

CHAPTER I

INTRODUCTION

1.1 Background of The Study

The health industry in Indonesia still has many problems. The main problem is health services access. It starts from the availability of hospitals and pharmacies. Based on the data from the Ministry of Health, Directorate General of Health Services in February 2021, the number of hospitals in Indonesia is 2,925 units. Java Island has 1,244 hospitals or around 45.9 percent of all hospitals in Indonesia. Not only the uneven distribution of health services such as hospitals, but also pharmacies are still dominated in Java. Based on Indonesian Pharmacy recapitulation data from the Ministry of Health of the Republic of Indonesia, the number of pharmacies available in 2018 was 24,874 units. West Java has the highest number of pharmacies, namely 4,298 (Salbiah, 2021).

The pharmaceutical industry and digital healthcare services in Indonesia are growing well, but there are still many problems that need to be resolved. The pharmaceutical industry in Indonesia is one of the fastest growing industries in ASEAN, as well as digital healthcare. From a report issued by MTP connect & Asialink Business, revenue from digital health services in Indonesia in 2022 is predicted to reach 973 million dollars. This growth prediction must be balanced with the right products and innovations according to the needs of the community, where several problems are still being faced, among them; first, the uneven

telecommunication infrastructure in Indonesia, second, health facilities such as hospitals and pharmacies are still concentrated on the island of Java, and third,

Consistently, world development and global economic have changed. Lifestyles, customer preferences and demands change rapidly. The social features on the mobile platform are one of the most developed and innovative aspects. E-business has become an important sale medium due to the rapid growth of the Internet even in the health sector. The viability of e-business is also very dependent on the experience of customers in using this online platform (Trivedi & Yadav, 2020).

One of the internet based wellbeing administrations in Indonesia is Halodoc. In view of the Halodoc.com site, halodoc is an innovation organization from Indonesia that serves in the field of wellbeing teleconsultation. Through Halodoc, individuals can converse with expert specialists, purchase meds, and do lab assessments by means of cell phones whenever, anyplace for 24 hours. The objective of Halodoc is improving on medical services, which is to work with wellbeing access for all Indonesians. Halodoc clients can observe the specialists to discuss their ailments through on the web. After the specialist analyze the client's side effects, then, at that point, the proper medication will be given by the specialist. In the wake of completing the process of chatting with the specialist, clients can promptly purchase the medication as indicated by the got remedy.

In its advancement Halodoc has had a few issues on a few sides, both as far as consumer loyalty, trust, and client devotion which affect the choice to reuse

the Halodoc application. This is because there are still complaints in services such as, there are still doctors who are not responsive in serving customers, lack of transparency and protection in drug purchase transactions, and delays in drug delivery. The repurchase decision is a development of the theory of consumer purchasing decisions. Repurchase decisions are created after consumers carry out a series of consumer buying processes, namely: problem recognition, information search, alternative evaluation, purchase decisions and post-purchase behavior (House, 2013).

Buying choice is an interaction done by buyers in making a buy/utilization of an item, labor and products. The term buy choice depicts how people cautiously assess different properties of specific items, brands, or benefits and reasonably pick the one that fulfills their obviously recognized necessities. From this definition it very well may be clarified that in accomplishing a decent buy choice through the stages in the purchaser buying dynamic interaction. This good buying decision will also affect the sustainability of a business organization (Kristiga Wituhu, 2018).

In the advanced world, companies should comprehend and keep an upper hand in control to reach and offer to target markets. To make or keep an upper hand over contenders, organizations should offer types of assistance or items to clients. Purchaser repurchase is a course of incorporating buyers in purchasing a thing or administration that is utilized to address their issues (Isfiandi and Amin, 2019). Purchasing conduct emerges on the grounds that it is gone before by an

interest in purchasing, interest in purchasing emerges one of which is brought about by the discernment that the item has great quality. So purchasing interest can be seen since prior to purchasing conduct emerges from buyers. Ongoing showcasing rehearses have zeroed in on maintenance of existing clients on account of the serious rivalry and significant expenses associated with drawing in new clients (Edvardsson et al., 2000).

One of the factors that influence repurchase is e-customer satisfaction. Many researchers emphasize that customer satisfaction is the source of success for an organization. According to (Ahmad et al., 2017) e-satisfaction is when products and services exceed consumer expectations, the level of buyer satisfaction after comparing the purchase experience and perceived expectations with post-purchase experience. Customer satisfaction is a feeling of liking (happy) or not someone towards a product after comparing the performance of the product with their expectations (Kotler, 2007). The creation of customer satisfaction can provide several benefits including the relationship between the company and customers to be harmonious, provide a good basis for repurchase decisions and create customer loyalty and form a word of mouth recommendation that is profitable for the company (Tjiptono, 2008). So customer satisfaction describes the overall satisfaction of customers, receiving services that meet customer wants, expectations and needs. Based on the observations that the author got from customer reviews on the Halodoc application, there are several reviews related to satisfaction issues.

Furthermore, reuse decisions can also be influenced by trust. Digital technology not only creates new social networks but also dramatically changes the way customers trust a brand. DJ Kim, Ferrin, and Rao (2008) state that trust will influence consumers to repurchase a product or service while also validating arguments about consumer trust as an important factor in electronic transactions. Trust is defined as the willingness of consumers to rely on the company based on consumer trust (Moorman in Setiawan & Sayuti, 2017). In addition, trust describes consumers' expectations of service providers that they can credibly and reliably deliver what they have promised (Sitorus & Yustisia, 2018).

Trust can take years to gain and seconds to lose, so keep trust at the cutting edge of all that a brand does, particularly marks that are dynamic via online media. To be sure, regardless of how well a business figures out how to assemble client trust, one misstep can make a whole relationship self-destruct. So it very well may be presumed that trust is the capacity to keep on satisfying its commitments to clients in an expense and advantage relationship, in this manner, clients foresee positive results as well as accept that these positive outcomes will proceed later on.

Furthermore, repurchase decisions are also influenced by customer loyalty. Loyalty is a very strong commitment to make a decision to buy a preferred product or service back consistently in the future, thus causing the purchase of the same brand. Although there will be situational influences and marketing efforts have the potential to lead to repetitive behavior (Oliver, 2014).

According to Dehghan and Shahin (2011) have identified five dimensions of loyalty from the service literature, namely there is a repeat purchase decision of a service, resistance to switching, providing positive word of mouth, by identifying services and preferences for certain service providers. Customer loyalty is defined as satisfied customers who tend to buy goods and services (Rashid et al., 2020). So customer loyalty can be concluded as a deep commitment to repurchase a product or service in the future, which causes repeated purchases of the same brand or the same set of brands, despite the involvement of situational factors and marketing efforts that have the potential to cause brand switching behavior. .

From the observation above, the author feels interested to analyze and discuss it further in the form of research entitled “The Influence Of Customer's Satisfaction, Trust And Customer's Loyalty Towards Repurchase Decision Of Halodoc Application User In Padang”

1.2 Problem Statements

Based on the description on the background, the problem can be formulated as follow:

1. How does Customer Satisfaction influence repurchase decision of Halodoc Application User in Padang?
2. How does Trust influence repurchase decision of Halodoc Application User in Padang?
3. How does Customer loyalty influence repurchase decision of Halodoc Application User in Padang?

1.3 The Purposes of the Research

Author thought that is important to identify what are the factors that influence of Customer Satisfaction, Customer Loyalty and Trust to Repurchase Intention on Halodoc Application user in Padang City:

1. To determine the relationship between customer satisfaction with repurchase decision of Halodoc Application User in Padang.
2. To determine the relationship between trust with repurchase decision of Halodoc Application User in Padang.
3. To determine the relationship between customer loyalty with repurchase decision of Halodoc Application User in Padang.

1.4 Contribution of the Research

The benefits of research on “The Influence of Customer's Satisfaction, Trust and Customer's Loyalty towards Purchase Decision on Halodoc Application User in Padang” are:

1. Academically

This research is useful as a reference or reference in academia. Especially for the Marketing people in Padang, West Sumatra, and the students in Andalas University.

2. Practically

The result of this study is expected to provide benefits in the form of a theoretical framework of The Influence of Customer Satisfaction and Trust to Repurchase Intention on Halodoc Application User in

Padang City Mediated by Customer Loyalty, so that later can be used for online health business in Padang city.

3. The writer

This research hopefully can add or increase the knowledge and insight in the application of the economic theory, and to learn how to apply the theory that has been obtained during the lecture and facing realities in the field.

1.5 Scope of Research

The object of this research is the customer who has purchased the services at Halodoc Application User in Padang. The research will focus on customer satisfaction, trust and customer loyalty to purchase decisions.

1.6 Outline of Research

In order to make it easier and make moderate the forwarding of content, this research is divided into six chapters, they are:

1. CHAPTER I: Introduction

Explaining on the foundation of the issue, plan of the issue, restricting the issue, research destinations, the advantages of exploration, and deliberate theory

2. CHAPTER II: Literature Review

This chapter contains description of theoretical variables that include the theories that support and underlie the variables used in the research and framework.

3. CHAPTER III: Research Methodology

In this chapter, the author put forward about the object of study, population data and data sources, data collection techniques, operational definitions of variables, data presentation techniques, and data analysis techniques.

4. CHAPTER IV: Research and Analysis

This section contains the trait of the respondent, unmistakable investigation, information assortment and consequence of the conversation.

5. CHAPTER V: Conclusion, Limitations and Recommendations

This chapter contains the conclusion of the research result, research implementation, limitedness of research and recommendation.