

THE EFFECT OF BRAND TRUST AND SERVICE RECOVERY TO PURCHASE DECISION ON GARUDA INDONESIA DURING THE COVID-19 PANDEMIC

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Abstract. This study aims to determine the effect of Brand Trust and Service Recovery on Purchase Decisions on the Garuda Indonesia airline. In general, the Company's operating income in the 1st quarter of 2020 decreased by approximately 33% compared to the same period last year. This research used quantitative methods. Data collection was carried out by distributing questionnaires to 150 people who had used the Garuda Indonesia airline. This study used an analytical technique pathway. The results show that Brand Trust and Service Recovery have a positive influence on Purchase Decisions. This conclusion is obtained from the results of t test with a significance value of $0,000 < 0.05$. Thus H1, H2, H3 are proven, that there is a significant influence of Brand Trust and Service Recovery towards Purchase Decision.

Keywords: Brand Trust, Service Recovery, Purchase Decision, Trust, Service

Introduction & Literature Review

In a purchase intention decision, there are several behaviors that can affect, among others, are brand trust, service recovery, and purchase decision. Confidence in the brand as the willingness of passengers in dealing with risks associated with the brand purchased. This is because the passengers hope that the brand they buy will provide positive and beneficial results for the passengers themselves (Lau and Lee (1999) (Gultom, Marlita, & Wardana, n.d.). Not only that, the Garuda Indonesia airline also held service recovery especially during the COVID-19 pandemic that is where the state during this pandemic resulted in changes in flight activity should follow the health protocol of the government According to Barnes cited by Yuliana (2012: 42), recovery services are the specific actions taken to ensure that customers get the level of service that is appropriate after a problem - problems in service normally. Good service recovery will detect and solve problems, prevent disappointment and is designed to accommodate customer complaints (Studi, Fakultas, & Unitas, 2017). And to maintain the high quality of Garuda Indonesia, it continues to promote its airline so that consumers continue to choose Garuda Indonesia as its flagship transportation during the COVID-19 pandemic. According to Kotler and Armstrong (2004: 227) the purchase decision is a stage of the decision process where consumers actually make a product purchase. Before the transaction is carried out, there are processes that occur and always accompany each purchase that is considerations. Garuda Indonesia is one of the airlines that favor service quality and offers services that satisfy customers, including comfort in travel and safety during flights. Garuda Indonesia offers these things in the hope that customers will feel satisfied so that they will continue to use their services. Garuda Indonesia is currently facing very intense competition, not only for domestic flights but also international flights, especially in the current COVID-19 pandemic.

PT Garuda Indonesia Tbk confirms that the COVID-19 pandemic has affected its operating income. In general, the Company's operating income in the 1st quarter of 2020 decreased by approximately 33% compared to the same period last year. The decline in operating income was mainly due to a decrease in the number of passengers whose contribution to total operating revenues reached more than 80%. The existence of PSBB in some areas, especially the Capital, has resulted in people choosing to follow government regulations. The decline in economic

conditions also resulted in decreased purchasing power and people chose to reduce spending on expenses for traveling (mediaindonesia.com, 2020)

The number of passengers has decreased by up to 90% compared to the normal period before COVID-19. At present the Garuda passenger occupancy rate is only 10%. Therefore, the COVID-19 outbreak pandemic did indeed have a significant impact on the aviation industry (Pertamautra, 2020). The spread of the corona virus outbreak caused the government to implement a Large-Scale Social Restrictions (PSBB) policy. As a result, many people are required to work from home, learn from home, and many choose to avoid traveling. At present the comparison of parked aircraft with those operating in flight is reversed compared to the pre COVID-19 period. In normal times, only 30% of the aircraft parked and 70% of the aircraft still fly. Now, only 30% of planes and 70% of planes have to be parked. Referring to the seat formation structure and service class in Garuda aircraft, the maximum capacity can only be filled up to 63%. The percentage of passenger fills of that size is not enough to support PT Garuda Indonesia. However, with the economic conditions of the people affected by the corona virus it is not possible to raise the price of airplane tickets at the moment (indopremier.com, 2020)

In this study, researchers observed respondents who had used Garuda Indonesia airlines to determine the effect of Brand Trust with Service Recovery on Purchase Decisions on Garuda Indonesia airlines.

Brand Trust

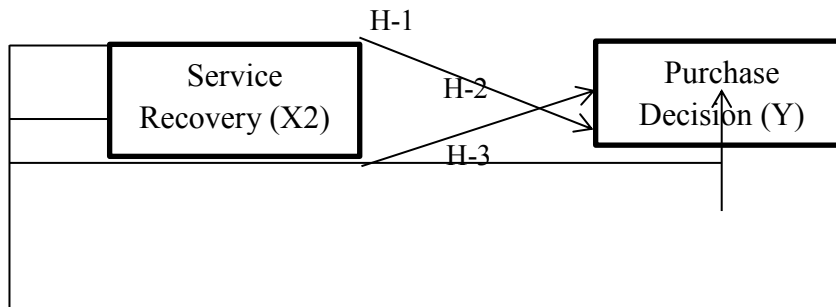
To achieve brand trust, it requires experience that affects the reciprocal activities between companies and consumers (Anderson & Narus, 1990). Choi (2012) trust is where the existence of a conviction on the inside of the consumer to choose a product that will bring the most benefit to the consumer. Consumers will choose products based on their brand trust (Erdem & Swait, 2004). To maintain the friendship between suppliers and consumers in relation to the transaction needs to be an insane continuous trading (Kim, 2005) (Chae, Kim, Lee, & Park, 2019).

Service Recovery

Problems faced by consumers when shopping or communicating with companies can be interpreted as a failure of Maxham's (2001) service. Bitner et al. (1990) Service failures are divided into three groups namely, first, failure in delivery, second, failure related to customer needs and requests, third, failure related to unsolicited employee actions. Customer dissatisfaction and collapsing relationships with customers can also cause service failure. Therefore, an important and effective business strategy for winning back dissatisfied customers and maintaining relationships with them is by way of service recovery (Maxham, 2001). The process of solving problems resulting from service failures is by improving services (Weun et al., 2004). To regain customer satisfaction and to maintain customer loyalty, and maintain long-term relationships with customers by performing effective service recovery (Kuo and Wu, 2012; McCollough et al., 2000). Therefore, service recovery has a very important role for marketers and researchers (Young & Seock, 2017).

Purchase Decision

Decision Making can be arranged into a set of phases which include violence, design, and choice. (Simon, 1959). Characteristics of buyers, which are personal, social, and psychological have an important role in consumer purchase decisions. Sata (2013) The Aviation Industry must better understand purchase decisions for its consumers. This will also create new ways to identify their target audience and maintain the sustainability of the low-cost airline market in the short and long terms (Kalaiarasan, Govindan, & Nasaratnam, 2018).
Conceptual Framework and Hypothesis



Based on the theoretical foundation and theoretical framework above, the researchers made the following hypothesis:

1. For H-1

H_a = There is a significant influence of Brand Trust on Purchase Decision.

2. For H-2

H_a = There is a significant effect of the Service Recovery on Purchase Decision.

3. For H-3

H_a = There is a significant effect of Brand Trust and Service Recovery on Purchase Decision.

Method

According to (Sugiyono, 2017: 2) Design in research is a more in-depth explanation of the method or technique used by researchers as well as the steps from the beginning to the end of this research can be completed properly.

This research used quantitative research methods with an associative approach and using analysis tools, namely regression and correlation. Data collection was carried out by distributing questionnaires to 150 respondents who represented the total number of Garuda Indonesia customers. Measurements were made using a Likert scale consisting of five classes, with ratings from 1 "strongly disagree" to 5 "strongly agree" for all statements.

Discussion and Result

Questionnaires that have been filled out by respondents based on instrument measurements with a Likert scale, are processed into tabulated data for the quantification process of the tested variables. Data obtained from a total of 150 respondents. In data processing, assisted by SPSS computer program version 25. Data testing is done by validity, reliability, regression analysis, and correlation analysis tests.

1. Validity Test and Reliability Test Results

The statement of *Brand Trust*, *Service Recovery*, and *Purchase Decision* variables shows that all variables have $r\text{-count} > r\text{-table}$ (0.159). This means that the instrument used is valid in the sense of a measurement tool to interpret the variable *Brand Trust*, *Service Recovery* and *Purchase Decision* is proportional to the event or based on the facts of the research object.

The reliability test results show that each variable, namely Brand Trust is 0.862, Service Recovery is 0.851, and Purchase Decision is 0.869, has a Cronbach alpha > 0.60 . Therefore, the instruments used in this study are reliable.

Influence Test

1. Simple Linear Regression Test Results

Table 1 *Brand Trust* towards *Purchase Decision*
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.486	.483	3.94815

a. Predictors: (Constant), *Brand Trust*

Table 2 *Service Recovery* towards *Purchase Decision*
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585 ^a	.342	.337	4.46845

a. Predictors: (Constant), *Service Recovery*

Table 1 and Table 2 are the results of the Simple Regression Test. Based on the results in Table 1, the R value for the *Brand Trust* in the *Purchase Decision* is 0.697. These results state that the correlation between the independent variable (*Brand Trust*) and the dependent variable (*Purchase Decision*) is strong because the coefficient of determination is higher than 0.5. Table 2 also shows a strong correlation between *Service Recovery* and *Purchase Decision* variables, which is 0.585. Based on the results of 1, R square between X1 and Y that is equal to 0.486, meaning that 48.6% of the *Purchase Decision* can be explained by *Brand Trust* and the remaining 51.4% is influenced by other variables not used in this model. In table 2, the R square model value is 0.342, this value identifies that 34.2% of the *Service Recovery* variable is able to explain the *Purchase Decision*. While the remaining 65.8% other variables besides *Service Recovery* can affect the *Purchase Decision*.

2. Multiple Linear Regression Test Results

Table 3 *Brand Trust* and *Service Recovery* towards *Purchase Decision*.
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 ^a	.525	.518	3,810

Predictors: (Constant), *Service Recovery*, *Brand Trust*

The results show the results of multiple regression tests, the results show the value

of R value in this model of 0.724. These results identify that there is a strong correlation between independent and dependent variables. Based on the rules of the R coefficient stated that the coefficient of determination is higher than 0.5. Therefore, when the result is greater than 0.5 it means that there is a strong linear regression between the variables. In table 3 there are also R square results, the results of this R square will be used to explain how much influence all independent variables have on the dependent variable. The output of this multiple regression test shows that the R square value of this model is 0.525, this result identifies that 52.5% of Purchase Decision can be influenced or can be explained by Brand Trust and Service Recovery the remaining 47.5% is influenced by other factors or other variables not included in this model.

3. F Test

Table 3 Brand Trust and Service Recovery towards Purchase Decision.

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	2354,989	2	1177,485	81,123	.000 ^b
Residual	2133,684	147	14,515		
Total	4488,673	149			

a. Dependent Variable: *Purchase Decision*

b. Predictors: (Constant), Brand Trust, Service Recovery

The results of the f test of Brand Trust and Service Recovery on Purchase Decisions are shown in table 3. Based on the output of this table, the results of the F test are equal to 81,123 and the results of the F table are equal to 3.01. These results indicate that the F test > F table (81,123 > 3.05) and the significance level is equal to 0.000 < 0.05, it can be concluded that the H-3 Hypothesis is proven. Therefore, it can be concluded that variable X1 (Brand Trust) and variable X2 (Service Recovery) have a positive influence on the dependent variable, namely Y (Purchase Decision). The F table value above can be calculated using the F table calculator, the number of samples used in this model minus the numerator minus 1 (n-k-1) then df2 in this model is equal to 147 and the probability level used is 0.05. After calculating the results, the results of the F table are equal to 3.05.

4. Partial Test Results (T Test)

T test is used to measure the level of significance and partial correlation of independent variables and dependent variables. There are several rules to be explained below:

- If Sig. $\leq \alpha$ or $t > t\text{-table}$, then the hypothesis H_a will be accepted. This means that the independent variable has a significant influence on the dependent variable.
- If Sig. $> \alpha$ or $t < t\text{-table}$, then H_a 's hypothesis is rejected. This means that independent variables do not have a significant effect on the dependent variable.

Table 4 Brand Trust towards Purchase Decision

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,588	2,783		3,086	,002
	<i>Brand Trust</i>	,795	,067	,697	11,830	.000

a. Dependent Variable: *Purchase Decision*

Based on table 4 it can be seen that the significance value between the variables is 0,000, where the value is less than 0.05 and the t test value of the model is 11.830 greater than t table is 1.976 obtained from t tables with degrees of freedom (nk), n is the number of samples and k is the sum of all variables. From the results of the significant value and t table, it can be concluded that Brand Trust can significantly influence the Purchase Decision. It can be said that for the H-1 Hypothesis proven, there is a significant influence between Brand Trust on Purchase Decision. Based on table 4, the coefficient of determination for Brand Trust on Purchase Decisions is 0.795, this value indicates a positive value which means that Brand Trust has a positive effect on Purchase Decision. When Brand Trust increases by 1%, the Purchase Decision will also increase by 1%.

Table 5 Service Recovery towards Purchase Decision

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	11,341	3,436		3,300	,001
	<i>Service Recovery</i>	,698	,080	,585	8,764	,000

a. Dependent Variable: *Purchase Decision*

Table 5 is the results for the t test between Service Recovery against Purchase Decision. Based on table 5, it can be seen that the significance value between these variables is 0,000, where the value is less than 0.05 and the t test value of the model is 8.764, greater than t table is 1.976 obtained from t tables with degrees of freedom (nk), n is the number of samples and k is the sum of all variables. From the results of the significant value and t table, it can be concluded that Service Recovery can significantly influence the Purchase Decision. Based on these results, it can be said that for Hypothesis 2 is

accepted, there is a significant effect of Service Recovery on Purchase Decision. Based on table 5, the coefficient of determination for the Service Recovery variable on Purchase Decision is 0.698, this value indicates a positive value, which means that Service Recovery has a positive effect on Purchase Decision. When Service Recovery increases by 1%, the Purchase Decision will also increase by 1%.

These results indicate that the better the Brand Trust and Service Recovery provided by Garuda airlines, the higher the level of customer Decision Purchase. It is known that the variable Brand Trust and Service Recovery has a significant influence on Purchase Decision has a positive value, so that if an increase in this variable occurs, it will directly help increase Purchase Decision for Garuda Indonesia passengers. According to Wu, Chen, & Chung, (2010) Therefore to maintain brand trust during the COVID-19 pandemic, service recovery is needed. Service recovery is defined by Steyn et al. (2011) as a response and company action in improving services after a failure. Then, to attract buying decisions on Garuda Indonesia airline customers during the COVID-19 pandemic, Garuda continued to implement strategies based on health protocols, so that purchase decisions do not shift to other airlines. Purchase decisions are very influential on brand trust in Garuda Indonesia airlines because according to Swastha and Handoko (2000: 15), purchase decisions are an approach to solving problems in human activities to buy goods or services in meeting their wants and needs. Although in general the number passengers has decreased but the management of Garuda Indonesia is anticipating with service recovery by means of health protocols from the government.

Conclusion

Based on the results of research that has been done, that *Brand Trust* and *Service Recovery* has a positive and significant influence on *Purchase Decisions* on Garuda Indonesia airlines during the COVID-19 pandemic. These results indicate that the better the *Brand Trust* and *Service Recovery* provided by Garuda Indonesia airlines, the higher the *Purchase Decision* level. The hope is to maintain the Service Recovery during the COVID-19 pandemic to maintain Brand Trust because Brand Trust influences Purchase Decision. Although in general the number passengers has decreased, but the management of Garuda Indonesia is anticipating with service recovery by means of health protocols from the government.

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