PURCHASE DECISION GARUDA INDONESIA BASED ON PERFORMANCE OF SERVICE RECOVERY, E-WOM, AND BRAND IMAGE DURING PANDEMIC COVID-19

Desy Rachmadianti
Aldhi Nugraha Rudiantara
Subandi
Luthfy Dwi Aafiy
Siti Indah Sundari
Dinda Kayani Putri Bestari, SMB, MM

Desy Rachmadianti, *Widyatama University, Bandung, Indonesia*
Email: desy.rachmadianti@widyatama.ac.id

Aldhi Nugraha Rudiantara, *Widyatama University, Bandung, Indonesia*
Email: aldhi.nugraha@widyatama.ac.id

Subandi, *Widyatama University, Bandung, Indonesia*
Email: Subandi@widyatama.ac.id

Luthfy Dwi Aafiy, *Widyatama University, Bandung, Indonesia*
Email: luthfy.dwi@widyatama.ac.id

Siti Indah Sundari, *Widyatama University, Bandung, Indonesia*
Email: indah.sundari@widyatama.ac.id

Dinda Kayani Putri Bestari, SMB, MM, *Widyatama University, Bandung, Indonesia*
Email: dinda.kayani@widyatama.ac.id

Abstract

During the current pandemic, many economic sectors are affected, one of which is Garuda Indonesia. The problem examined in this study is whether Garuda Indonesia, through service recovery and ewom, can form a brand image that influences decisions. Purchases during the covid 19 pandemic. The variables used in this study are service recovery and E-WOM with the dependent variables being brand image and purchase decision. The sample in this study was 194 respondents who had used Garuda Indonesia Airlines services. Data analysis in this study used the help of PLS (Partial Least Square) 3.0 software. The results showed that Service Recovery and E-WOM variables had a significant direct influence on the formation of

Brand Image. Furthermore, Brand Image and service recovery have a direct and significant influence on the formation of purchase decisions.

Keywords: service recovery, e-WOM, brand image, purchase decision, Smart PLS

Introduction

Indonesia has two state-owned airline companies, namely Garuda Indonesia and Merpati Nusantara *Airlines*, while two private airlines, namely *Mandala Airlines* and *Bouraq Airlines [1].* The aviation industry continues to grow and more and more airlines are born in Indonesia until now. However, starting at the end of 2019 until the end of 2020, the outbreak of a pandemic which is one type of disease from a virus called corona.   *Corona virus* is a group of viruses that cause respiratory tract infections in humans ranging from coughs and colds to more serious ones such as the latest type of virus, namely COVID-19 [2]. Data at the beginning of July 2020 in Indonesia recorded that 63,749 people were contaminated with COVID-19, 31,473 people were still being treated, 3,171 people died. There are data on People Under Monitoring (ODP) of 39,928 people and Patients Under Supervision (PDP) of 13,763 people [3].The presentation of the data shows that Indonesia is still not safe and not stable in facing the pandemic.

During the current pandemic, many economic sectors are affected, one of which is Garuda Indonesia in the aviation transportation sector. Where currently there are significant changes to changes in the number of passengers. Garuda Indonesia group carried 846 thousand passengers in May 2021, an increase of 2324,83% yoy compared to the previous year. Before the covid pandemic, in May 2019 Garuda Indonesia passengers reached 39.46% compared to the previous month. In 2021 there will be a decrease in the number of passengers by 21.68% due to the government's ban on going home for Eid. In addition, total cargo reached 23.29 thousand tons, an increase of 82.15% yoy from the previous year. Compared to pre-covid 2019, cargo in May 2019 reached 76.12%. This cargo is served with a capacity (atk cargo) of 70.74 million, or an increase of 165.68% yoy compared to last year's capacity. In line with the increase in capacity, aircraft utilization also increased 3:47 hours from 1:48 hours last year to 5:35 hours in May 2021. From a financial perspective, the group cost structure continued to be managed efficiently as costs per unit cask and cask ex fuel fell. -45.04% yoy and -49.79% yoy respectively. The price of fuel also fell by -24.51% yoy from usc 66.80 to usc 50.43 this month. Furthermore, passenger yields fell by -19.22% yoy and cargo yields fell -15.42% yoy on buying interest that occurred both before and after the pandemic where Garuda reached a loss of $1.1 billion in Q3-2020.

In covering all losses that occurred, Garuda Indonesia issued a policy in the form of increasing service recovery through cross contamination during flights as an effort to prevent the spread of Covid-19, Garuda Indonesia made adjustments to the in-flight service. This adjustment is carried out in accordance with Indonesian government policies and the COVID-19 protocol in the destination country. Over time, Garuda Indonesia has increased preventive measures, such as eliminating food and drinks on flights under 2 hours following the direction of a task force for the acceleration of handling COVID-19 number 16 of 2021 that it is not allowed to eat and drink during flights under 2 hours, except for passengers. who is obliged to take medicine in the context of treatment, which if not done can endanger the safety and health of the person. The company also ensures that all meals for flights over 2 hours are packaged properly and hygienically and then temporarily cancels the book your meal service and adjusts the availability of special meals (such as dietary menu & child menu) on several international routes and eliminates it on domestic routes starting April 1, 2020 until further notice, the company temporarily eliminates candy,

welcome drink service, galley snack service, table cloth, menu cards on planes for safety regarding the covid-19 pandemic, the company temporarily eliminates newspapers, pillows, and limits the availability of blankets on some flights to avoid direct contact with someone else then replaced the head rest cover after the flight and temporarily eliminated loose amenities on Singapore and Kuala Lumpur business class flights. In addition, the airline has also improved the cleanliness of the aircraft, where Garuda Indonesia has also strengthened anticipatory efforts for the spread of COVID-19 by disinfecting (spraying special liquids) the fleet to ensure the cleanliness of the aircraft cabin and sterilization of germs and viruses. Disinfection of the fleet is carried out thoroughly in the cabin area that is in direct contact with passengers, such as the lavatory, seat, overhead compartment, and galley. For information, fleet disinfection is a routine standard program for fleet cleanliness which in normal situations is carried out only in the lavatory area of the aircraft cabin every landing plane. Each Garuda Indonesia fleet is also equipped with a hepa filter (high-efficiency particulate air), the hepa filter is a feature of the aircraft cabin air filter system. This feature is an air filter system on aircraft that is able to absorb and convert dirty air containing bacteria and viruses into air that is well received by the body[4].

Service recovery carried out by Garuda Indonesia is carried out to create a positive response from consumers which can be obtained by doing the maximum service that can be provided when problems occur. So that consumers will judge whether the services provided are appropriate, if they feel the service is good, of course there will be recommendations through e-wom that consumers give to other people that affect the image of Garuda Indonesia airline. If the image of Garuda Indonesia is considered good in the eyes of consumers, it will create a trust from consumers to decide to fly with Garuda Indonesia.

Based on the introduction above, the problem studied in this study is whether Garuda Indonesia through service recovery and ewom can form a brand image that influences purchasing decisions during the covid 19 pandemic.

Literature Review,

Table 1

Literature Review

Variable	Definition of	Indicator	Source
Service Recovery (X1)	Quoted from Tjiptono (2014: 481), service recovery is a satisfactory problem solving performed by service providers in dealing with bad customer complaints, and providing services back to consumers on second occasions. Basically, service recovery provides a second opportunity for companies to	1. Distributive JusticeJustice 2. Procedural 3. Interactional Justice	[5, 6]

	correct errors that occur due to not meeting customer expectations.		
E-WOM (X2)	Electronic Word Of Mouth is a positive or negative statement made by potential customers, actual customers and former customers about a product or company via the internet (Malik et al., 2013) . According to Goyette et al. (2012) said that there are dimensions that can be used to measure electronic word of mouth, namely:	1. Intensity 2. Positive valence 3. Negative valence 4. Content	[7-10]
BRAND IMAGE (Y1)	Brand image is the perception given by the public to the company or its products. Brand image can be thought of as a type of association that comes to the mind of consumers when remembering a particular brand. These associations can simply appear in the form of certain thoughts or images associated with certain brands. The same is true when we think of other people (Kotler & Keller, 2016).	1. Favorability 2. Strength 3. Uniqueness	[11-14]
PURCHASE DECISION (Y2)	Kotler and Keller (2016:102) explain that "In the evaluation stage, consumers form preferences among brands in their choice and may also form intentions to buy the most favorable brand.	1. Product 2. choice Brand 3. choice Purchase channel 4. choice Purchase time choice 5. Number of purchases	[11-13]

liked." According to Kotler and Keller (2016: 198) purchasing decisions are "in the evaluation stage, the consumer forms preferences among the brands in the choice and may also form an intention to buy the most preferred brand". The above statement can be interpreted that in the evaluation stage consumers form brand preferences in the selection and may also form an intention to buy the most preferred brand.

According to Kotler and Armstrong (2014: 129) "purchase decision is a decision process where consumers actually decide to buy one product among various alternative choices" Purchasing decision is a process where consumers recognize the problem, seek information about a particular product or brand and evaluate how well each alternative can solve the problem, which then
leads to a purchase decision (Tjiptono, 2014: 21).
There are several stages that must be done by consumers in the purchase decision process. These stages will result in a decision

4392

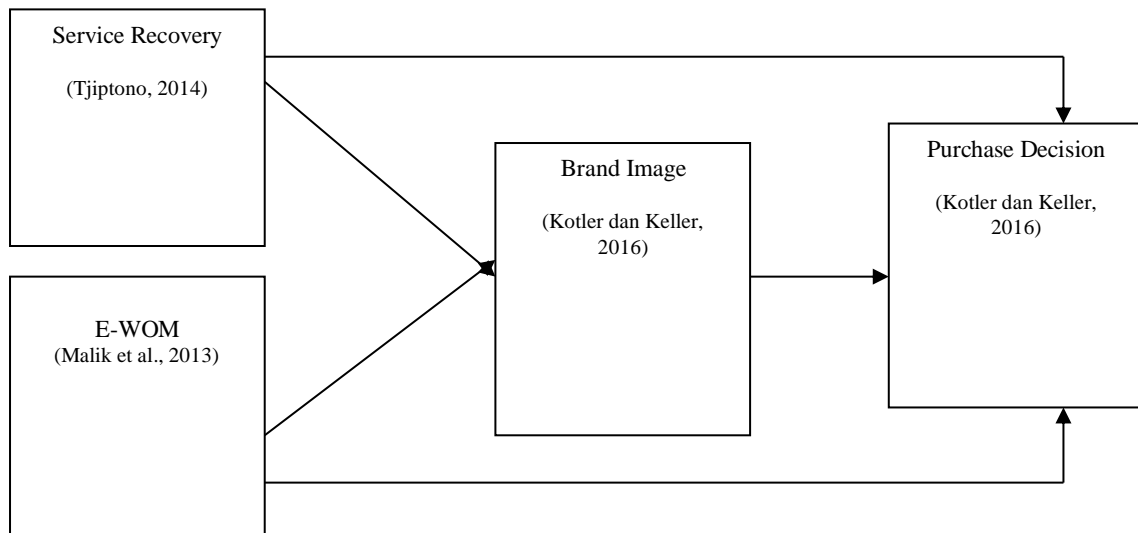|		
to buy or not. After buying a product, consumers will feel satisfied or not with the product they bought.		

The framework for this research is as follows:

Fig. 1Research Framework

Materials and Methods,

Quantitative analysis in this study uses theanalysis approach *Partial Least-Square Equation Modeling.* PLS can also meet the need for an intervening variable that makes the dependent variable an independent variable in the next relationship. In other words, PLS is an analysis of structural equations lined up with variants that can simultaneously test the measurement model as well as test the structural model [15, 16]. The sample in this study is 94 respondents who have used the services of Garuda Indonesia Airlines, with domiciles spread across West Java and its surroundings. The technique of distributing questionnaires uses snowball sampling and on this occasion we use online questionnaires using google form.

Results and Discussions,

Characteristics of Respondents

Data acquisition was obtained from the distribution of questionnaires distributed online during the covid-19 pandemic. Respondents in this study came from several cities in Indonesia with the criteria that they had used Garuda Indonesia flight services. The number of respondents as many as 194 respondents.

Analysis of the data in this study using the help of software smart PLS (Partial Least Square) 3.0. PLS is considered effective because it is proven to be able to analyze various types of data (such as Nominal Data, Ordijnal Data, Interval Data, and Ratio Data). Testing with PLS uses two types of test methods, namely Outer Model and Inner Model.

In this stage, the measurement of the Outer Model analysis (Validity and Reliability of the measurement model) will be carried out.

Table 2

Characteristics of Respondents

Characteristics of		Total	Percentage
Gender	Male	42 people	44.7%
	Female	52 people	55.3%
Age	16-20 years	11 people	11.7%
	21-25 years	53 people	56.4%
	26-30 years	11 people	11.7%
	>30 years	19 people	20.2%
Frequency of using Garuda Indonesia airline in the last 2 years	1-3 times	77 people	81.9%
	4-6 times	16 people	17.0%
	7-9 times	1 person	1.1%

Source: Data processed by the author (2021)

Results of Verification Analysis

Data processing techniques using the Partial Least Square (PLS)-based SEM method require 2 stages to assess the Fit Model of a research model: the outer model and the inner model [17]. The following is a test of the Measurement Model (Outer Model) [18].
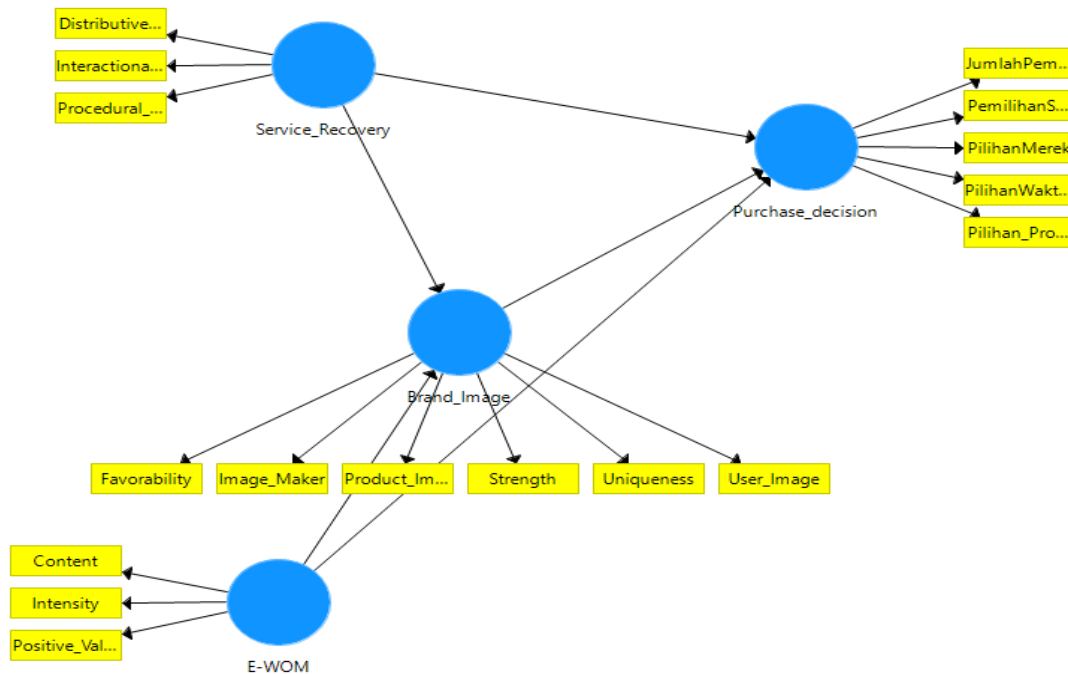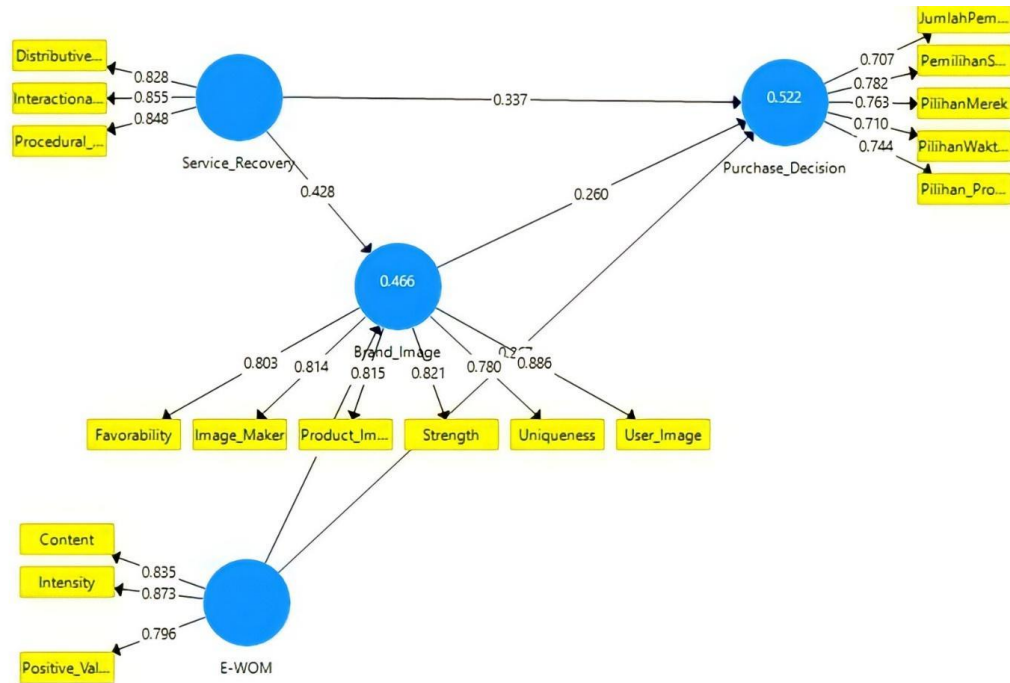

Fig. 2 PLS Research Model

Fig.3 Measurement Model Estimation Results

Based on the Outer Model data above, it shows that there is no convergent validity value below 0.6. Then the research can proceed to the next measurement stage, namely measuring the AVE value.

Table 3

Average Variance Extracted

	Average Variance Extracted (AVE)
Brand image	0.673
E-Wom	0.698
Purchase Decision	0.550
Service Recovery	0.712

Source: The data was processed by the author with SmartPLS 3.0

Judging from the data above, it can be ascertained that there is no convergent validity problem. Then the data tested are problems related to discriminant validity. Data from discriminant validity can be tested through a comparison between the cr value of the square root of the AVE with the correlation value between constructs.

Table 4

Discriminated Validity

	Brand Image	E-Wom	Purchae Decision	Service Recovery
Brand Image	0.820			
E-wom	0.569	0.835		
Purchase Decision	0.615	0.575	0.742	
Service Recovery	0.602	0.475	0.620	0.844

Source: Data processed by the author with SmartPLS 3.0

Based on the data above, it can be seen that the square root value of AVE (0.820 ; 0.835 ; 0.742 ; 0.844) is greater than the data from each construct.

Unidimensionality

To see that there is no problem in evaluating the outer model, it is necessary to test the unidimensionality of the model. Unidimensionality testing can be done using the Composite reliability indicator and Cronbach's negligent. For these two indicators the cut-off value is 0.7.

Table 5

Unidimensionality

	Composite Reliability
Brand Image	0.925
E-Wom	0.874
Purchase Decision	0.859
Service Recovery	0.881

Source: Data processed by the author with SmartPLS 3.0 The

data above shows that all constructs have a composite reliability value above 0.7. Therefore, no reliability problems were found in the form of the model.

The inner analysis of the innermodel

assessmentcan be done in three ways. The method of testing includes: calculations on R^2, Q^2 & GoF values.

Table 6

Calculation of R Square

	R square	Adjusted R square
Brand image	0.466	0.454
Purchase Decision	0.522	0.506

Source: Data processed Writer with SmartPLS 3.0

In this research, brand image variable has a value of R^2 as much as 0.466, so the impact of the value of service recovery, E -WOM, brand image on purchase decision is 52.2%, the remaining 47.8% is the impact of other variables outside the model variable.

This is the variable quality of the brand image and purchase decision hypnotize E-WOM measurement as many as 0904 of 0.6% is determined by other variables that non contained in the study sample than to see the value of R^2,further testing can be done using the inner example see the value of Q^2 (predictive relevance). To calculate $Q^{2, you}$ can use the formula:

$Q^2 = 1- (1-R^2 1)(1-R^2 2)$.........

$Q^2 = 1- (1-0.522)(1-0.466)$

$Q^2 = 1- (0.478)(0.534)$

$Q^2 = 0.745$ The

value of Q^2 as much as 0.7447 shows that the diversity of data that can be explained by the example is 74.47%. the following data can be explained approximately 74.47% through the model. the remaining 25.53% is explained through other variables outside the model. Finally, by looking for the value of goodness of fit (Gof). GoF value calculation is as follows:

GoF = AVE x R^2

AVE = 0.820 + 0.835 + 0.742 + 0.844

AVE = 3.241 / 4

AVE = 0.810

R^2 = 0.466 + 0.522

R^2 = 0.988 / 2

R^2 = 0.494

GoF = 0.810 X 0.494

GoF = 0.632

So that GoF = 0.632

According to Tenenhau 2004, the value:

GoF small: 0.1

GoF medium: 0.25

GoF large: 0.38

The calculation results show that this research model obtains a GoF value of 0.632, so it can be said that the model has GoF is large and is declared to have met thecriteria *goodness of fit*, so it is suitable to be used to test research hypotheses. The results of the model fit test, the calculation of the value of R Square, f square and Q square show that the PLS model that has been built is feasible to be used to test hypotheses in this study. The hypothesis used in this test is as follows:

H1: Service Recovery has a significant effect on the formation of Brand Image

H2: E-WOM has a significant effect on the formation of Brand Image

H3: Brand Image has a significant effect on the formation of Purchase Decisions as the effect of the influence of Service Recovery and E- WOM.

H4: Service Recovery has a direct effect on the formation of Purchase Decisions

H5: E-WOM Recovery has a direct effect on the formation of Purchase Decisions

The complete significance test results can be seen in the following table:

Table 7

Estimated Results ofModel

	Original Sample(O	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO / STDEV)	P Values
Brand_Image -> Purchase_Decision	0,244 0,1310,048			1,986	0,260
E-WOM -> Brand_Image	0,354 0,106		0,366	3,464	0,001
E-WOM -> Purchase_Decision	0,278 0,1170,023			2,273	0,267
Service_Recovery -> Brand_Image	0428	0439	0088	4.871	0.000
Service_Recovery -> Purchase_Decision	0.337	0.345	0.114	2.951	0.003

Source: Data processed by the author with SmartPLS 3.0

Based on the table above, the estimation results can be seen that the influence of brand image on purchase decisions has a path coefficient of 0.260, where the effect is significant (t = 1.986; p < 0.005). While the effect of electronic word of mouth on brand image has a path coefficient of 0.366, with a significant effect of t = 3.464 and p < 0.005. Furthermore, based on the estimation results, it was found that electronic word of mouth on purchase decisions has a path coefficient of 0.267, where the effect is significant (t = 2.273; p < 0.005). While the effect of service recovery on brand image has a path coefficient of 0.428, with a significant effect of t = 4.871 and p < 0.005. And based on the estimation results, it is found that service recovery on purchase decisions has a path coefficient of 0.337, where the effect is significant (t = 2.951; p < 0.005).

The results above show the magnitude of the direct effect, while the magnitude of the indirect effect can be carried out through four stages. The first stage examines the direct effect of the predictor on the criterion.

In the second step, it can be seen that the predictor (Service Recovery, E-Wom) has an influence on the mediator (Brnad Image) and in the third step it can be seen that the mediator has an influence on the criterion (Purchase Decision). By following the steps in Kenny and Baron (1986) it can be seen that Brand Image Measurement mediates the perception of the influence of service recovery and E-WOM on the purchase decision of PT. Garuda Indonesia airline consumers.

To see whether Brand Image has the effect of full mediation or partial mediation, it can be continued in the fourth step.

the fourth step is to see the effect of the predictor (Service Recovery; E-WOM) on the criterion (purchase decision), while still including the influence of the mediator in it (Brand Image). From the test, it appears that when the influence of the mediator is included in the model, it can be seen that:

1). Service Recovery does not **have** a significant effect on purchase intention (1,770)

2). E-WOMno **has** significant effect on purchase intention (0.075).

Based on the T-calculated value in the total indirect effect table, theeffect is *indirect* not significant, meaning that there is no mediating effect, it is concluded that Brand Image does not mediate the effect of service recovery and E-WOM on the formation of Purchase Decision.

Table 8

Summary of Hypothesis Test Results

No.	Hypothesis	T Statistics	P Value	Conclusion
1	H1: Service Recovery has a significant effect on Brand Image formation	1,986	0.048	H1 is accepted
2	H2: E-WOM has a significant effect on Brand Image formation	3,464	0.001	H2 is accepted
3	H3: Brand Image significant effect on the formation of Purchase Decision as the effect of the influence of Service Recovery and E-WOM.	2.273	0.023	H3 is accepted
4	H4: Service Recovery has a direct effect on the formation of Purchase Decisions	4.871	0.000	H4 is accepted
5	H5: E-WOM Recovery has a direct effect on the formation of Purchase Decisions	2.951	0.003	H5 is accepted

Conclusion,

Based on the results, it was found that the Service Recovery variable has a direct influence significant to the formation of Brand Image. This can be interpreted that the decisions taken by the company as a reaction to the occurrence of service failures with the aim of turning dissatisfaction into satisfaction for PT. Garuda Indonesia consumers have an impact on a positive brand image. While the E-WOM variable can have a significant direct influence on the formation of Brand Image. It can be interpreted that marketing using the internet to create word of mouth news effects can support marketing efforts and objectives in improving the brand image of PT Garuda Indonesia. Furthermore, Brand Image has a direct and significant influence on the formation of purchase decisions. This can be interpreted that the perception of the brand which is a reflection of consumer memory of its association with the brand will have an impact on involvement in making decisions to make purchases of the products offered by the seller. Furthermore, Service Recovery has a significant direct influence on the formation of purchase decisions. This means that, the speed of time for handling each problem, and then if there is a service failure, the management does not hesitate to apologize and acknowledge the failure of service and the employee's empathy for Garuda Indonesia airline passengers greatly determines consumer decisions in making purchases and choosing airlines. . the last condition explains that E-WOM has a significant direct influence on the formation of purchase decisions. This means that there is a significant role in the use of digital platforms as a means for consumers to exchange information about products and the role of public figures as a means of supporting E-WOM is considered very large in the formation of airline selection decisions. Furthermore, based on testing the mediation effect, it was found that the Brand Image variable does not have a partial or incomplete mediating role on the two predictor variables. This may happen because during the COVID-19 pandemic, people limit their activities outside the home, so when they decide to buy airplane tickets at Garuda Indonesia airline, prioritizes health factors and government regulations regarding the level of emergency exposure to Covid-19 from an area or region.

References

1. Bojanic, D., *Hospitality marketing mix and service marketing principles*, in *Handbook of Hospitality Marketing Management*. 2009, Routledge. p. 81-106.DOI: https://doi.org/10.4324/9780080569437-8.
2. Chen, J.-L. and A. Dermawan, *The Influence of YouTube Beauty Vloggers on Indonesian Consumers' Purchase Intention of Local Cosmetic Products.* International Journal of Business and Management, 2020. **15**(5): p. 100-116.DOI: https://doi.org/10.5539/ijbm.v15n5p100https://doi.org/10.5539/ijbm.v16n1p100.
3. Choi, T.-M., *Innovative "bring-service-near-your-home" operations under corona-virus (COVID-19/SARS-CoV-2) outbreak: can logistics become the messiah?* Transportation Research Part E: Logistics and Transportation Review, 2020. **140**: p. 101961.DOI: https://doi.org/10.1016/j.tre.2020.101961.
4. Aguirre, J. and M. Goméz, *Competitive Strategies in Contexts of Organized Crime: The Case of the Avocado Industry in Mexico.* International Journal of Criminal Justice Sciences, 2020. **15**(1): p. 114-126.DOI: https://doi.org/10.1007/s12129-008-9043-0.
5. Fadhila, E.A., M. Wadud, and R. Roswaty, *The Effect of Service Recovery on Customer Satisfaction in J&T Express Goods Delivery Services in Palembang.* International Journal of Marketing & Human Resource Research, 2021. **2**(1): p. 43-57.
6. Fitriani, A. and G.N. Achmad, *THE EFFECT OF BRAND IDENTIFICATION AND BRAND IMAGE ON BRAND LOVE AND BRAND LOYALTY ON IPHONE SMARTPHONE PRODUCT USERS IN SAMARINDA.* International Journal of Economics, Business and Accounting Research (IJEBAR), 2021. **5**(2).

7. Goyette, I., et al., *e-WOM Scale: word-of-mouth measurement scale for e-services context.* Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration, 2010. **27**(1): p. 5-23.DOI: https://doi.org/10.1002/cjas.129.

8. Keller, K.L., *Conceptualizing, measuring, and managing customer-based brand equity.* Journal of marketing, 1993. **57**(1): p. 1-22.DOI: https://doi.org/10.1177/002224299305700101https://doi.org/10.2307/1252054.

9. Kotler, P. and G. Armstrong. *Principle of marketing 14th Ed.*

10. Ajah, B.O., I.A. Ajah, and C.O. Obasi, *Application of virtual reality (VR) and augmented reality (AR) in the investigation and trial of Herdsmen terrorism in Nigeria.* International Journal of Criminal Justice Sciences, 2020. **15**(1): p. 1-20.

11. Kotler, P. and G. Armstrong, *Principles of marketing 14th edition.* New Jearsey: Pearson Education Inc, 2012: p. 67.

12. Kotler, P. and K.L. Keller, *A framework for marketing management.* 2016: Pearson Boston, MA.

13. Laksmi, A.A. and F. Oktafani, *Pengaruh Electronic Word Of Mouth (eWOM) Terhadap Minat Beli Followers Instagram Pada Warunk Upnormal.* Jurnal Computech & Bisnis, 2016. **10**(2): p. 78-88.

14. Ajah, B.O., C.E. Dinne, and K.K. Salami, *Terrorism in contemporary Nigerian society: Conquest of Boko-Haram, myth or reality.* International Journal of Criminal Justice Sciences, 2020. **15**(2): p. 312-324.DOI: https://doi.org/10.1007/s12129-008-9043-0.

15. Malik, M.E., et al., *Impact of brand image and advertisement on consumer buying behavior.* World Applied Sciences Journal, 2013. **23**(1): p. 117-122.

16. Akhtar, Z., *Effect of Entrepreneurial Training for Human Resource Management of Prisoners: A Framework.* International Journal of Criminal Justice Sciences, 2021. **16**(1): p. 217-235.

17. Usui, K., *The development of marketing management: The case of the USA c. 1910–1940.* 2017: Routledge.DOI: https://doi.org/10.4324/9781351147163.

18. Sallam, M.A., *The effects of brand image and brand identification on brand love and purchase decision making: the role of WOM.* International business research, 2014. **7**(10): p. 187.DOI: https://doi.org/10.5539/ibr.v7n10p187.