The Role of Customer Experience, Switching Barriers and Consumer Satisfaction in Improving Repurchase Decisions in Retail SMEs

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ABSTRACT: This paper aims to examine and analyze the impact of customer experience, switching barriers and customer satisfaction on repeat purchase decisions in Balung Retail SMEs, Jember Regency. The population of this study were all retail buyers in Balung, Jember Regency. The number of samples was determined by 100 respondents with the condition that the respondents were people who had made purchases at retail. Validity test and reliability test were carried out to test the questionnaire used in the study. Hypothesis testing was carried out to answer the research hypothesis. The results of the study show that customer experience has a positive but not significant effect on repurchasing decisions at Retail MSMEs. Switching barriers have a positive and significant effect on repurchase decisions in Retail SMEs. Consumer satisfaction has a positive and significant effect on repurchasing decisions at Retail MSMEs.

KEYWORDS: retail SMEs, customer experience, switching barriers, repurchase decision

INTRODUCTION

Jember Regency is one of the districts with a total of 647,000 MSMEs. This amount is a strength for Jember Regency in increasing economic activity for its people. (https://surabaya.tribunnews.com/2022/11/12/kabupaten-jember-punya-kekuatan-647000-umkm-untuk-bangkitkan-perekonomian-rakyat. 2022). The number of MSMEs in Jember Regency will reach 647 thousand units in 2021 based on the distribution of BPUM (Productive Banpres for Micro Enterprises). MSMEs that carry out these economic activities consist of ultra-micro, small micro, and also medium actors. Some MSMEs also already have an NIB (Business Identification Number). While the MSME business sector includes businesses that are settled, and some are mobile. The problem faced by MSMEs is that only around 10 percent pocketed NIB, while NIB is the entry point for MSME development. With increasingly rapid business competition in all fields, it is necessary for MSMEs to also improve their business performance by continuing to try to retain customers. One of the MSME business sectors is MSME engaged in the retail sector.

Retail is a buying and selling concept that directly brings together product sellers and end-level consumers (Berman & Evans, 2018). Sales at retail are usually made to end-level consumers, so the products being traded are not for resale. To be able to win the increasingly fierce competition, every retailer must be able to entice consumers to be able to buy the products offered and also to make repeat purchases. According to (Kotler and Keller 2016) repurchase is an effort made by a consumer after purchase. Why did the repurchase occur? This can be caused by post-purchase satisfaction or dissatisfaction made by consumers for a product. Sellers or traders always hope that consumers will repurchase the products that have been offered. This repurchase is very meaningful for the seller. Because by repurchasing, the company will be able to survive in its business activities. Several factors that can increase repurchase by consumers include customer experience, switching barriers and customer satisfaction.

Facing competition and maintaining business continuity, it is necessary to have planning objectives. In the customer experience, products and services must evoke sensations and experiences that become repurchase decisions by consumers. Therefore, currently marketers are not only aggressively promoting, but also providing excellence and unique experiences to consumers so that consumers are impressed and always remember them. Products must be able to create experiences that influence consumer interest to make repeat purchases. Providing a good experience to consumers is one of the strategies that can be carried out by managers or marketers. According to (Schmitt, 2010), customer experience is an experience, where these experiences are personal events that occur due to a certain stimulus. events that individuals experience when responding to an event. With consumers having experience in making purchases, it will usually impress consumers and eventually make repeat purchases. Therefore, the seller or marketer must have a strategy so that consumers have a comfortable and good impression when making purchases (Qomariah, 2016). Research conducted by (Bagasworo & Hardiani, 2019), (Keni & Sandra, 2021),...
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(Bagasworo & Hardiani, 2019) states that customer experience has a positive impact on customer loyalty. Meanwhile, research (Senjaya, Semuel, & Dharmayanti, 2013) states that the quality of experience has no impact on customer loyalty.

The next factor that can also increase consumer repurchase of a product or service is switching barriers. According to (Jones, M. A., & Suh, 2000), switching barriers can be interpreted as all factors that make it difficult or cost customers when switching to other service providers. Research on the relationship between switching barriers and consumer repurchases has been conducted by (Dewi, Nisa, & Farida, 2013), (Umar, Taan, & Kango, 2022), (Saputro, Hufron, & Slamet, 2017), (Ishak & Luthfi, 2011), (Kurniawan, Hadi & Prakosa, 2022) the result of which is that switching barriers have a positive effect on consumer loyalty.

Customer satisfaction is also a factor that can make consumers repurchase a product or service. Satisfaction is a person's value regarding product performance related to the expectations of a customer (P. & G. A. Kotler, 2016). Customers will be disappointed if performance falls short of expectations. If performance matches expectations, the customer is satisfied and repurchases results. Repurchase is a consumer attitude that has a desire to buy back, use and consume a product or service (Tjiptono, 2014). Repurchase is a behavior in the form of a response to an object and shows the customer's desire to repurchase (Lupiyoadi, 2013). If consumers receive a positive response to an action in the past, then there will be a strengthening of their positive thinking so that it encourages the individual to make repeated purchases (Buchari, 2012). Much research has been done on the relationship between customer satisfaction and repurchasing or in terms of customer loyalty, the results of which are still controversial. Research conducted by: (Purnomo & Qomariah, 2019), (Juanamasta et al., 2019), (Rahayu, 2019), (Kurniawan, Nirwant, & Firdiansjah, 2019), (Qomariah, 2018b), (Purwati & Hamzah, 2019), (Qomariah, 2012), (Halimah, Mursyito, & Rusydi, 2022) which states that customer satisfaction has an impact on customer loyalty. While research conducted by: (Qomariah, Budiastuti, Sanosra, Susbianti, & Budisatoto, 2020), (Verriana & Anshori, 2017), (Muharmi & Sari, 2019), (Nursaid, Purnomo, & Qomariah, 2020), (Maskur, Qomariah, & Nursaidah, 2016), (Ratnasari & Gumanti, 2019), (Lie, Sudirman, Efendi, & Butarbutar, 2019), (Qomariah, 2018a), (Solih, Rizal, Maskur, Mawarni, & Rochmani, 2019), (Sutrisno, Cahyono, & Qomariah, 2017), (Nurzhavira & Iriani, 2022), (Heidy, 2022), (Nurzhavira & Iriani, 2022), (Gera, Mittal, Batra, & Prasad, 2017) which gives the result that loyalty increases due to customer satisfaction. Subsequent studies that also address the issue of satisfaction with loyalty are: (Sukamuljo, Ruswanti1, & Aida, 2021), (Sitinjak, Jushermi, & Noviasari, 2017), (Pahlevi, Suwarni, & Nurzam, 2021), (Sari & Giantari, 2020), (Indarto, Suroso, Sudaryanto, & Qomariah, 2018), (Prasmara, Rachma, & Primanto, 2019), (Febrini1, PA, & Anwar, 2019), (Rianti & Oetomo, 2017), (Hanny & Krisyana, 2022), (Pramita & Danibrata, 2021), (Putra P & Kusumadewi, 2019), (Woor & Meliana, 2019), where the result is that there is a positive relationship between customer satisfaction and loyalty. Meanwhile, research conducted by (Mutmainnah, 2018) states that customer satisfaction has no impact on customer loyalty.

LITERATURE REVIEW AND HYPOTHESIS

Customer Experience

According to (Schmitt, 2010), consumer experience is an experience, where these experiences are personal events that occur due to certain stimuli, for example what consumers get before and after purchasing goods. The five dimensions of customer experience include the five senses, feelings, ways of thinking, acting and bonding. The higher the customer experience felt by consumers will affect the desire of consumers to make repurchases.

Switching Barriers

According to (Jones, M. A., & Suh, 2000), switching costs are all factors that make it difficult or cost customers when switching to another service provider. The three types of switching costs include: transaction costs, learning costs, and artificial costs.

Consumer Satisfaction

Satisfaction is a person's value regarding product performance related to expectations (P. & G. A. Kotler, 2016). Customers will be disappointed if performance falls short of expectations. If performance matches expectations, the customer is satisfied and results in repeat purchases or customer loyalty.

Repeat Purchase/Loyalty

Repurchase is a consumer attitude that has a desire to repurchase, use and consume products and services from a service provider (P. & G. A. Kotler, 2016). Repurchase is a behavior in the form of a response to an object and shows the customer's desire to make a repeat purchase. If the consumer gets a positive response to an action in the past, then there will be a strengthening of the positive thinking he has so that he encourages the individual to make repeated purchases.
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Retail Business
Business in the retail sector can be interpreted as a business that involves selling goods or services to consumers in units or retail. Consumers who buy products or services in retail aim to consume them or use them personally and not resell them or can be said to be end consumers (P. Kotler, 2019).

Research Hypothesis
1. The first hypothesis (H1): Consumer experience has an impact on repurchasing decisions.
2. Second hypothesis (H2): Switching costs have an impact on repurchasing decisions.
3. The third hypothesis (H3): Consumer satisfaction has an impact on repurchasing decisions.

![Figure 1: Research Conceptual Framework](image)

RESEARCH METHODS
This research was conducted on Retail MSME consumers in Balung District, Jember Regency who sell daily needs and the concept of their shop is in the form of a minimarket. All Retail MSME buyers in Balung District, Jember Regency were used as the study population. The retail MSME standards studied are those that sell daily necessities and the mini-market store concept. The sample technique used is accidental sampling. Meanwhile, the sample criteria are people who have bought from MSME Retail in Balung District, Jember Regency which sells daily necessities and the concept of a mini-market store. Determining the number of samples is by using the number of indicators x (5 to 10 times) (Hair J. F. Jr., Anderson R. E., 1995). Based on these guidelines, the number of samples for this research is: = 10 x 10 = 100 respondents. Validity test and reliability test were carried out to test the research questionnaire used whether it was valid and reliable. Hypothesis testing analysis was carried out to answer the research hypothesis.

RESULTS AND DISCUSSION
Validity and Reliability Test Results
Table 1. Validity and Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Loading (l)</th>
<th>$\lambda^2$</th>
<th>$1 - \lambda^2$</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Experience (X1)</td>
<td>X11</td>
<td>0.8860</td>
<td>0.7850</td>
<td>0.2150</td>
<td>0.8370</td>
</tr>
<tr>
<td></td>
<td>X12</td>
<td>0.8380</td>
<td>0.7020</td>
<td>0.2980</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X13</td>
<td>0.6450</td>
<td>0.4160</td>
<td>0.5840</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2.3690</td>
<td>1.0970</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Switching Barriers (X2)</td>
<td>X21</td>
<td>0.8620</td>
<td>0.7430</td>
<td>0.2570</td>
<td>0.8730</td>
</tr>
<tr>
<td></td>
<td>X22</td>
<td>0.6960</td>
<td>0.4840</td>
<td>0.5160</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X23</td>
<td>0.9340</td>
<td>0.8720</td>
<td>0.1280</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2.4920</td>
<td>0.9000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction (X3)</td>
<td>Y11</td>
<td>0.8500</td>
<td>0.7230</td>
<td>0.2780</td>
<td>0.8310</td>
</tr>
<tr>
<td></td>
<td>Y12</td>
<td>0.8360</td>
<td>0.6990</td>
<td>0.3010</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1.6860</td>
<td>0.5790</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Repurchase Decisions (Y)</th>
<th>Y21</th>
<th>0.8710</th>
<th>0.7590</th>
<th>0.2410</th>
<th>0.8030</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Y22</td>
<td>0.7650</td>
<td>0.5850</td>
<td>0.4150</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1.6360</td>
<td>0.6560</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed by researchers, 2023.

Table 1. shows the value of the loading factor for each indicator greater than 0.50. then, it can be interpreted that each indicator used in the variable customer experience, switching barriers, consumer satisfaction and repurchase decisions is feasible or valid to be used as a data collector. Meanwhile, the results of the reliability test showed that the CR value was above the cut-off value of 0.7 for each latent variable used in the study, so that it can be said that the latent variable is reliable.

Research Hypothesis Test Results

Table 2. Research Hypothesis Testing Results

<table>
<thead>
<tr>
<th>Relations Variables Between</th>
<th>Estimate</th>
<th>P-Value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y &lt;--- X1</td>
<td>0.111</td>
<td>0.558</td>
<td>Not Accepted</td>
</tr>
<tr>
<td>Y &lt;--- X2</td>
<td>0.415</td>
<td>0.002</td>
<td>Accepted</td>
</tr>
<tr>
<td>Y &lt;--- X3</td>
<td>0.532</td>
<td>0.028</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Data processed by researchers, 2023.

DISCUSSION

The Influence of Customer Experience on Repurchase Decisions

The results of the analysis show that the customer experience variable has a positive but not significant effect on repurchase decisions. This can be explained by the first hypothesis of the study which states that the better the customer experience, the higher the repurchase decision is rejected or not proven true. Successful experience in retail can be interpreted as customer experience. Customer experience is a form of retail buying experience that is used as material for consumer evaluation in whether to continue or not to make purchases at retail. Good consumer experience in making purchases at retail will result in a positive customer experience, while a bad experience/failure of consumers in buying at retail will result in a negative customer experience (Barari, Ross, & Surachartkumtonkun, 2020). Similar research was conducted by (Bagasworo & Hardiani, 2019), (Wahyuni, Arifin, & Slame, 2020), (Keni & Sandra, 2021) which stated that customer experience has an impact on repeat purchase decisions. Meanwhile, research (Senjaya et al., 2013) is not in line with this study because the result is that consumer experience does not have an impact on consumer loyalty.

Effect of Switching Barriers on Repurchase Decisions

The calculation results show that the switching barriers variable has a positive and significant effect on repurchase decisions. This can be explained by the second hypothesis of the study which states that the better the switching barriers, the higher the repurchase decision is accepted or proven true. Switching barriers can also include the benefits of loyalty programs designed to discourage customers from switching suppliers. Companies can offer both hard benefits and soft benefits increasing barriers to customer switching. Research that is in line with this research is that conducted by (Dewi et al., 2013), (Krisna Hadi & Prakosa, 2022) states that switching costs have an impact on repurchasing decisions.

Effect of Consumer Satisfaction on Repurchasing Decisions

The results of the analysis show that the variable consumer satisfaction has a positive and significant influence on repurchasing decisions. This can be explained by the third hypothesis of the study which states that the better the customer satisfaction, the higher the repurchase decision is accepted or proven to be true. Satisfaction has primarily been conceptualized as the result of a comparison of actual delivered performance with customer expectations. Satisfaction is a feeling of satisfaction from assessing one’s expectations with the products provided, results and perceived performance (P. & G. A. Kotler, 2016). Research that is in line with this research is that conducted by: (Nikmah, Susbiyani, Martini, & Qomariah, 2022), (Fahmi, Qomariah, & Cahyono, 2020), (Qomariah, 2012), (Qomariah, Widiatmoko, Sanosra, & Nursaid, 2022), (Qomariah et al., 2020), (Qomariah, Pangestu, Herlambang, & Putu, 2021), (Sutrisno et al., 2017), (Qomariah & Ambarwati, 2022), (Sanosra, Satoto, Ismanto, & Qomariah, 2022), which states that satisfaction can increase consumer loyalty.
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CONCLUSION
Based on the results of statistical analysis, it can be concluded that the customer experience variable has a positive but not significant effect on repurchase decisions at retail MSMEs in Balung District. The second conclusion is that switching barriers have a positive and significant effect on repurchasing decisions for retail MSMEs in Balung District. The third conclusion is that consumer satisfaction has a positive and significant influence on repurchasing decisions at retail MSMEs in Balung District.

REFERENCES
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