

Effect Covid-19: Loyalty of Prospective Umrah Pilgrims to Umrah and Hajj Travel Companies

Ifah Finatry Latiep^{1*}, Maat Pono², Jusni³,

¹ PT. Meida Wisata; nurafifahufairah2@gmail.com

² Faculty of Economics and Business, Hasanuddin University; maatpono@yahoo.com

³ Faculty of Economics and Business, Hasanuddin University; jusni_mju@yahoo.com

* Correspondence author: nurafifahufairah2@gmail.com

Abstract

This study aims to determine the extent of the loyalty of prospective pilgrims (costumer) to travel Umrah and Hajj in Makassar using price as an independent variable and trust as a mediating variable. This research is a mix method research using questionnaire to 30 respondents and FGD in Meida Wisata company as one of the Umrah and Hajj travel companies in Makassar. Based on the results of data analysis, it is found that the price offered by PT. Meida Wisata has a negative but not significant impact on the loyalty of pilgrims, but the current price will have a significant positive effect on the loyalty of pilgrims and registrants if mediated by the variable of trust. The Covid-19 pandemic that occurred at this time did not reduce the enthusiasm of Umrah tourism consumers to continue to wait for the announcement from Saudi Arabia to receive Umrah pilgrims from Indonesia again and hope that the Covid-19 outbreak will soon end so that they can carry out Umrah through PT. Meida Wisata. There are still limitations in this study that can be continued by other researchers by increasing the number of respondents to get more general information.

Keywords : *loyalty; trust; price; Covid-19*

INTRODUCTION

Marketing services challenges competition or competition in competition with competition, such as service businesses regulated by the government, such as air transportation, communication, law, health and also globally. Price competition in the service industry must still pay attention to government regulations. For example in the air transportation industry, the government imposes the highest price regulation (low price) and base price (base price). The challenge is also regarding service marketers engaged in non-profit businesses such as hospitals, education, religious agencies because they have to consider competition from the non-commercial side.

According to Lupiyoadi (2006:5) in research Mulyawan & Sidharta, (2013), service marketing is any action offered by one party to another party that is in principle intangible and cannot cause any transfer of ownership. Subsequent opinions from Hurriyati (2010:42) in research Mulyawan & Sidharta (2013) provide explanations related to marketing services as a process, understand, stimulate, perceive and fulfill the needs of specifically selected target markets by channeling the resources of an organization to meet those needs.

The occurrence of the Covid-19 pandemic has an impact on various business sectors. One of them on the travel business Umrah. Saudi Arabia's government on Tuesday (31/3/2020) called on Muslims around the world to temporarily delay their plans for the Hajj this year. The request was submitted related to the corona virus pandemic or Covid-19 (Lukman, 2020). On the other hand, due

to the Covid-19 pandemic, thousands of South Sulawesi pilgrims had to postpone their departure to Saudi Arabia. The delay was the decision of the Saudi Arabian Government to temporarily stop the entry of the Umrah pilgrimage to anticipate the increasingly widespread spread of the virus from Wuhan (Ristyningrum, 2020).

Until now, the corona virus pandemic in Saudi Arabia indeed raises new questions whether this year's Hajj can be carried out or not. Reported by AFP, Saudi Arabia's Minister of Hajj Affairs, Mohammad Benten said it was still uncertain whether the pilgrimage this year could go according to schedule, namely at the end of July (Lukman, 2020).

The Indonesian Consulate General in Jeddah provided information, the suspension was valid from last Thursday until an undetermined time period. There are at least around 23 countries on the list of Saudi Arabian delays, one of which is Indonesia (Putri, 2020). Pilgrims who are already in Saudi are asked to return to their homeland. Through the lobby of the Indonesian government, seven flights that had already landed in Saudi, were allowed to join Umrah (Putri, 2020). The temporary ban on Umrah's trip to Saudi Arabia gained no small amount of loss. Every day, it is estimated that there are always thousands of worshippers who depart depending on the season and date of departure (Putri, 2020).

Indonesia is a predominantly Muslim country, with many Muslims in Indonesia the demand for Hajj and Umrah in Indonesia continues to grow rapidly, the development of Hajj and Umrah travel is growing rapidly and is accompanied by the implementation of strategies that are implemented, a service company in running its business can implement marketing strategies that designed and provide feedback on marketing strategies that are run, in order to succeed effectively and efficiently the company implements a strategy that has a big influence to run its business (Susanto, 2017).

With this disaster the owners of the pilgrimage service companies must be able to retain their prospective pilgrims to be able to reduce losses due to the prohibition of Umrah policies imposed by the government of Saudi Arabia so that the pilgrimage travel business entrepreneurs should maintain the loyalty of their pilgrims (consumers) so as not to occur greater loss. According to Kotler, retaining all existing customers will generally be more profitable than changing customers because the cost of attracting new customers can be five times the cost of retaining an existing customer. So retaining customers is the same as maintaining the viability of the company so that it will be able to increase loyalty (Noorohmah, 2019).

One factor that must be maintained to maintain the loyalty of pilgrims today is trust. Trust is an important factor in building commitment between the company and customers. Trust is also a determining factor for a customer to be loyal to a service or to search for variations, this will have an impact on the transfer of services. According to Hasan (2013) in research Amelia Ulfa (2017) trust is defined as the perception of trust towards a company's mainstay, which is determined by systematic confirmation of the expectations of the company's offer. The dimensions of trust consist of reliability, credibility, and benevolence. Reliability, related to the level of reliability of the company in providing product services, Credibility relates to the level of expertise needed by the company to perform work effectively and reliably; Benevolence, related to the company's intentions and motivations. Another factor that can also be a concern for Umrah and Hajj travel business owners is price and promo consistency. In research Tumbel et al. (2014) explained that prices are all forms of monetary costs sacrificed by consumers to obtain, own, utilize a number of combinations of goods and services of a product or service. Besides that, the consistency of promos given before the Covid-19 pandemic must be maintained so that consumers do not resign or move to other competitor companies.

Based on the background of the problem described earlier, the formulation of the problem in this study is to determine the impact of the Covid-19 outbreak on the loyalty of pilgrims and pilgrims in Makassar.

LITERATURE REVIEW

Loyalty of Umrah Pilgrims

According to Kotler, retaining all existing customers will generally be more profitable than changing customers because the cost of attracting new customers can be five times the cost of retaining an existing customer. So retaining customers is the same as maintaining the viability of the company so that it will be able to increase loyalty (Noorohmah, 2019). Customer loyalty can be interpreted as someone's loyalty to a product (Pahlawan, Laba, Pakki, & Hardiyono, 2019). This also applies to companies engaged in Umrah and Hajj travel services.

Mowen and Minor declare loyalty as a condition where customers have a positive attitude towards a brand, are committed to the brand, and intend to continue their purchases in the future. (Noorohmah, 2019). Indicators of consumer loyalty related to travel services according to Mahindra & Barokah (2015) in their research can be described as follows:

- 1) The intention to reuse is the intention of consumers to reuse services. This indicator is measured through 1 item, namely the consumer's intention to always use the service
- 2) The intention to say positive things to others is the intention of consumers to provide good information to others about services. This indicator is measured through the intention of consumers to say positive things about services to others
- 3) The intention to recommend services to others, is the intention of consumers to recommend. This indicator is measured through the intention of consumers to recommend to someone who needs information and invite family or friends to choose and use services to meet their needs
- 4) The intention to show immunity from the appeal of similar services produced by competitors, is the intention of consumers not to be influenced by similar services produced by competitors.

Trust

Mowen and Minor in research Widyawati (2017) explains that consumer trust (consumer trust), is "All the knowledge held by consumers and all conclusions made by consumers about objects, attributes and benefits. Objects (objects) can be products, people, companies, and everything where a person has trust and attitude.

Trust is an important factor in building commitment between the company and customers. Trust is also a determining factor for a customer to be loyal to a service or to search for variations, this will have an impact on the transfer of services. According to Hasan (2013), in research Amelia Ulfa (2017), trust is defined as the perception of trust towards a company's mainstay, which is determined by systematic confirmation of the expectations of the company's offer. The dimensions of trust consist of reliability, credibility, and benevolence. Reliability, related to the level of reliability of the company in providing product services, Credibility relates to the level of expertise needed by the company to perform work effectively and reliably; Benevolence, related to the company's intentions and motivations.

There are several factors that can affect one's trust. McKnight et al (2001) in the study Amelia Ulfa (2017) states there are factors that can affect consumer confidence, namely perceived web vendor reputation, and perceived web site quality. Indicators of customer trust according to Pahlavi (2014: 23) in research from Susanti dan Wahyuni (2017) are as follows:

- 1) The reputation of the product or service,
- 2) Safety and comfort in using products or services,
- 3) The benefits that are in the product or service

Price

According to Hasan (2009: 298) in research Tumbel et al. (2014) explained that prices are all forms of monetary costs sacrificed by consumers to obtain, own, utilize a number of combinations of goods and services of a product. Furthermore according to Tandjung (2004: 78) in

research Bahaswan (2018), price is the amount of money agreed by potential buyers and sellers in exchange for goods or services in a normal business transaction.

Price as the only element of the marketing mix that brings revenue to the company. The decision regarding price is not easy to do, if the price is expensive it will increase profits but it will be difficult for consumers to reach (Naningsih & Hardiyono, 2019). Price indicators according to Fure (2000) in the study from Noorohmah (2019) used to measure prices include:

- 1) The price of perceived services
- 2) Prices that match benefits
- 3) The price of goods is affordable
- 4) Price competition

Conceptual Model

The conceptual framework in this study can be seen in the following figure:

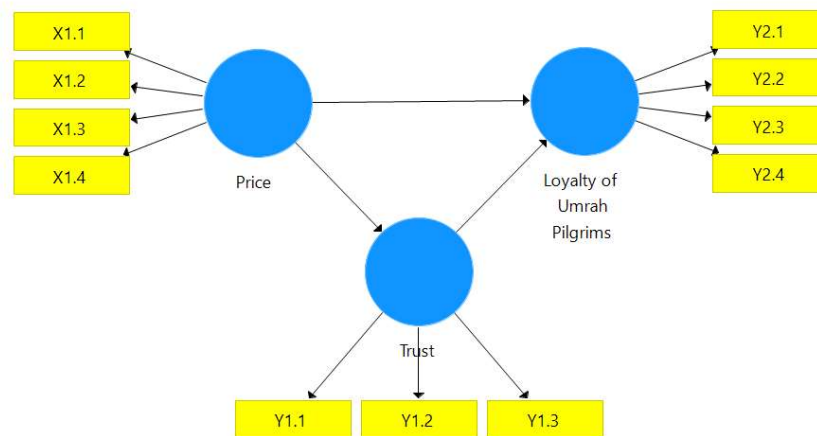


Figure 1. Conceptual Framework

Based on the picture of the conceptual framework above, the hypothesis in the study can be described as follows

- 1) Price has a significant effect on trust
- 2) Price has a significant effect on loyalty
- 3) Trust has a significant effect on loyalty
- 4) Price has a significant effect on loyalty if mediated by trust

RESEARCH METHOD

This research was carried out in Maida Wisata Travel as one of the pilgrimage service companies using the mix method approach which consists of quantitative research types to explain the position of the variables studied as well as the relationship between one variable with another variable then supplemented with qualitative analysis to complete the discussion of quantitative research results (Sugiyono D, 2010). This research is intended to test the hypotheses that have been formulated previously.

This research will explain the causal relationship between variables through hypothesis testing. In this study, the analytical method used is path analysis using the Smart PLS 3.2.9 program. Pilgrimage group discussion forums (FGD) among pilgrims who came to the service office and Meida Wisata employees regarding the condition of the pandemic Covid -19 which had resulted in delays in the departure of the pilgrimage. they. In addition, researchers also obtained

information through news on the website and journals related to the research theme.

EMPIRICAL RESULTS AND DISCUSSION

Meida Wisata is a travel service provider for Umrah and Hajj in the city of Makassar. Meida Tour and Travel was established in 2012 located on A.P Pettarani Complex Ruko Zamrud E 21-22. Meida Tour and Travel is a trusted travel and travel agency company in Makassar. Meida Tour and Travel always provides the best and leading services in serving its customers (<https://meida-tour-and-travel.business.site/2020>).

Based on the results of the distribution of questionnaires to 30 respondents who are registered travel service umrah at PT. Meida Wisata, the results of hypothesis testing can be seen in the following table:

Table 1. Hypothesis Testing Results

	Coefficient	T Statistics	P Values	Results
Price ->Trust	0.807	15.118	0.000	Accepted
Price ->Loyalty of Umrah Pilgrims	-0,427	1.779	0.073	Rejected
Trust->Loyalty of Umrah Pilgrims	0.974	4.343	0.000	Accepted
Price ->Trust->Loyalty of Umrah Pilgrims	0.786	3.903	0.000	Accepted

Source: SmartPLS 3.2.9 (2020)

Based on the results of testing the hypothesis it can be seen that of the four hypotheses, three of them were accepted and one hypothesis was rejected. The explanation of the results of testing the hypothesis in this study can be described as follows:

- 1) The effect of price on trust shows a positive and significant coefficient. This was supported by the company's commitment to offer consistent service product prices so as to give trust to registrants or prospective pilgrims to this travel company. This company offers umroh travel services at a rather high price compared to most travel companies in Makassar, but the price offered is accompanied by a commitment to maintain the trust of pilgrims or prospective pilgrims.
- 2) The effect of price on loyalty shows a negative but not significant effect due to the condition of Umrah travel competition in Makassar which tends to wage price war and sometimes there are competitor companies that offer prices that are below the price range offered by this company which gives a negative impact but the influence This is not significant for the loyalty of registrants or prospective pilgrims of PT. Meida Wisata.
- 3) The influence of trust on the loyalty of prospective pilgrims PT. Meida Wisata shows a significant positive influence value. That is due to the commitment of this company to maintain the trust of customers or prospective registrants Umrah. Although some competitors of larger Umrah travel companies experience money laundering cases, as well as the existence of a number of smaller travels from this company that commit fraud on pilgrims but pilgrims trust or Umrah service registrants, but this company always maintains consumer trust which positively impacts pilgrim loyalty. to invite relatives to register or re-register.
- 4) The effect of price on loyalty if mediated by trust shows a significant positive effect. Although partially, the price has a negative effect on loyalty, but with trust as a mediating variable, the prices offered by Umrah travel companies can still have a significant positive impact on consumer loyalty. Therefore it can be said that trust can mediate perfectly the effect of prices on the loyalty of pilgrims to the pilgrimage of PT. Meida Wisata

The temporary suspension of the arrival of the Umrah pilgrimage by the Government of Saudi Arabia is aimed at preventing the spread of the Corona virus that has spread to a number of countries since it first appeared in China at the end of December 2019 then (Margareth, 2020).

According to the owner of Meida Tour and Travel, reported on the daily newspaper (<https://makassar.terkini.id/>), as a business actor, this company will continue to grow our awareness of the importance of consumer protection so that an honest and responsible attitude grows in trying

to improve the quality of goods and / or services that guarantee the continuity of the business of producing goods and or services, health, comfort, security, and safety consumer (Amsur, 2020). This is in accordance with the statement of Meida Tour and Travel employees who were found to say that during the pandemic, pilgrims who had experienced a schedule change until an undetermined time were not subject to additional costs. The additional cost of departure in the future is borne by this company as a form of responsibility and care for pilgrims who cancel Umroh as a result of the Covid-19 pandemic.

The company continues to try to maintain worshipers who in this case are pilgrims using the same price at the time of the promo before the Covid-19 Pandemic disaster to strengthen consumer confidence in showing the company's commitment.

During the observation process, pilgrims revealed that they would remain loyal to the company when the company was consistent with the promises and offers that had been carried out. The Covid-19 pandemic did not discourage consumers from continuing to entrust this company to dispatch them after the situation was declared conducive to carrying out the pilgrimage. As of March 20, 2020, not a single pilgrim has canceled the Umroh program and has asked for their funds back. They were even more active in praying that this calamity would soon end and immediately departed for the pilgrimage with the help of the pilgrimage from the Meida Wisata company.

CONCLUSION

Based on the results of data analysis it is known that the price offered by PT. Meida Wisata has a negative but not significant impact on the loyalty of pilgrims, but the current price will have a significant positive effect on the loyalty of pilgrims and registrants if mediated by the variable of trust. The Covid-19 pandemic that occurred at this time did not reduce the enthusiasm of Umrah tourism consumers to continue to wait for the announcement from Saudi Arabia to receive Umrah pilgrims from Indonesia again and hope that the Covid-19 outbreak will soon end so that they can carry out Umrah through PT. Meida Wisata. There are still limitations in this study that can be continued by other researchers by increasing the number of respondents to get more general information.

REFERENCE

- Amelia Ulfa. (2017). PENGARUH PERSEPSI NILAI, HARAPAN, KEPERCAYAAN, DAN KUALITAS PELAYANAN TERHADAP KEPUASAN KONSUMEN PADA PENYEDIA JASA TRAVEL HAJI DAN UMROH (Studi Pada Pengguna Jasa Travel Haji dan Umroh PT.Baitussalam Mandiri di Bandar Lampung).
- Amsur, A. H. (2020). Meida Tour and Travel Berangkatkan 700 Jamaah Umroh , Meity Rahmatia Perhatian Penuh Hak Konsumen.
- BAHASWAN, M. R. (2018). *PENGARUH KUALITAS PELAYANAN, HARGA, PROMOSI, DAN CITRA MEREK TERHADAP KEPUASAN KONSUMEN SAUDARAKU TOUR&TRAVEL UMROH HAJI DI MALANG*. *Journal of Chemical Information and Modeling*. Universitas Muhammadiyah Surakarta. <https://doi.org/10.1017/CBO9781107415324.004>
- <https://meida-tour-and-travel.business.site/>. (2020). Meida Wisata Tour and Travel.
- Lukman, L. M. (2020). Dampak Covid-19, Arab Saudi Minta Umat Islam Tunda Persiapan Ibadah Haji Tahun Ini.
- Mahindra, F. H., & Barokah, I. (2015). Pengaruh Experiential Marketing Terhadap Loyalitas Melalui Kepuasan Pelanggan Kelompok Bimbingan Ibadah Haji (KBIH) Al-Ghazaalie Jember The Effect of Experiential Marketing Toward Loyalty Through Customer Satisfaction of Kelompok Bimbingan Ibadah Haji (.
- Margareth, R. (2020). Travel Umrah Makassar Jadwal Ulang Berangkat ke Arab.
- Mulyawan, A., & Sidharta, I. (2013). ANALISIS DESKRIPSTIF PEMASARAN JASA DI STMIK

- MARDIRA INDONESIA BANDUNG. *Jurnal Computech & Bisnis*, 7(1), 42–55.
- Naninsih, N., & Hardiyono. (2019). PENGARUH STRATEGI PEMASARAN TERHADAP KEPUASAN DAN KEPUTUSAN PEMBELIAN PRODUK USAHA KECIL MENENGAH (UKM) 310 DI MAKASSAR, 1(1), 47–61.
- NOOROHMAH. (2019). *PENGARUH KUALITAS PRODUK, HARGA, DAN LOKASI TERHADAP LOYALITAS KONSUMEN DI PAND'S MUSLIM DEPARTEMENT STORE CABANG SEMARANG*. UNIVERSITAS ISLAM NEGERI WALISONGO SEMARANG.
- Pahlawan, R., Laba, A. R., Pakki, E., & Hardiyono, H. (2019). LOYALITAS PELANGGAN PERUSAHAAN DAERAH AIR MINUM (PDAM) KOTA MAKASSAR, 3(2), 228–244.
- Putri, R. D. (2020). Dua Sisi Penangguhan Umrah Arab Saudi Imbas Corona COVID-19.
- Ristyaningrum, A. (2020). Jemaah Umrah Rawan Terpapar Covid-19, Ini Kata Ketua Amphuri Sulsel.
- Sugiyono D, P. (2010). *Metode Penelitian Bisnis (Cetakan ke-15)* (15th ed.). Penerbit Alfabeta.
- Susanti, D., & Wahyuni, D. U. (2017). Pengaruh Faktor Kepercayaan, Kualitas Layanan, Dan Fasilitas Terhadap Kepuasan Pelanggan Kereta Api. *Jurnal Ilmu Dan Riset Manajemen*, 6 No. 5, 1–19.
- Susanto, A. D. (2017). *STRATEGI BAURAN PEMASARAN PRODUK UMROH DALAM UPAYA MENINGKATKAN JUMLAH JAMAAH PADA PT. PARAMUDA TRAVEL CIPUTAT Skripsi*. UIN SYARIF HIDAYATULLAH JAKARTA.
- Tumbel, A., Kawet, L., & Elat, T. P. (2014). Bauran Pemasaran Jasa Terhadap Kepuasan Konsumen Di Hello Tours and Travel Manado. *Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 2(3), 399–410.
- Widyawati, N. (2017). Pengaruh Kepercayaan Dan Komitmen Serta Bauran Pemasaran Jasa Terhadap Loyalitas Konsumen Di Hotel Zakiah Medan. *EKUITAS (Jurnal Ekonomi Dan Keuangan)*, 12(1), 74. <https://doi.org/10.24034/j25485024.y2008.v12.il.2063>