Create a Customer Loyalty in The Travel Sector

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ABSTRACT

Research related to loyal customers in the travel industry. The travel industry adopts strategic e-marketing, technological innovation, trust, and value to customers. Customers feel satisfied, thus creating customer loyalty. The methodology for this writing was to distribute questionnaires to 240 travel decision-makers (managers/directors/owners). The data were analyzed through the SEM research hypothesis using SPSS / AMOS applied to the relationship and hypothesis testing. The results showed that strategic e-marketing, technological innovation, trust, and value on customers had a direct and significant positive effect on satisfaction. Customer satisfaction has a direct and significant positive effect on customer loyalty. The implication of writing helps marketing managers to encourage customer satisfaction by fostering trust and value, creating customer loyalty in the travel sector. This novelty research provides new insights into the development of e-marketing strategies and technological innovation has been recognized as a developing concept that has received intense attention from both literature reviews and practitioners. Also, further empirical research is still needed to investigate all-digital marketing insights around the world. To enrich the theoretical point of view of the proposed model, further research can carry out a comparative study between industry and developing countries.

Keywords: strategic e-marketing; technological innovation; trust; value; satisfaction; and loyalty

INTRODUCTION

Competition in the business industry in the increasingly competitive travel industry requires companies to have a strategy to win the competition (Grant, 2010; Bapat et al, 2015) to gain market advantage and remain successful in front of competitors. The adoption of strategies can provide opportunities and challenges for companies to achieve sustainable competitiveness (Bendle et al, 2014). Strategic e-marketing dramatically changes consumer behavior in determining products and services (Waheed et al., 2018). Consumer purchasing behavior is very important for companies to seize the market. Strategic e-marketing is a process for communicating product information via the Internet (El-Gohary, 2012). The internet such as the Web and E-mail has become an important part of information technology which is growing rapidly as a global network (Mathews et al., 2016) giving birth to customer satisfaction. According to the RCIU (2017), nearly 40 percent of the world’s population are internet users. The internet makes it easy for consumers to determine products and makes it
easier for customers to like and dislike products (Waheed et al., 2018) causing customer satisfaction & loyalty in choosing various travel products.

Consumer behavior is also inseparable from the influence of technological innovation. Companies can never ignore technological innovations to withstand uncertain market conditions (Ho et al., 2011). The adoption of technological innovations is essential for running strategic e-marketing in a company to be successful and to survive in uncertain market conditions (Rondan Cataluña et al., 2015). Companies adopt technological innovations through the use of the internet (Amaro and Duarte, 2015) in interacting with customers. The internet, such as the Web and E-mail, is an implementation of technological innovation that helps companies communicate with customers (Mathews et al., 2016), creating technological innovation that creates satisfaction.

Creating customer loyalty in the travel sector does not only require technological innovation but presenting trust is a positive attitude of customers (Watanabe, et al., 2020). In the travel industry related to the online market (Trevedi et al., 2020) customer trust in the online market, namely the Web and Email helps make purchases so that customer satisfaction is created.

Customer trust provides customer satisfaction, including the value of making customers reuse trusted travel (Gan et al., 2017). Value makes customers feel satisfied to create customer satisfaction in the travel sector (Curvelo et al., 2019).

Customer satisfaction can maintain competitiveness brings challenges to the travel sector in the tourism and culture sector (Alberti and Giusti, 2012). The tourism sector cannot be separated from technology (Willems, 2019). Tourism as a service for evaluating destinations using the internet. The tourism sector is related to travel or travel agencies that engage customers and interact with Internet services (Brodie et al., 2011). Customers use the internet for travel information and seek as much information as possible about tourist destinations so that they can provide satisfaction and loyalty (Amaro and Duarte, 2015).

Companies use the internet as a marketing communication to customers (Meesala et al., 2018) Establish good relationships with customers. Therefore, the opportunity to connect directly with customers, strengthen communication with customers will be connected with customer loyalty (Chen et al, 2016). About 39 percent of users use the internet or social media to get information about various things products and services. Strategic e-Marketing through
the internet is to increase stakeholder value, develop and maintain strong relationships with customers to gain customer loyalty (Kotler and Keller, 2016).

Previous studies expect further studies on customer relationships regarding customer satisfaction and customer loyalty (Yan et al., 2016; Meesala et al., 2018). Studies on customer satisfaction and loyalty are important to gather information and opinions about travel agents (Alegre and Garau, 2010) so that they can find out what consumers and markets want.

LITERATURE REVIEW

**Strategic e-marketing**

Uncertain market conditions, increasingly fierce competition requires a business strategy (Parnell et al, 2015) which is supported by the company’s internal capabilities. Important internal company resources in addition to adequate financial facilities and production capacity are also conducive (Bianchi and Mathews, 2016), which is the company’s success in front of its competitors. Strategic E-Marketing helps companies succeed in pursuing opportunities and challenges in the business environment (Mathews et al., 2016). E-Marketing is an Internet-based electronic technology (Strauss, 2016). The Internet provides written and visual information to customers, such as hotel pictures, location maps, prices, shared experiences, and all the information customers need.

**Technological innovation**

Technological innovation dramatically changes the business world, creating new opportunities for companies to communicate product information in a fast and effective manner to customers (Persaud and Azhar, 2012). Innovation technology helps customers to know more about products or services via the Internet as travel information (Amaro and Duarte, 2015). Customers seek as much information as possible to minimize costs, reduce travel risks. The development of technological innovations using the internet can add value to companies by offering fast, competitive and convenient services (Kounavis et al., 2012) to help consumers plan their vacation, business, and other consumer destinations.

**Trust**

Creating customer loyalty in the travel sector does not only require technological innovation but presenting trust is a positive attitude of customers. Watanabe, et al., 2020. The travel industry is related to the online market (Trevedi et al., 2020) trust customers in the online
market to help make purchases. Customers who have trust, where the company will get satisfaction from customers so that loyal customers will be created.

**Value**

Trust from customers has a positive impact on the company, not only customer trust is obtained by the company, including value. The value provided by the company makes customers reuse trusted travel (Gan et al., 2017). Value makes customers feel satisfied to create customer satisfaction on travel (Curvelo et al., 2019).

**Satisfaction**

Customer satisfaction has a word-of-mouth effect for the company (Belanche et al., 2012). Companies need customer satisfaction to create long-term relationships with customers which will then lead to loyalty (Lam et al., 2014). Customer satisfaction with service quality makes customers loyal to the product or service (Murali et al. (2016). Customer satisfaction will lead to customer loyalty.

**Loyalty**

Customer loyalty is the desire of the customer to buy from the same seller (Thakur, 2016), the customer feels confident that the product received from the trip is satisfactory. According to Han and Hyun (2018), loyal customers bring enormous benefits to every company, such as a continuous flow of profits and a reduction in marketing costs. Loyalty is customer satisfaction, customer involvement, service quality, and customer perceived value (Han and Hyun, 2018). According to Meesala et al., (2018), customer loyalty can be measured as the desire to buy or use more products/services, prefer to buy these products, and willingness to recommend these products to others. Loyalty for companies is to maintain a business in the market competition (Maemunah et al., 2020), consumer loyalty can be relied on and trusted to carry out brand recommendations and travel products.

**Conceptual framework and hypotheses for research**

Based on a review of the existing literature, this study develops a conceptual framework designed to help understand research as shown in Figure 1. This study focuses on the effects of strategic e-marketing, technological innovation, trust, value, and customer satisfaction on customer loyalty in the travel sector.
Hypothesis development

H1: The effect of strategic e-marketing on satisfaction

Strategic e-marketing offers accurate and useful information. Consumers who need to travel usually choose products or services based on adequate and accurate information available on websites and the internet. Consumers want to get the right information and cheap prices, the convenience of traveling to their destination (Sekaran et al., 2013) through Internet services. Strategic e-marketing through internet services greatly facilitates the decision-making process in determining a good and comfortable journey. Strategic e-marketing helps customers evaluate alternatives and ultimately determine the desired journey.

H2: The effect of technological innovation on satisfaction

Technological innovation targets new customers and plans effective marketing strategies (Rong et al., 2012) to gain satisfaction in the travel sector. User-Generated Content (UGC) such as blogs on the internet is increasingly being seen as a reliable form (Stepchenkova and Zhan, 2013) sharing videos and photos is becoming more popular as a means of sharing accurate travel experiences. Sharing information via the internet can be considered to be able to help customers obtain information from the internet user.
community, so that customers have sufficient information, reducing risks on the way so that customer satisfaction is created (Tseng et al., 2015).

**H3: The effect of trust on satisfaction**

Technological innovation offers trendy travel content that is safe for consumers to need in the form of the latest information and the latest news such as ticket offers, hotels, or cheap travel packages to create trust (Kingshott et al., 2018). Customers as Internet users seek information through alternative channels of other people's experiences that are more authentic and build trust so that customer satisfaction is obtained (Xiang et al., 2015). More specific types of information are also sought, for example, for the promotion of sustainable tourism to visit a World Heritage Site (Garbelli et al., 2017) to create trust so that customers feel satisfaction from the information.

**H4: The effect of value on satisfaction**

Value has a significant effect on satisfaction (Han and Hyun, 2018; Kamran-Disfani et al., 2017; Meesala et al., 2018). Therefore, value affects satisfaction in the travel industry (Gallarza et al., 2016) on satisfaction in receiving the best service provided by the company to consumers. Picón et al., (2014) value is the attitude and behavior of customers that are considered good, appropriate, appropriate, correct, important, beautiful to the products or services of a travel company. Value can be as a customer commitment, namely being persistent to repurchase products or services that are consistently preferred by customers which leads to repeated use for products offered by travel. (Lin and Wang 2015).

**H5: The effect of satisfaction on consumer loyalty**

Travel companies are firmly committed to creating customers to get satisfaction in services that are consistently preferred by customers which leads to repeat purchases for travel products (Lin and Wang 2015). Satisfaction from strategic e-marketing, namely using electronic media or the internet (Parnell et al, 2015) makes it easier for customers to use the desired travel so that customer loyalty grows. Customer satisfaction using the web and the internet breeds customer satisfaction and loyalty as well as being ahead of its competitors for the company (Bianchi and Mathews, 2016). Customer satisfaction in booking tickets via the Internet and travel as a service provider makes customers loyal (Digiorgio, 2016). The internet is used by customers to share their experiences via the internet which provides customer satisfaction and loyalty (Buonincontri and Micera, 2016).
METHODS

This study uses primary data to explain the phenomena observed in descriptive research. Data were obtained by distributing questionnaires to 250 respondents, but only 240 respondents who entered and filled out the questionnaire, then determined the number of samples as much as 240. The sample was collected using a questionnaire technique with a 5 point Likert scale. To analyze data using analysis tools Structural Equation Modeling (SEM) with SPSS and AMOS programs. The questionnaire was processed using AMOS software. From the results of data processing, model alignment is carried out then hypothesis analysis is carried out. The demographic characteristics of respondents are differentiated by sex and age. The questionnaire given to the respondents was closed.

RESULTS AND DISCUSSION

Table 1: Result

<table>
<thead>
<tr>
<th>Research hypothesis</th>
<th>Conclusion</th>
<th>Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>H\textsubscript{1}: Strategic e-Marketing influence significant positive to customer satisfaction</td>
<td>H\textsubscript{0} Reject</td>
<td>Supported</td>
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<tr>
<td>H\textsubscript{2}: Technological innovations significant positive to customer satisfaction</td>
<td>H\textsubscript{0} Reject</td>
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<tr>
<td>H\textsubscript{3}: Trust has a significant positive impact on customer satisfaction</td>
<td>H\textsubscript{0} Reject</td>
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<tr>
<td>H\textsubscript{4}: Value influence significant positive to customer satisfaction</td>
<td>H\textsubscript{0} Reject</td>
<td>Supported</td>
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<tr>
<td>H\textsubscript{5}: Customer satisfaction significant positive influence on customer loyalty</td>
<td>H\textsubscript{0} Reject</td>
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Source: AMOS data processing results

H\textsubscript{1}: There is a positive effect of e-marketing strategies on satisfaction

The study explains the characteristics and attitudes of the travel industry through strategic e-marketing to bring customer satisfaction. The analysis results explain that there is a positive effect of strategic e-marketing on satisfaction. These results are supported by De Maeyer, (2012) that customers choose the internet and the web in travel to generate satisfaction. Internet helps customers such as sharing experiences in the travel environment, customers can find out about problems with tours such as ecology, natural disasters, and situations of political and social unrest. (Bapat and Mazumbar, 2015). The strategy applied in e-marketing is related to satisfaction (Mohammed et al., 2017).

H\textsubscript{2}: There is a positive effect of technological innovation on satisfaction
Technological innovation connected to the website is a form of travel industry customers to clients, communication between the company and customers is fulfilled to foster customer satisfaction (Belanche et al., 2012). Companies must be able to provide expectations regarding all information needed by customers. Strategic e-marketing can provide quality service on the internet to generate customer satisfaction (Preacher et al., 2004; Sobihah et al., 2015). Strategic e-marketing provides services that customers need, where customers feel satisfaction from travel services (De Maeyer, 2012).

**H3: There is a positive effect of trust on satisfaction**

Companies provide benefits and value to customers (Lam et al., 2014) that customers have the trust of travel company services. Trust creates customer satisfaction in the travel industry connected to the web and the internet (Trevedi et al., 2020). Trust that is felt by customers in the online market helps make purchases so that customer satisfaction is created.

**H4: There is a positive effect of value on satisfaction**

This study measures the level of customer satisfaction who visits the website. Customers who use a travel company website will have their expectations fulfilled, transaction experience, service experience affects value (Chen et al., 2016). Value has a significant effect on customer satisfaction (Elkhani et al., 2014; Kamran-Disfani et al., 2017). Customers feel satisfaction because of value so they are willing to carry out continuous transactions on the same website and recommend to friends (Li et al., 2015).

**H5: There is a positive effect on satisfaction with loyalty**

Satisfaction creates an attitude of customer loyalty (Gan and Wang, 2017). Customer loyalty attitudes due to customer satisfaction (Lin and Wang 2015). The travel sector increases competitiveness in obtaining satisfaction and loyalty (Chae et al., 2014), improves service, supports brand image, provides better cost control, and better communication with customers. Customer satisfaction through the internet is increasing (Chae et al., 2014) this makes customers loyal. The impact of customer satisfaction is correlated with loyalty (Soto-Acosta et al., 2016). Customer satisfaction is the variable that most influences customer loyalty (Parra-Lopez et al., 2018). Satisfied customers will be willing to make repeated transactions on sites that the same (Chen et al., 2016).

Gan et al., (2017) customer loyalty is loyalty where customers are loyal to a product or service based on the information obtained. Affective loyalty is a customer’s preference or positive attitude towards a product/service. Loyalty is a commitment that customers must buy a
product or service to be loyal to the product/service (Akroush et al., 2012). Customer satisfaction has a positive effect on customer loyalty attitudes (Gallarza et al., 2016). Loyalty is a commitment to buyback. Products/services that are consistently preferred in the future (Maemunah et al., 2020) result in repeated purchases of the same brand.

Discussion

Previous studies have been conducted at the organizational and individual levels with customer satisfaction and loyalty. This study provides a new understanding of the progress of strategic e-marketing, technological innovation, trust, value, satisfaction, and loyalty in increasing customer satisfaction on customer loyalty in the travel sector. Tourism in the world cannot be separated from travel agencies, the implementation of strategic e-marketing, technological innovation, trust, and value which is used by managers as strategic tools to maintain competitive advantage, develop marketing strategies to obtain customer satisfaction and customer loyalty for the long term.

CONCLUSION, MANAGERIAL IMPLICATIONS, LIMITATION AND FUTURE RESEARCH

Conclusion

Creating customer loyalty in the travel sector requires strategic e-marketing, technological innovation, trust, and value to create satisfaction and loyalty (Trevedi et al., 2020). The test results show that the e-marketing strategy has a positive and significant effect on satisfaction. Technological innovation is an important investment to strengthen competitiveness in the travel industry. Strategies that must be applied in e-marketing are to attract active customers, foster trust so that it has an impact on customer satisfaction and customer loyalty. Value has a positive and significant effect on customer satisfaction, thereby increasing the competitiveness of travel agents. These findings show the benefits of considering e-marketing strategies and technological innovation in increasing trust and value to create competitiveness. The travel industry strives to create customer satisfaction and loyalty so that companies stay ahead of competitors.

Limitations

This research has several limitations because in general it is only related to measurement and survey. The research design focuses only on strategic e-marketing, technology innovation, trust, and value as well as customer satisfaction with customer loyalty in the travel sector.
Future study suggestions not only test customer loyalty but can be added such as customer lifetime value, customer retention, profitability, return on investment, and market share.

The main findings of this study are to improve the strategic dimensions of e-marketing, technology innovation, trust, and value as well as customer satisfaction with customer loyalty in the travel sector. Future research can conduct comparative studies between industry and developing and developed countries. Also, the dimensions of customer satisfaction and customer loyalty can build and maintain long-term relationships with customers.

REFERENCES


