of Daqu Travel.

#### 1.11.2.2. Sample

According to (Sugiyono, 2017), a sample is a part of a population that is a source of data in research, where the population is part of the number of characteristics possessed by the population., in this case determining a sample of 100 respondents. A sample size of 100 is considered representative according to the established criteria, therefore this research determines a sample size of 100 umrah service users of Daqu Travel (PT Al Amin Mulia Lestari) . The sampling technique used in this research is a nonprobability sampling technique. In this research, the sample criteria required by the author are:

- A. Have used the services of Daqu Travel (PT Al Amin Mulia Lestari) at least once.
- B. Willing to fill out a questionnaire for research purposes.
- C. Pay the fee with own money.

### **1.11.3. Data Source**

With the aim of producing valid data sources from primary and secondary data, researchers use theory, problem formulation and indicators. The data sources are:

#### **1. Primary Data**

Data collected by someone himself or directly from the source. Usually, the way to collect this data is by giving a questionnaire to the people being researched and they fill it in directly.

#### **2. Secondary Data**

The results of library studies, scientific literature, books about job placement and performance, and the internet are some examples of secondary data obtained indirectly.

### **1.11.4. Measurement Scale**

According to Sugiyono (2018), a measurement scale is an agreement used as a reference to determine the short length intervals in a measuring instrument, ensuring that the instrument produces quantitative data when used in measurements. The measurement scale used in this research adopts a rating scale with four rating levels. The author applies a rating scale to measure attitudes, opinions, and perceptions of individuals or groups regarding social phenomena. By using a rating scale, the measured variables are translated into variable indicators, allowing for a structured assessment of respondents' perspectives.

**Table 1. 2 Rating Scale**

<b>Description</b>	<b>Value Scale</b>
Very Unsupported	1
Unsupported	2
Supported	3
Very Supported	4

Source: Processed Primary Data, 2025

### **1.11.5. Data Collection Technique**

This research is expected to collect data with a high degree of validity, so the method of collection must be determined. Some techniques for collecting data are as follows:

#### 1. Questionnaire

A questionnaire is a data collection method that uses a number of questions or written statements given to respondents to ask for answers. This approach is effective if the researcher has a deep understanding of the variables to be measured and the possible responses given by respondents. Apart from that, questionnaires are also suitable for use when the number of respondents is large enough and widely distributed. Questionnaires can contain closed or open statements or questions, and can be distributed directly to respondents or via post or internet (Sugiyono, 2010). In the context of this research, the questionnaire contains statements and is addressed to umrah service users of Daqu Travel (PT Al Amin Mulia Lestari).

#### 2. Literature study

Researchers also conduct literature studies to obtain data from other sources indirectly. It helps reduce time, classify problems, create standards for evaluating primary data, and fill information gaps. Previous studies on service quality, price,

satisfaction, and Repurchase Intention include the data needed for literature research.

#### **1.11.6. Data Processing Methods**

The next step taken in the research was data processing. The data processing methods used are:

##### **1. Editing**

After the data is collected, it is important to edit the data to ensure its correctness and quality. The data editing process involves selecting and re-examining the data that has been collected. The data is analyzed individually to be grouped into correct data. Next, to ensure that the data is accurate, corrections or disbursements are carried out. This step is carried out with the aim of eliminating incompleteness, falsity, or data deviation. Researchers can ensure that the data used is correct and of high quality for research or analysis by transforming the data.

##### **2. Coding**

Coding is the process of assigning signs, symbols, or numerical codes to the answers collected. The purpose of coding is to group the answers that have been collected into groups.

##### **3. Scoring**

In scoring, values or numbers are given to answers to produce quantitative data needed for hypothesis testing based on predetermined rules or scales.

##### **4. Tabulating**

Tabulating is the stage where data is entered into tables and arranged in such a way as to make calculations easier. In tabulating, numbers that have been coded

or assigned a value are placed in a structured table for further analysis. Through coding, scoring, and tabulating, the data that has been collected can be organized, assessed, and compiled systematically to facilitate further analysis and processing.

#### **1.11.7. Data Analysis Technique**

In this research, the Structural Equation Model (SEM) - Partial Least Square (PLS) method was used with SmartPLS 4.0 software. PLS is a strong and more flexible analysis method because it does not require certain assumptions (Latan, 2015). PLS is used to determine whether there is a relationship between hidden variables in research and to test existing theories (Latan, 2015). In addition, because SmartPLS uses a bootstrapping method (random doubling), PLS allows path analysis with small samples because it does not require normal distribution data. Two submodels were used for SEM-PLS analysis. First, the measurement model (outer model) shows how the observed variables represent the hidden variables that want to be measured, and the structural model (inner model) shows the relationships and effects between the hidden variables in the research.

##### **1.11.7.1. Measurement Model (Outer Model)**

The purpose of this analysis is to ensure and show that the indicators used are related to the latent variables so that the measurements carried out are feasible and reliable. Several measurements have been carried out, as follows:

##### **1. Validity Test (Covergent)**

The additional factor value for each construct indicator must be more than 0.70 for confirmatory research and 0.60 for explanatory research. The average construct AVE value must be more than 0.50.

## 2. Validity Test (Discriminant)

The cross-loading factor value is calculated to determine the discriminant validity of the construct. If the correlation value of the indicator with the construct is greater than the correlation value of the indicator with other constructs, this value can be used to determine whether the construct has sufficient discriminant. In addition, the square root AVE (Fornell Larcker) value of each structure is compared with the correlation value between variable.

## 3. Reliability Test

Reliability tests are used to assess the reliability of a construct and the accuracy of the instruments used to measure it. This is measured by looking at the Cronbach alpha value, where a construct is considered reliable if the value is at least 0.60. In addition, the composite value, where the construct is considered reliable if the value is more than 0.70 (confirmatory research) and between 0.60 and 0.70 (explanatory research).

### 1.11.7.2. Structural Model (Inner Model)

The structural model is a model that focuses on latent variable structure in which inter-latent variables are considered has a linear correlation and there is a clause relationship. Inner The model proves the power or estimates between construct variables and latent which are based on substantive theory. Following inner model stages:

#### 1. R-Square

Aims to measure the structural model that is the power estimates from structural models. This test is used as a test goodness-fit model. R-Square changes

are useful in explaining the substantive influence between certain latent variables with endogenous latent variables.

## 2. F-square

The F-square test is conducted to determine the magnitude of the variable's influence. According to Ghazali and Latan (2020), if the F-square with a value of 0.02 indicates a small influence, the F-Square value of 0.15 indicates a medium influence, the F-Square value of 0.35 indicates a large influence.

## 3. Path Coefficient

In this test, Path Coefficient is used to measure how big the influence is on one variable and another variable others through the bootstrapping method. Path Coefficient value can be seen in the range between the numbers 1 and -1 but if The closer the numbers are to 1 and -1, the stronger the relationship between these variables.

### 1.11.7.3 Hypothesis Testing

Hypothesis testing is carried out using the method bootstrapping. In direct analysis effect, can be seen through the Path Coefficient value that has been obtained Inner model testing is carried out to determine the relationship between these variables is positive or negative. Then, for knowing the level of significance between variables can be seen through p-value. If the p-value is 0.05 then it is not significant. Then, in the indirect effect analysis it can be seen through the p-value. If the p-value is significant, it can be said to be significant or intervening variables play a role in mediating the relationship between exogenous variables with endogenous variables (there is no influence direct). However, if the p-value is  $>0.05$

then it can be said not significant or intervening variables do not play a role mediates the relationship between exogenous variables and variables endogenous (there is a direct influence). Then, to find out whether a hypothesis can be accepted or not can be seen from statistical or calculated t value  $>$  table t value, namely 1.96 ( $\alpha$  5%) then can be said to be accepted or valid.