The Effect of Customer Experience, Word of Mouth, and Price Perception on Repurchase Intention of Special Fare Train Tickets

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A R T I C L E I N F O

A B S T R A C T

PT. KAI (Persero) is a State-Owned Enterprise (BUMN) engaged in transportation services for transporting passengers, goods, and containers. In 2019 PT. KAI (Persero) seeks to increase the number of passengers by applying for special-fare train tickets. This study aims to determine the effect of customer experience, word of mouth, and price perception on the intention to repurchase special-fare train tickets. The population in the study were customers of special fare train tickets. The sampling technique uses a non-probability sampling method with convenience sampling techniques for as many as 112 respondents. The analysis technique used in this study is (PLS) with a validity, reality, and hypothesis test. The results of this study state that customer experience and word of mouth contribute to customer repurchase intention, while price perception does not contribute to customer repurchase intention.

INTRODUCTION

Land transportation, sea transportation, and air transportation are three types of transportation the community can use to support their daily activities. Based on bps.go.id (2021), trains are the primary choice of Indonesian people, with 117,161,000 passengers compared to ships with 1,275,726 passengers and airplanes with 15,293,538 passengers. Reporting from bps.go.id (2021), rail users will experience a significant decline in 2020 and 2021. In 2020 the volume of rail passengers reached 186,130,784 people, a decrease of 56% compared to 2019, which reached 426,879,221 passengers. Likewise, in 2021 the total volume of train passengers will continue to decline until it reaches 149,763,271 people, down 19% compared to 2020. In addition, based on KAI Access's assessment of Playstore, the customer experience for Indonesian Railways still needs to be improved. KAI Access has over 10 million downloads and 167.000 comments on the KAI Access app on the Play Store, as evidenced by the fact that they have given it 2.9 out of 5 stars. This shows that KAI Access is sufficient, and almost half of KAI Access users give the application an unsatisfactory review.

Repurchase intention is generally a customer's strong desire based on the experience of purchasing products made in the past, where customers feel that the product or service provides satisfaction so that it encourages customers to intend to repurchase (Aini, Marlien, and Riva'i, 2022). Some of the things that influence customers to make repeat purchases are the customer experience that starts when the customer sees the promotion and ends up using the product, word of mouth in the form of providing personal information that contains the experience of using a product or service, and price perceptions regarding how customers can understand price information.

PT. Kereta Api Indonesia must make customer experience the primary key to success. According to Gentile et al. (2007) in Nurahman (2021), customer experience comes from interactions between customers and products or companies that cause reactions. The experience customers have influenced their perception of a product or service as pleasant or unpleasant. If the customer's experience is pleasant, it will form a positive attitude towards the product or service, and vice versa. This aligns with research by Safitri (2021) and Aini et al. (2022), which shows that customer experience positively and significantly affects repurchase intention.

A customer's decision to purchase a product or service is closely related to several factors influencing the customer's available information and knowledge about the product. One way that is considered effective in disseminating information is word of mouth (WOM). Kotler and Armstrong (2016) argue that word of mouth is a communication process by recommending a product or service to provide personal information. Customers with a particular experience with a product or service often knowingly or unknowingly add those services to their conversation list. This is proven in the research of Sugiyanto and Maryanto (2021) that word of mouth influences customer repurchase intentions.

Determining the pricing strategy in business is very important and must be considered because each price determination will result in a different level of

customer demand. According to Tjiptono (1996: 154) in Mutami and DS (2018), affordable prices will further increase the desire of customers to repurchase the products or services offered. Besides that, the most important thing about a price is not the price itself but the price perceived by the customer. Schiffman and Kanuk (2007) in M. R. Sari and Lestari (2019) explain that price perception is how customers perceive prices (high, low, reasonable) to have a strong influence on purchases. It builds on the research of Savitri and Wardana (2018), which showed that perceived value has a significant positive impact on purchase intention.

Reporting from Kai. Id (2019), starting March 11, 2019, KAI has imposed special fares for several trains with certain relationships, which allows the public to pay for tickets at a lower fare of up to 80% than before. Quoted from Keretaapikita.com (2022) that this special rate is applied to fill unsold seats on specific routes.

The problems that arose include; The special fare train ticket policy released in 2019 did not cause an increase in the number of train passengers in the following year. This is based on a significant reduction of 426.879.221 passengers in 2019, 186.130.784 passengers in 2020, to 149.763.271 passengers in 2021. Based on the description above, a study was conducted to determine the effect of customer experience, word of mouth, and price perceptions on the intention to repurchase special-fare train tickets.

THEORETICAL REVIEW

Customer Experience

Schmitt (1999) in (Aini et al., 2022) defines customer experience, commonly known as customer experience, as an event that occurs in response to certain stimuli. This experience occurs due to a situation elicited by stimulating the five senses, thoughts, and feelings. Four things can measure customer experience according to Maklan and Klaus (2011), namely (1) Product experience, (2) Moment of truth, (3) Peace of mind, and (4) Outcome focus.

Word of Mouth

Babin et al. (2005), in the journal of Aini et al. (2022), define word of mouth as a person's intention to engage in persuasive personal communication with others, where communication is based on experience, so it will encourage other people to participate in their behavior. Babin et al. suggest that word of mouth indicators are (1) the Willingness of customers to talk about positive things about service and product quality to others, (2) Recommendations for company services and products to others, (3) the Encouragement of friends or relationships to make purchases of company products and services.

Price Perception

Kotler and Armstrong (2012) in Rachman and Dermawan (2023) define *price* as the money billed for a product or service. Meanwhile, Malik et al.

(2012) in M. R. Sari and Lestari (2019) define *price perception* as a process in which customers translate price values and attributes into the goods or services they want. According to Dharmestha and Handoko (2008) (Safitri, 2021), indicators of price perception are (1) product price conformity with product quality, (2) price comparison with the prices of other and similar products, (3) product price compatibility with benefits obtained.

Repurchase Intentions

Nikbin et al. (2011) in Aini et al. (2022) revealed that a repeat purchase is a purchase made by a customer more than once and will make further purchases with the same product or service. Kotler and Keller (2015) in Julitriarsa and Agustina (2021) argue that repurchase intention is a customer's action after purchase. Fulfillment of satisfaction or non-fulfillment of satisfaction after a customer purchases a product will affect further actions.

If the customer is satisfied, the customer will repurchase the product. According to Ferdinand (2002: 25) in M. R. Sari and Lestari (2019), indicators of repurchase intention are (1) transactional interest, (2) referential interest, (3) preferential interest, and (4) explorative interest.

METHODOLOGY

This study uses three independent variables (X), customer experience, word of mouth, and price perceptions, and one dependent variable (Y), repurchase intention. This quantitative research approach uses data sources from respondents through questionnaires and an ordinal scale measured using a Likert scale. The population in this study are customers of special fare train tickets. Non-probability sampling techniques use sampling methods and convenience sampling techniques. Sugiarto (2017) convenience sampling models depend on the availability and ease of access to elements. The sample size for this study is 14 (indicators) x 8 = 112. The data analysis technique used for data processing was the component-based SEM method using the PLS (partial least squares).
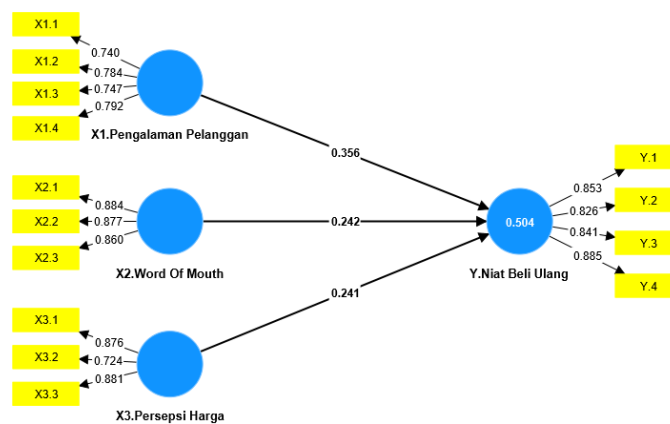
RESULTS

Figure 1 Outer Model PLS
Source: Output SmartPLS 4.0, 2023

The outer figure model above shows that the loading factor values for each indicator are placed above the arrows between the variables and the path factor magnitudes between the indicators and the arrows. Exogenous and endogenous variables. It can also be seen that the R-squared is also in the endogenous range (purchase intention variable).

Based on the outer loading image above, all indicators are reflective of the customer experience indicator (X1), word of mouth (X2), and price perception (X3). As well as repurchase intention (Y), it is known that the factor loading (original sample) is greater than 0.50 or significant (T-Statistic value is more than $Z \alpha = 0.05$ (5%) = 1.96), thus the results estimation of all indicators has met convergent validity or good validity.

Average Variance Extraxted dan Composite Realibility

Table 1 Validity and Reliability

	AVE
X1.Pengalaman Pelanggan	0,587
X2.*Word Of Mouth*	0,763
X3.Persepsi Harga	0,689
Y.Niat Beli Ulang	0,725

Source: Output SmartPLS 4.0, 2023

AVE test results for the customer experience variable (X1) of 0.587, word of mouth variable (X2) of 0.763, price perception variable (X3) of 0.689, and repurchase intention (Y) of 0.725, these four variables show a value of more than 0, 5, so overall the variables in this study can be said to have good validity.

Composite Reliability

Table 2 Composite Reliability

	Composite Reliability (Rho_A)	Composite Reliability (Rho_C)
X1.Pengalaman Pelanggan	0,802	0,85
X2.Word Of Mouth	0,85	0,906
X3.Persepsi Harga	0,776	0,869
Y.Niat Beli Ulang	0,876	0,913

Source: Output SmartPLS 4.0, 2023

The results of the comprehensive reliability test show that there are 4 variables whose complete reliability values are above 0.70, so it can be said that all the variables in this study are reliable..

Structural Model Test Results (Inner Model)

Table 3 R-Square

	R-Square
Y.Niat Beli Ulang	0,504

Source: Output SmartPLS 4.0, 2023

R2 value = 0.504. The model can explain the phenomenon of repurchase intention, which is influenced by independent variables, including costumer experience, word-of-mouth, and price perception, with a variance of 49.6%. In comparison, the remaining 50.4% is explained by other variables outside the study (besides customer experience, word of mouth, and price perceptions).

Hypothesis Test

Table 4 Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
X1. Customer Experience -> Y. Repurchase Intentions	0,356	0,365	0,101	3,514	0
X2.Word Of Mouth -> Y. Repurchase Intentions	0,242	0,249	0,097	2,484	0,013
X3. Price Perception -> Y. Repurchase Intentions	0,241	0,235	0,127	1,908	0,056

Source: Output SmartPLS 4.0, 2023

From the table above it can be concluded that the hypothesis states:

Hypothesis 1: The results of the analysis show that the path coefficients are 0.356, and the T-statistic is 3.514 or the P-Value is 0.000, so the first hypothesis

is accepted, meaning that it is proven that customer experience has a positive effect on repurchase intentions.

Hypothesis 2: The results of the analysis show that the path coefficients are 0.242, and the T-statistic is 2.484 or the P-Value is 0.013, so the second hypothesis is accepted, meaning that word of mouth has a positive effect on repurchase intentions.

Hypothesis 3: The results of the analysis show that the path coefficients are 0.241, and the T-statistic is 1,908 or the P-Value is 0.056, so the third hypothesis is rejected, meaning that it is not proven that perceived price affects repurchase intention.

The Effect of Customer Experience on Repurchase Intentions

As a result of data processing that has been carried out, the result is that customer experience significantly contributes to the intention to repurchase Special Tariff Train Tickets. The better the customer experience obtained, the higher the customer's intention to purchase *special-fare train tickets.*

Based on the results of the questionnaire that has been distributed show the results of factor loading from the customer experience variable, which shows that the most significant contribution is that customers choose to use special fare train tickets rather than looking for other transportation tickets. This can be interpreted that customers feel comfortable and believe that special fare train tickets provide a better advantage so that customers decide to make repeat purchases.

The results of this study are research conducted by Aini et al. (2022) entitled Effects of Brand Image, Consumer Experience, and Word of Mouth on Repurchase Intentions (Study on KFC Consumers in Semarang City) which has the result that customer experience has a positive and significant effect on repurchase intention, as well as research (Insyra & Dwiridotjahjono, 2022) with research entitled The Influence of Customer Experience, Trust, and Customer Satisfaction on Repurchase Intention on Flight Ticket Reservations at Traveloka which shows that Customer Experience partially influences positive towards Repurchase Intention (repurchase intention).

The Effect of Word Of Mouth On Repurchase Intentions

Based on the results of the data processing performed, the result is that word of mouth makes a significant contribution to the repurchase intention of Special Tariff Train Tickets. Word of mouth has a significant contribution to increasing customer repurchase intentions. Based on the results of the questionnaire that has been distributed show the results of factor loading on the word of mouth variable, which shows that the most significant contribution is that customers get positive information about special fare train tickets from other people. This explains that the exchange of positive information on special fare train tickets spread among customers has managed to attract customers' attention and stimulate real action by repurchasing special fare train tickets.

The results of this study are from previous research conducted by Sugiyanto and Maryanto (2021), entitled Effects of Product Quality, Brand Image, and Word of Mouth on Repurchase Interest through Consumer Satisfaction in Esa Unggul Students Using iPhone, which has the result that word of mouth has a positive influence on the decision to purchase goods online. Likewise, Aini et al.'s research (2022) entitled Effects of Brand Image, Consumer Experience, and Word of Mouth on Repurchase Intentions (Study on KFC Consumers in Semarang City) has the result that word of mouth has a positive effect on repurchase intentions.

The Effect of Perceived Price on Repurchase Intentions

Based on the results of data processing that has been done, the result is that price perceptions do not contribute to the intention to repurchase Special Tariff Train Tickets.

Based on the results of the distributed questionnaire, the factor loading results of the price perception variables show that the special fare train ticket is the most significant proportion of benefits received. This can mean that the price of a special fare train ticket according to the benefits obtained does not exist in relationship with customer repurchase intention. This happens because customers will still repurchase train tickets despite increasing or decreasing train fares. So that customers do not need to reconsider the price to make a repeat purchase so that the perception of price does not contribute to repurchase intention.

The results of this study contradict the author's hypothesis that price perceptions positively affect repurchase intentions. This is in line with the research conducted by Savitri and Wardana (2018), and prices (Adinata and Yasa 2018) prove it. Reviews have a positive effect on repurchase intent. However, this is consistent with research by Josepha Hendratty and Purwanto (2023), showing that perceived price does not influence repurchase intent showing how individual price perceptions vary across abilities and circumstances. They are different depending on the motivation behind their price level. Similarly, research by Ramdhani and Widyasari (2022) shows that price perceptions do not influence a customer's repurchase intentions.

CONCLUSIONS AND RECOMMENDATIONS

Based on the test results, we can conclude:

1. Customer experience influences the intention to repurchase Special Fare Train Tickets. This shows that the better the experience gained, the more it can stimulate customers to make repeat purchases.

2. Word of mouth influences the intention to repurchase special fare train tickets. This shows that the exchange of positive information regarding special fare train tickets spread among customers has successfully attracted customer attention and stimulated concrete actions in the form of repurchasing special fare train tickets.

3. The perceived price does not affect the intention to repurchase Special Fare Train Tickets. This happens because customers will still repurchase train tickets despite increasing or decreasing train fares.

FURTHER STUDY

Suggestions for future researchers who choose Special Fare Train Tickets as the object of research or use similar variables, can develop research objects with new, more accurate data sources and can use other sampling methods. In addition, it is hoped that future researchers can provide other variables such as perceived ease of use that are not examined in this study which are thought to influence repurchase intentions.

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