

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Travel agencies are the basic institutional link, which operates in the field of tourism. The activity of an agency consists in the tourist consultancy, the organization, the offer and the commercialization of some service packages (plane charter, bus charter, cruises, etc.) or their component. The travel agency is also known as the travel agency. Therefore, it plays an important role in the world of tourism and is the main distributor of tourism products. It has a monopoly on sales because it has two major advantages over other forms of distribution: almost total protection of the consumer of tourism and financial guarantees granted to both tourists and providers.

The role of travel agents in the Indonesian tourism industry. Indonesia's tourism industry has grown rapidly in recent years, and travel agents play an important role in its growth. Travel agents serve as intermediaries between tourists and travel service providers such as airlines, hotels, and attractions. In this article, we will discuss the important role played by travel agents in the Indonesian tourism industry (Idebiz, 2024). Overall, travel agents have a vital responsibility in the Indonesian tourism industry. Travel agents not only make it easier for tourists to plan and carry out trips, but also contribute to promoting Indonesian tourism at the global level. With good cooperation between travel agents, governments, and other tourism industry players, Indonesia can continue

to develop as a major tourist destination in the world. Kemenparekraf RI noted that in the first half of 2023, Indonesian tourist visits increased by 12.57 percent compared to 2022, while the number of foreign tourist visits in July 2023 increased to 196.85 percent. From data *Badan Pusat Statistik* (BPS), the number of national tourist trips (Wisnas) during 2023 reached 7.52 million trips. This number increased by 112.26% compared to the previous year by 3.54 million trips.

According to Yuliantoro et al. (2024), social media advertising was one of the most important factors in consumer purchase decisions. Emphasized the importance of a Social media marketing, such as branding, in addressing consumer needs for similar products with different brands. Brand image, a set of consumer beliefs about a brand's characteristics, benefits, and services, is crucial for business owners as it influences consumer purchase decisions. Social media advertising is a digital marketing strategy that uses paid ads to promote a business on social media platforms. It's a way for marketers to reach their target audience, promote their brand, and drive sales.

Social media as accessible content created by individuals using publishing technology to facilitate communication, influence, and interaction with others and the public . The widespread use of social media in marketing products expands marketing reach. According to Haudi et al. (2022) suggested that increased visibility of a product on social media leads to higher product discussion frequency, which can drive promotion through word-of-mouth recommendations.

In a highly competitive market, businesses must make efforts to survive and win market share.

According to Syafira et al., (2020), Trust is a significant factor in shaping repurchase intention. Customer trust is the faith a consumer has in a company. Customer trust is essential to forming and fostering long-term relationships with your core audience. After all, it enables you to deliver better experiences, increase loyalty, and retain more customers.

Customer trust is the faith a consumer has in a company. It shows confidence in a company's commitment to delivering on its promises and doing what's right for the customer. Customers are more likely to purchase from product they trust, as trust reduces perceived risk and increases confidence in the product or service. Trust can be built through factors such as reputation, credibility, and customer service.

According to Ningsih & Sutedjo (2024), Customer value has an important role in improving customer repurchase intention. Customer value is best defined as how much a product or service is worth to a customer. It's a measure of all the costs and benefits associated with a product or service. There are also monetary, time, energy, and emotional costs that consumers consider when evaluating the value of a purchase. Customer value refers to the perception of what a product or service is worth to a customer versus the possible alternatives. This value is derived from the balance of the benefits and costs associated with a product or service.

Customer Value plays a pivotal role in enhancing the overall customer experience and satisfaction levels. When customers perceive that they are receiving value from a product or service, they are more likely to feel satisfied with their purchase experience.

Repurchase intention is the tendency of the customer's repeat buying behavior in a certain period of time because of their preference toward the product. Repurchase intention is important for companies because it will shape customer behavior to become loyal, customers usually tend to have an interest in buying products or services repeatedly so that the company will benefit from products or services that have been sold (Ningsih & Sutedjo, 2024).

PT Uniskai Petualangan Selangit (Uniskai) is one of the largest travel companies in Medan that provides domestic and international travel. Uniskai, as a tour and travel company, aims to provide personalized experiences to its customers. Uniskai understands that every traveler is unique, with different interests, preferences, and expectations when it comes to travel. By offering personalized experiences, Uniskai aims to create memorable and meaningful travel experiences for its customers, tailored to their individual interests, preferences, needs, and to provide excellent customer service throughout the travel journey.



Figure 1. 1 Logo of PT Uniskai Petualangan Selangit, Medan
Sources: PT Uniskai Petualangan Selangit, Medan (2024)

Since 2021, rebranding from PT Angkasa Xplore to PT Uniskai Petualangan Selangit (Uniskai). Based on preliminary surveys that the decline in customer repurchase intention in this PT Uniskai Petualangan Selangit, Medan. The decline in customer repurchase intention can be seen from the number of ticket sales and tour packages that fluctuate each year.

Table 1. 1 Income Data at PT Uniskai Petualangan Selangit, Medan

Year	Tour	Ticket
2021	1.900.845.000	342.568.000
2022	3.125.936.000	597.915.000
2023	2.248.773.000	528.667.000

Sources: PT Uniskai Petualangan Selangit, Medan (2024)

Table 1.1 shows that in 2023, the company's revenue decreased for tour packages and tickets. It can be concluded that the occurrence of customer repurchase intention problems. Some of the reasons for this decline are due to high competition in the field of tour and travel today.

PT Uniskai Petualangan Selangit, Medan also use Instagram as one of the social media used as a promotional tool and connect with customers.



Figure 1. 2 Instagram of PT Uniskai Petualangan Selangit, Medan
Sources: PT Uniskai Petualangan Selangit, Medan (2024)

PT Uniskai Petualangan Selangit, Medan joined Instagram since August 2022. The company also conducts active advertising in order to reach a large number of customers. However, since joining Instagram, the company has not been very active in utilizing social media, as seen from only 194 posts from August 2022 to August 30, 2024. An example of an ad designed by a fairly creative company that can be seen in the image below:



Figure 1. 3 Social Media Advertising of PT Uniskai Petualangan Selangit, Medan
Sources: PT Uniskai Petualangan Selangit, Medan (2024)



Figure 1. 4 Social Media Advertising of Angkasa Tour

Sources: Instagram of Angkasa Tour (2024)

Social media advertising conducted by the company uses English which of course not all customers understand well. Social media ads are only 8 ads per month. This shows that social media advertising is still less than optimal in use by companies in reaching many customers. It can be seen that on Instagram competitors are complete for all information that is very helpful to customers and use pins for every important and upcoming advertisement in contrast to uniskai which many customers still consider too many unimportant effects so that it does not become interesting.

Customer trust in this company has decreased. This can be reflected in the number of customers whose transactions have decreased in the purchase of tour packages and tickets.

Table 1. 2 Total of Customers Data at PT Uniskai Petualangan Selangit, Medan

Year	Tour	Ticket
2021	317	874
2022	847	1.469
2023	643	1.357

Sources: PT Uniskai Petualangan Selangit, Medan (2024)

Table 1.2 shows that there was a decrease in the number of subscribers in 2023. This phenomenon is due to a decreased level of customer confidence due to unsatisfactory customer service and high prices compared to other companies so that many customers turn to other tour and travel companies. Customer value in a bad company. This can be seen from the numerous complaints from customers to the company.

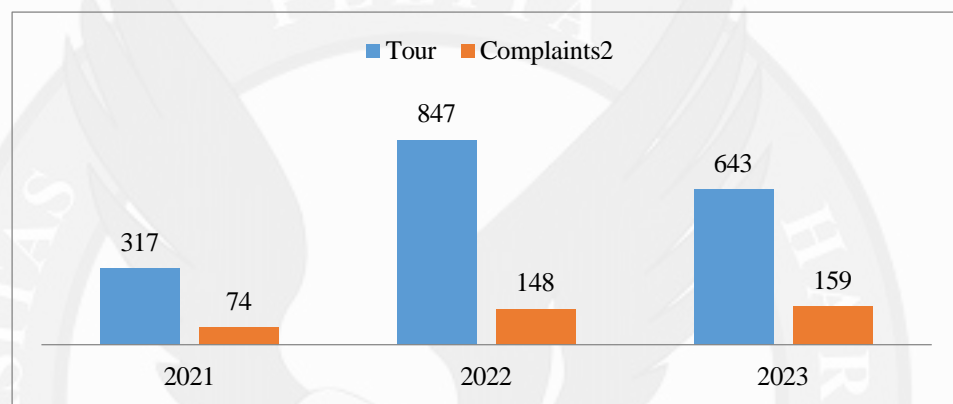


Figure 1. 5 Customer Complaints at PT Uniskai Petualangan Selangit, Medan
Sources: PT Uniskai Petualangan Selangit, Medan (2024)

Figure 1.5 shows that complaints are increasing every year. In 2021, there were 74 complaints from 317 tour packages. Then the 2022 period experienced an increase in complaints of 148 complaints from 847 of 847 tour packages. Finally, in the 2023 period there was an increase in complaints of 159 complaints from 649 tour packages. This means that there is a problem with customer value. Many customers have a negative experience when the tour is associated with food packages that are not in accordance with the agreement so as to make customers disappointed, the hotel arranged is still classified as not in accordance with the tour package provided, causing customers uncomfortable when the tour takes place. In addition, the ticket purchase process also disappointed some customers

such as the purchase process was quite long, employees answered incomplete customer questions and others. Some of these problems resulted in decreased customer repurchase intention.

Based on the focus of the problem, the writers wish to examine more deeply this research paper is entitled "**The Influence of Social Media Advertising, Customer Trust, and Customer Value on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan**".

1.2. Problem Limitation

Based on this research, this research conducted by focusing only four variables. Those variables are Social Media Advertising, Customer Trust, and Customer Value as independent variable and Customer Repurchase Intention as dependent variable. The limitation of the discussion that has been determined by the writer is where the research focused at PT Uniskai Petualangan Selangit, Medan. **The limitation focusing only on package tours and tickets related to the package tour.**

1.3. Problem Formulation

Based on research on the company produced by the writer, the writer makes the problem formulations in the questions in this study such as:

1. Does Social Media Advertising has partial influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan?
2. Does Customer Trust has partial influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan?

3. Does Customer Value has partial influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan?
4. Do Social Media Advertising, Customer Trust, and Customer Value have simultaneous influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan?

1.4. Objective of the Research

From the formulation of the problem compiled by the writer, the writer makes the research objective of the problem in this study such as:

1. To investigate whether Social Media Advertising has partial influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan.
2. To investigate whether Customer Trust has partial influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan.
3. To investigate whether Customer Value has partial influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan.
4. To investigate whether Social Media Advertising, Customer Trust, and Customer Value have simultaneous influence on Customer Repurchase Intention at PT Uniskai Petualangan Selangit, Medan.

1.5. Benefits of the Research

For the research on social media advertising, customer trust, and customer value can influence on customer repurchase intention at PT Uniskai Petualangan Selangit, Medan, this research has two benefits:

1.5.1. Theoretical Benefit

Research social media advertising, customer trust, and customer value on customer repurchase intention at PT Uniskai Petualangan Selangit, Medan is expected to be used as a lesson, information and as reference material to other parties to focus on future research.

1.5.2. Practical Benefit

Based on the purpose of this research can provide research benefits:

1. For the Writer

In this study, the writer has the ability and capability about social media advertising, customer trust, customer value and customer purchase decisions to be able to understand the knowledge in this study.

2. For PT Uniskai Petualangan Selangit, Medan

In this study, PT Uniskai Petualangan Selangit, Medan is able to evaluate and understand about the problems regarding the influence of social media advertising, customer trust, and customer value on customer repurchase intention at PT Uniskai Petualangan Selangit, Medan.

3. For other researchers

In this study results, other parties can be use this research paper about the influence of social media advertising, customer trust, and customer value on customer repurchase intention at PT Uniskai Petualangan Selangit, Medan, to be reference in focusing on future research.