# The Effect Of Customer Experience On Repurchase Intention With Customer Engagement As An Intervening Variable

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#### Abstract

In this era, the business world is increasingly competitive, making companies look for creative ideas and breakthroughs so that consumers remain loyal and have a repurchase intention on the products offered. Several variables, including customer experience and customer engagement, are influential factors in the occurrence of repurchase intention. This research aims to analyze the impact of customer experience to repurchase intention, with customer engagement as an intervening variable. This type of research is explanatory and intends to describe and test the causality between the variables studied. The data sample used 223 skincare user respondents with a nonprobability sampling method. For research testing, two sub-models were carried out, namely the outer and inner models, then data was analyzed using the Structural Equation Model Partial Least Square (SEM-PLS) method. This study's results indicate a significant effect of customer experience on repurchase intention, with customer engagement as an intervening variable. Based on these results, to achieve optimal outcomes, the company needs to ensure that customers are actively involved in interactions with the company, whether through customer service, social media, or other communication channels. By increasing customer engagement, companies can strengthen the effect of customer experience to repurchase intention, thereby improving business performance and increasing customer loyalty.

Keywords: Customer Experience, Repurchase Intention, Customer Engagement

#### **INTRODUCTION**

In this era, competition in the business world is increasingly competitive to attract consumers. Consumers are usually used as a measuring tool in determining a company's success. Intense competition makes companies look for creative ideas and breakthroughs so that their customers remain loyal, resulting in repurchase intention for the products offered (Agustina & Julitriarsa, 2021). Repurchase intention is a consumer's decision after evaluating the previous purchase and the intention to repurchase the product based on several considerations (Made et al., 2021). Moreover, repurchase intention is a customer behavior in which customers react positively to the quality of a company's product or service because they had an experience that exceeded their expectations and therefore intend to repurchase the product. Willingness to repurchase this item refers to the previous purchase experience felt by consumers. This happens because of consumers' loyal attitude toward specific products, so interest arises to make repeat purchases (Dewi & Ekawati, 2019). There are several

definitions of the repurchase intention, namely when it is associated with context and point of view. In the service context, repurchase intention is defined as an individual's assessment of repurchasing services from the same company by considering the situation. Whereas regarding behavior, repurchase intention is the possibility of a customer making a repeat purchase in the future (Mao & Lyu, 2017). Many factors influence repurchase intention, including customer experience, trust, and perceived happiness. To predict consumer behavior in the future, one of the best variables to use is customer experience because the experience of purchasing and consuming an item will influence customers who choose to proceed with their purchasing exercises (Otivia & Sukaatmadja, 2020).

Customer experience can be described as a combination of experiences so that the activities carried out by consumers in using products or services are excellent and memorable experiences, which make these consumers interested in using the product for the umpteenth time (Wiyata et al., 2020). In marketing, customer experience is one of the most important things because it indicates the success of the services or products provided by the company to its customers or consumers (Pranatika & Albari, 2022). Every company always strives to have a competitive advantage to win the competition. The way the company does that is by digging up information about the needs and wants of consumers. In addition, the company tries to establish good relations with consumers and provide an unforgettable experience that exceeds consumer expectations before making a purchase, when making a purchase, and when consuming it (Sulistyo, 2020). In the context of customer relationships with companies or brands, customer experience is closely related to customer engagement. A good and positive customer experience can increase customer engagement with the company, while a terrible customer experience can decrease customer engagement.

Customer engagement is a customer's psychological condition based on interactive and cooperative experiences with specific organizations or objects in service (Darmadi et al., 2021). All buying and selling activities cannot be separated from aspects that industry players have successfully touched. The shrewdness of these industry players evokes the psychological aspects of consumers, which makes consumers remain loval to the products provided by the company (Ade et al., 2022). Customer engagement aims to satisfy customers by providing more value than competitors. This builds customer trust and involvement in future relationships (Santoso, 2020). The customer's engagement to a brand shows the degree of information purchasers have about the brand. Solid commonality makes an interest in utilising a similar brand and makes solace and fulfilment. Through customer engagement, consumers are urged to prescribe it to other people. Client communication with an item is generally shaped because of a long utilization process (Fikri et al., 2018). The personal resons that drive customer engagement are more critical factors in determining product purchases and customer loyalty. Customers prefer to interact voluntarily with the company with minimal value incentives, despite the fact that customers may be motivated to interact with the company through various company incentives. Their desire to engage is instrinsically motivated and frequently sparked by individual factors in their favor, such as seeking information for a more informed purchase, reaffirming their purchasing decisions, or conveying an evaluation to comprehend the brand (Prentice et al., 2019). Customer engagement aims to create an emotional bond between the corporation and its customers. Customer engagement may have a reciprocal interplay between the purchaser and the enterprise's brand. Besides that, customer engagement also involves interactivity and a brand's consumer experience. With this purchaser interaction, it was hoped that it could reduce horrific evaluations from consumers for the goods or offerings provided with the aid of the enterprise (Widodo & Alivia Febrianti, 2021).

In previous research conducted by Bagusagung & Ari (2021), customer experience significantly positively affects repurchase intention. Furthermore, Kristanti (2022) results show that customer experience significantly affects customer engagement. Then Ningrum & Arif (2022) show that customer engagement positively influences repurchase intention. Based on the above research references, this study proposes a new research model by including intervening variables. The intervening variable that will be added to this study is

customer engagement. This intervening variable is expected to provide a broader explanation regarding the effect of customer experience on repurchase intention.

This research aims to find out and analyze the effect of customer experience on repurchase intention, with customer engagement as an intervening variable. Primarily based on the description above, the research hypothesis may be organized as follows:

- H1: Customer experience has a positive and significant effect on repurchase intention.
- H2: Customer experience has a positive and significant effect on customer engagement.
- H3: Customer engagement has a positive and significant effect on repurchase intention.
- H4: Customer engagement as a mediation of customer experience positively and significantly affects repurchase intention.

## **METHOD RESEARCH**

This research utilizes explanatory research methodology with a quantitative approach to examine the causal relationship between the studied variables. The main causal link is the effect of customer experience on repurchase intention, with customer engagement acting as an intervening variable. The research sample consisted of 223 respondents who were skincare users, and the data was collected through online surveys. The Likert scale, ranging from 1 to 5 was used in the questionnaire, where 1 indicated strong disagreement and 5 indicated strong agreement. The weight assigned to each response reflected the degree of agreement or disagreement with the statement or question. The data analysis technique used in this study was the Structural Equation Model Partial Least Square (SEM-PLS), which consists of two sub-models: the outer model (measurement model) to test the validity and reliability of the structure's indicators and the inner model (structural model) to investigate the relationship between the constructs or variables of the model.

#### **RESULTS AND DISCUSSION**

# A. Results

## Characteristics of Respondents

Based on the outcomes of the data obtained, there were 223 respondents with the characteristics of the respondents depicted in table 1. Most of the respondents were 57% female and 43% male, with an age range of 20-29 years of 71.7% with educational levels dominated by tertiary institutions as much as 75.3%, and the majority were students or university students as much as 78.5% with a monthly average income of Rp 1.500.000-Rp 5.000.000 (48%). Then the majority of respondents had bought skincare products two times within one month.

	Table 1. Characteristics of Respo	Table 1. Characteristics of Respondents					
Variable	Information	Frequency	Percentage				
	Man	96	43%				
Gender	Woman	127	57%				
	<20	48	21.5%				
	20-29	160	71.7%				
Age	30-49	12	5.4%				
-	>50	3	1.3%				
Educational Level	High School/ Equivalent	55	24.7%				
	College	168	75.3%				
	Student	175	78.5%				
Worker	Civil Servants	3	1.3%				
	Private employees	32	14.3%				

	Entrepreneur	4	1.8%
	Other	9	4%
	<rp 1.500.000<="" td=""><td>94</td><td>42.2%</td></rp>	94	42.2%
Income	Rp 1.500.000 – Rp 5.000.000	107	48%
	>Rp 5.000.000	22	9.9%
Dought akinggra products in 1	2	110	49.3%
Bought skincare products in 1	3-5	86	38,6
month	>5	27	12.1%

Source: Data Processed, 2023

## Data analysis

## 1. Outer Model (Measurement Model)

This study measures validity using the Average Variance Extracted (AVE) value. With the factor loading and AVE values higher than 0.50, it can be declared valid. Tables 2 and 3 show that the AVE value of customer experience is > 0.5 or 0.531, the repurchase intention variable value is > 0.5 or 0.579, and the customer engagement variable value is > 0.5 or 0.612. Shows that each variable has good discriminant validity. Then for the loading factor, it shows that the variables used in this study (customer experience, repurchase intention, and customer engagement) in each question representing each variable have a loading factor value of > 0.6. it can be stated that the question meets the requirements for research. Moreover, for the assessment of discriminant validity through Fornell Larcker in table 2, the result is that the square root of the AVE reflection structure is customer experience, repurchase intention, and customer the correlation of latent variables, meaning that all the variables used in the study have fulfilled discriminant validity.

This research also uses Cronbach's Alpha and Composite Reliability (CR) values to measure research reliability, with a value that must be higher than 0.7, then it can be declared accepted. Furthermore, the construct is expressed as reliable if the composite reliability value is above 0.7, even though 0.6 is still acceptable. Table 2 shows the results of Cronbach's Alpha variable customer experience >0.7, which is 0.783, and repurchase intention variable >0.7, which is 0.818, then customer engagement >0.7, which is 0.842. so it can be concluded that this study meets the requirements of Cronbach's Alpha, with the results of all variables having high-level reliability. Moreover, for the composite reliability value generated for each variable customer experience, repurchase intention, and customer engagement >0.7, where the composite reliability value of the customer experience variable >0.7 is 0.850, repurchase intention >0.7 is 0.873, and customer engagement >0.7 is 0.887. Therefore it can be concluded that all variables in this study are declared reliable.

- Constant Dar Park 1996 - Annal Marthalt

Variable	Indicator	Factor Loading	Cronbach's Alpha	CR	AVE
	X1	0.750			
Customor	X2	0.783			
Customer Experience (X)	X3	0.694	0.783	0.850	0.531
	X4	0.702			
	X5	0.710			
	Y1	0.736			
Repurchase Intention (Y)	Y2	0789			
	Y3	0.767	0.818	0.873	0.579
	Y4	0.837			
	Y5	0.666			

Z1 0.839	ajemen, dan Akuntansi) 35, P-ISSN: 2460-5891 nun 2023, Hal 514-522.
Customer Z2 0.743   Engagement (Z) Z3 0.726 0.842 0.887   Z4 0.802 25 0.797	7 0.612

Source: Data Processed, 2023

# Table 3. Fornell-Larcker Criterion

Variable	Customer Experience (X)	Repurchase Intention (Y)	Customer Engagement (Z)
Customer	0.729		
Experience (X) Repurchase			
Intention (Y)	0.868	0.761	
Customer	0.802	0.903	0.782
Engagement (Z)		0.000	0.702

Source: Data Processed, 2023

# 2. Inner Model (Structural Model)

Hypothesis tests in this research can be conducted using the path coefficient value for direct effects and specific indirect effects for indirect influence. The assay is carried out using the t-statistics value and pvalue. An influence between variables is significant if the t-value is higher than 1.966 or the p-value is smaller than 0.05. The t statistics value for a relationship of customer experience variables to repurchase intention is 7.079 > 1.966 at the probability level of 0.000 < 0.05. From these results, it was concluded that customer experience positively and significantly affects repurchase intention. Meanwhile, the value of t statistics on the relationship of customer experience variables to customer engagement is 23.920 > 1.966 at a probability level of 0.000 < 0.05, and it can be concluded that customer experience positively and significantly affects customer engagement. As the t statistics value for the relation between the customer engagement on repurchase intention variable is 10.246 > 1.966 at the probability level is 0.000 < 0.05 so that it can be inferred that customer engagement has a positive and significant influence on repurchase intention. The last relationship in this research was the connection between the customer experience variable and repurchase intention through customer engagement with a t statistics value of 10.733 > 1.966 at a probability level of 0.000 < 0.05. From this, it can be deduced that customer engagement will mediate the connection between customer experience and repurchase intention. These results can also be found in the picture of the research model below:

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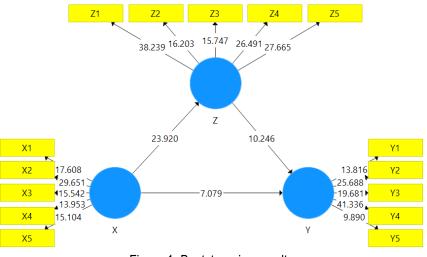


Figure 1. Bootstrapping results

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Customer Experience (X) => Repurchase Intention (Y)	0.403	0.399	0.057	7.079	0.000
Customer Experience (X) => Customer Engagement (Z)	0.802	0.807	0.034	23.920	0.000
Customer Engagement (Z) => Repurchase Intention (Y)	0.580	0.584	0.057	10.246	0.000

# Table 4. Path Coefficients

Source: Data Processed, 2023

# **Table 5. Specific Indirect Effects**

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Customer Experience (X) => Customer Engagement (Z) => Repurchase Intention (Y)	0.465	0.470	0.043	10.733	0.000
Source: Data Proces	sed. 2023				

Source: Data Processed, 2023

# B. Discussion

## The Relationship between Customer Experience and Repurchase Intention

The research results show that customer experience positively and significantly impacts repurchase intention. With a t statistics value of 7.079 > t tables 1.966 and p values of 0.000 < 0.05. Then this shows that a customer experience in buying a product has a real and positive contribution to the tendency of consumers to make repurchase intention on products that suit their needs (Hasniati et al., 2021). This follows previous research conducted by Made et al. (2021) states that customer experience positively affects repurchase intention. In other research conducted by Bagusagung & Ari (2021), the results state that customer experience significantly influences repurchase intention.

#### The Relationship between Customer Experience and Customer Engagement

The research results show that customer experience positively and significantly affected customer engagement. With a t statistics value of 23.920 > t tables 1.966 and p values of 0.000 < 0.05. This shows that increasing customer experience will significantly influence or impact customer engagement (Kurniawati et al., 2021). Previous research conducted by Felita & Japarianto (2015) discusses that customer experience positively and significantly impacted customer engagement. Then another study by Kristanti (2022) found that customer experience also significantly affects customer engagement.

# Relationship between Customer Engagement and Repurchase Intention

The research results show that customer engagement can have a definite positive and significant effect on repurchase intention. With a t statistics value of 10.246 > t tables 1.966 and p values of 0.000 < 0.05. This shows that a higher customer engagement will make consumers' decision to make repurchase intention even higher (Ningrum & Arif, 2022). These results strengthen previous research by Permadi & Silalahi (2021), which found a significant influence between customer engagement and repurchase intention. Other research conducted by Ho & Chung (2020) also positively and considerably impacted customer engagement with repurchase intention.

# The Relationship between Customer Engagement as a Mediation of Customer Experience against Repurchase Intention

This study's indirect relationship indicates that customer engagement can mediate the relationship from customer experience to repurchase intention. With a t statistics value of 10.733 > t tables 1.966 and p values of 0.000 < 0.05. The role of customer engagement as mediation has a positive influence on creating consumer decisions to repurchase intention for a product. The higher the value given to the customer experience, the higher the customer engagement will be. Moreover, increasing customer engagement will influence consumers in deciding to repurchase intention. These results align with previous research (Akbar Rizki Utomo, 2020) that there is an indirect influence between customer experience and repurchase intention through brand engagement.

# CONCLUSION

The research findings indicate that the costumer experience positively and significantly impacts repurchase intention. Customers who have a positive experience with a brand or company tend to be more loyal to that brand or company and will likely repurchase a product in the future. Customer experience can also have a significant positive effect on customer engagement. Once customers have a good experience with the brand and company, they will tend to engage with the brand and perhaps interact more with the brand, such as buying products with more intensity, providing positive feedback or responses, recommending products to others, and maintaining a loyal attitude towards a product for an extended period. Customer engagement has a significant

influence on repurchase intention. The higher the customer engagement level, the greater the likelihood of consumers repurchasing intention on a brand. Customer engagement can also mediate the effect of customer experience on repurchase intention. In this case, customer engagement is considered one of the critical factors in building customer loyalty and increasing business profits. The company must focus on customer experience and create strategies to improve customer engagement.

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