

The Role of Customer Experience and Relationship Quality in Shaping Purchase Intent, Loyalty, and Participation of IQOS Indonesia Consumers

Muhammad Arieq Haydar¹, Erlita Ridanasti²

^{1,2}Manajemen, Fakultas Bisnis dan Ekonomika, Universitas Islam Indonesia, Indonesia

Email: 21311101@students.uii.ac.id¹, 153111309@uii.ac.id²

Keywords:

customer experience, relationship quality, purchase intention, loyalty intention, participation intention, IQOS.

Abstract

The development of alternative tobacco products, specifically heat-not-burn tobacco products (HNBTs), is driving changes in consumer behavior, particularly in the context of customer experience and long-term brand relationships, amidst limited promotional regulations in Indonesia. This study aims to analyze the influence of customer experience on relationship quality, as well as the influence of relationship quality on purchase intention, loyalty intention, and consumer participation intention for IQOS in Indonesia. This study uses a quantitative approach with a survey method of 230 respondents who have tried or used IQOS, with data analysis using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The research results indicate that customer experience has a positive and significant impact on relationship quality, and relationship quality has a positive and significant impact on purchase intention, loyalty intention, and participation intention. This finding confirms that a positive customer experience plays a crucial role in building the quality of relationships that drive sustainable consumer behavior.

INTRODUCTION

The global tobacco industry is undergoing a transformation, as public awareness of the health impacts of conventional cigarettes increases. This change has prompted tobacco companies to develop alternative products that are claimed to have lower risks, one of which is heat-not-burn tobacco products (HNBT). In several developed countries, particularly Japan, the adoption of HNBT products has shown significant growth in response to declining conventional cigarette consumption and increasingly strict health regulations (Philip Morris International [PMI], 2021).

Indonesia is one of the world's largest tobacco markets with more than 65 million active smokers and the continued dominance of kretek cigarette consumption. However, in recent years there has been a shift in consumption behavior in certain segments, particularly among urban communities, millennials, and young professionals, who are beginning to switch from conventional cigarettes to alternative tobacco products such as e-cigarettes and HNBT. This shift is not only influenced by health factors, but also by changes in lifestyle, consumption experience preferences, and the search for nicotine alternatives that are considered more modern (Euromonitor International, 2022).

Conventional cigarettes have long been known to produce more than 7,000 harmful chemicals as a result of the combustion process, with about 70 substances being carcinogenic. The emergence of e-cigarettes such as vapes was initially perceived as a cleaner and more modern alternative. However, a number of users reported dissatisfaction with overly sweet flavors, unstable nicotine doses, and potential health risks from the chemicals in vape liquids. This situation has led to the emergence of HNBT products as an innovation that combines the characteristics of conventional cigarettes and e-cigarettes (World Health Organization [WHO], 2021).

HNBT products use real tobacco sticks that are heated without combustion, producing nicotine aerosol with lower emissions of harmful substances than conventional cigarettes. Studies conducted by PMI (2020) and Polosa et al. (2021) show that HNBT products have the potential to reduce exposure to harmful substances by 90–95% compared to conventional cigarettes. These findings have shaped the perception that HNBT is a more natural and relatively safer alternative to nicotine, thereby increasing interest in its adoption among adult smokers.

In the tobacco industry, which is subject to strict promotion regulations, companies have limitations in conducting conventional marketing communications. Therefore, customer experience has become the main strategy in shaping consumer perceptions and brand loyalty. Customer experience encompasses all consumer interactions with a brand throughout the consumption journey and involves sensory, emotional, and relational aspects (Becker & Jaakkola, 2020). Customer experience is not limited to device usage, but also includes interactions with brand ambassadors, exclusive store designs, digital experiences, and personalized services. Consistently designed and meaningful experiences have been proven to shape positive perceptions and emotional attachment of consumers to the brand (Lemon & Verhoef, 2016).

Positive customer experiences play an important role in building relationship quality, which reflects the strength of long-term relationships between companies and consumers. Relationship quality generally consists of the dimensions of trust, satisfaction, and commitment (Hennig-Thurau et al., 2002; Fernandes & Pinto, 2019). Trust is the emotional foundation that creates a sense of security in long-term relationships, while satisfaction reflects a positive evaluation of experiences that meet or exceed consumer expectations (Damberg et al., 2022). High relationship quality has been shown to encourage consumer loyalty and repurchase intent (Santouridis & Veraki, 2017).

In addition to purchase intent and loyalty, consumer engagement and participation are also important indicators of the success of experience-based marketing strategies. Consumers who have strong emotional experiences tend to exhibit participation behavior, such as involvement in brand communities, positive recommendations (word of mouth), and participation in brand activities

(Rather, 2020). Factors such as satisfaction, trust, and emotional attachment play a significant role in encouraging such participation (Marbach et al., 2016).

Although much research has been conducted on customer experience and relationship quality, most studies still focus on the context of digital services or utilitarian products, such as food delivery applications, which emphasize ease and efficiency of transactions (Furinto et al., 2022). This context differs significantly from HNBT products, which are high-involvement, involving sensory experiences, perceptions of health risks, and personal interactions based on education and trust. In addition, previous studies generally examined variables partially and did not integrate customer experience and relationship quality into a comprehensive model to explain purchase intent, loyalty, and consumer participation.

Specifically, research examining HNBT products like IQOS in Indonesia remains very limited. Most previous studies discuss e-cigarettes in general without considering the unique characteristics of tobacco heating products and the social and cultural context of Indonesia (Kusumah & Wijayanti, 2020). Therefore, there is a significant research gap in understanding how customer experience and relationship quality simultaneously influence the purchase intention, loyalty intention, and participation intention of IQOS consumers in Indonesia.

METHODS

The research method used was quantitative (Sekaran, 2016). The object of this study was IQOS HNBT products. The population in this study was IQOS customers. The sample used in this study was 230 respondents who had tried or used IQOS. The sampling technique used was purposive sampling (Sekaran, 2016). Data analysis in this study used Partial Least Squares, abbreviated as PLS, which is a type of SEM analysis that serves as a predictor analysis rather than a model test (Ghozali, 2021).

RESULTS AND DISCUSSION

RESULT

The validity test in this study was determined by convergent validity (outer model) with a factor loading value of >0.70 , and the reliability test was measured with a composite reliability value of >0.6 and a Cronbach's alpha of >0.7 (Hair et al., 2019). The AVE value was above the minimum of 0.50, which means that each construct had sufficient convergent validity. The results of the validity and reliability tests can be seen in the table below.

Table 1 validity and reliability test results

Constructs	Factor loading	AVE	Cronbach Alpha	Composite reliability
CX		0.659	0,943	0,951
SEN1	0,771			
SEN2	0,834			
FEL1	0,825			
FEL2	0,806			
THK1	0,826			
THK2	0,796			
ACT1	0,812			
ACT2	0,795			
REL1	0,827			
REL2	0,827			
RQ		0.675	0,956	0,961
SAT1	0,848			
SAT2	0,816			
SAT3	0,821			
SAT4	0,806			
SAT5	0,788			
SAT6	0,834			
TRU1	0,794			
TRU2	0,821			
TRU3	0,831			
TRU4	0,844			
TRU5	0,847			
TRU6	0,806			
INP		0,732	0,879	0,916
INP1	0,869			
INP2	0,866			
INP3	0,833			
INP4	0,852			
LYL		0,728	0,875	0,914
LYL1	0,829			
LYL2	0,865			
LYL3	0,844			
LYL4	0,873			
INT		0,705	0,896	0,923
INT1	0,863			
INT2	0,858			
INT3	0,811			
INT4	0,842			
INT5	0,821			

Based on Table 1 above, the factor loadings are greater than 0.7. In PLS, validity and reliability are tested using the Cronbach Alpha method, composite reliability, and AVE. Based on

the table above, all items meet the specified criteria. Therefore, it can be concluded that this model meets the validity and reliability requirements.

DISCUSSION

Figure 1. Path Coefficient Test Results

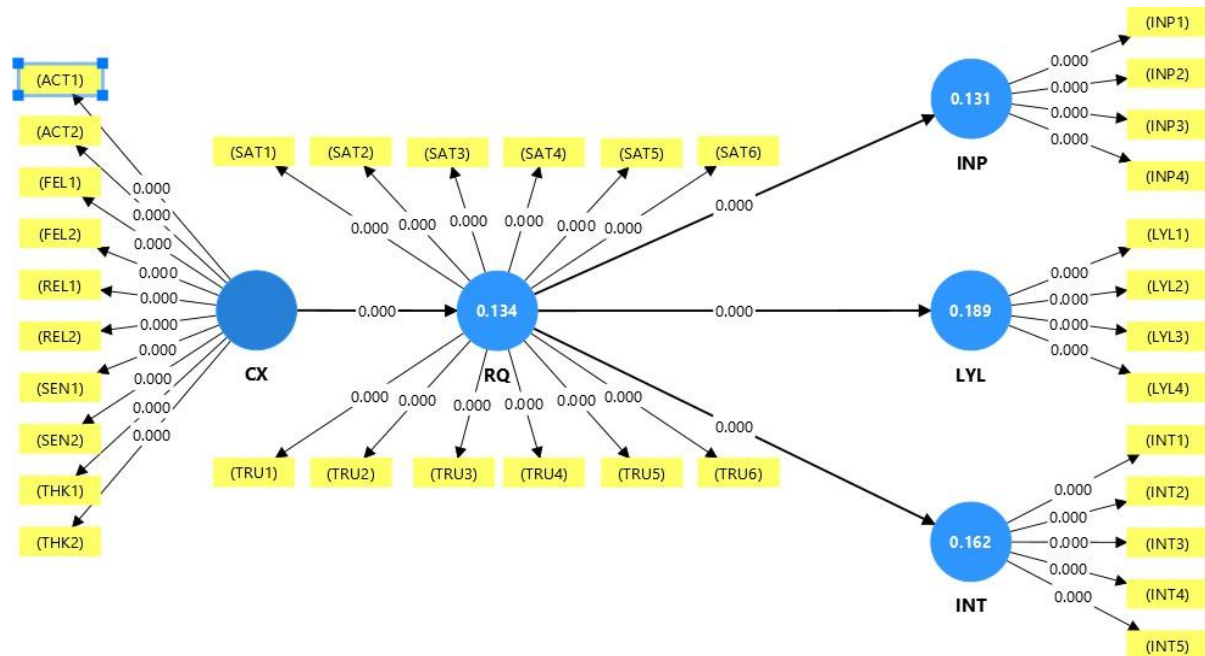


Table 3 Direct Hypothesis Testing

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Description
CX -> RQ	0,366	0,368	0,084	4,341	0,000	Accepted
RQ -> INP	0,362	0,364	0,080	4,544	0,000	Accepted
RQ -> INT	0,403	0,405	0,075	5,369	0,000	Accepted
RQ -> LYL	0,435	0,436	0,073	5,914	0,000	Accepted

The Influence of Customer Experience on Relationship Quality

The results of the study show that customer experience has a positive and significant effect on relationship quality. These results support previous research (Becker and Jaakkola, 2020). A well-designed customer experience can form a stronger relationship between consumers and the IQOS brand. In the context of HNBT products, which are high-involvement and subject to strict promotional regulations, direct experiences through personal interactions, product education, and consultative services are the primary means of building customer trust and satisfaction. Positive and consistent customer experiences at every point of contact can increase consumer trust and emotional commitment to the brand. Thus, the results of this study reinforce the argument that customer experience is a key determinant in the formation of relationship quality (Wibowo et al. 2021) (Fransisca and Edastama, 2024).

The Effect of Relationship Quality on Purchase Intentions

The results of the study indicate that relationship quality has a positive and significant effect on IQOS consumers' purchase intentions. These findings are in line with the studies by (Wibowo et al. 2021) and (Safitri 2023), which state that trust and satisfaction formed through continuous interaction with a brand have a significant influence on purchasing decisions. Relationships based on trust and satisfaction act as psychological mechanisms that encourage consumers to form positive attitudes toward products, thereby increasing their tendency to make purchases. Pleasant interactions with a brand increase purchase intention as a form of consumer relational commitment (Gutierrez et al. 2023). Thus, the results of this study confirm that relationship quality acts as an important link between customer experience and purchase intention, especially in industries that demand a high level of trust, such as HNBT products.

The Influence of Relationship Quality on Loyalty Intention

The results of the study indicate that relationship quality has a positive and significant effect on consumer loyalty intention. This finding is in line with research by (Wibowo et al. 2021) and (Harumi and Rostiani, 2021), which states that relationship quality is the main foundation of customer loyalty. Trust, satisfaction, and commitment built through continuous interaction encourage consumers to maintain long-term relationships with the IQOS brand. High relationship quality increases customer commitment to remain loyal even when alternatives exist (Rusnaini et al. 2024). In the context of IQOS, relationships built through personalized service and positive experiences play an important role in strengthening consumers' emotional bonds, thereby reducing the tendency to switch brands.

The Influence of Relationship Quality on Participation Intent

The results show that relationship quality has a positive and significant effect on consumer participation intent. This finding is in line with the research by Arofah et al. (2024) and Elsharnouby (2015), which states that trust, satisfaction, and commitment encourage consumer involvement in value co-creation and participatory activities. This indicates that consumers with high relationship quality do not only act as passive users but are also willing to actively engage in various brand activities, such as sharing experiences, providing feedback, joining communities, and recommending products to others. Relationship quality creates a sense of belonging and emotional closeness, so that consumer participation is no longer merely voluntary, but becomes part of a long-term relational commitment (Arofah et al. 2024). In the context of IQOS, these results confirm that relationship quality plays a strategic role in encouraging consumer engagement as part of the brand community.

CONCLUSION

The results of the study show that customer experience has a positive and significant effect on relationship quality among IQOS consumers. Positive customer experiences can increase trust and satisfaction, thereby forming a strong relationship between consumers and the brand. Furthermore, relationship quality has been proven to have a positive and significant effect on consumers' purchase intent, loyalty intent, and participation intent. High relationship quality encourages consumers to make purchases, maintain loyalty, and actively participate in various activities that support brand sustainability. Overall, this study confirms that managing customer experience and good relationship quality are strategic factors in shaping consumer behavior and strengthening long-term relationships between consumers and brands.

REFERENCE

- Elsharnouby, T. H. (2015). Customer participation in online co-creation experience: the role of e-service quality. *Journal of Research in Interactive Marketing*.
- Fernandes, T., & Pinto, T. (2019). Relationship quality determinants and outcomes in retail banking services: The role of customer experience. *Journal of Retailing and Consumer Services*, 50(May 2018), 30–41. <https://doi.org/10.1016/j.jretconser.2019.01.018>
- Fransisca, B., & Edastama, P. (2024). Pengaruh Aktivitas Pemasaran Media Sosial, Pengalaman Pelanggan Dan Kualitas Konten Terhadap Kualitas Hubungan Pada Aplikasi Social Commerce. *Journal of Social Science Research*, 4, 10916–10933.
- Furinto, A., Tamara, D., Lie Hwa, E., Kriswandi, E. E., & Ali, H. (2022). The Role of Digital Customer Experience and Relationship Quality in Customer Loyalty in Food. *Jalan Hang Lekir I*, 6, 4417–4428.
- Ghozali, imam. (2021). *Partial Least Squares Konsep, Teknik, dan Aplikasi Menggunakan Program SmartPLS 3.2.9 untuk Penelitian Empiris (3rd ed.)*. universitas diponegoro.
- Gutierrez, A., Punjaisri, K., Desai, B., Faridah, S., Alwi, S., Leary, S. O., Chaiyasoonthorn, W., & Chaveesuk, S. (2023). don't ignore me on social media! The importance of consumer-brand interactions in raising purchase intention - Privacy the Achilles heel. *Journal of Retailing and Consumer Services Retailers*, 72(October 2022).
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Harumi, A. D., & Rostiani, R. (2021). Effect of relationship quality on loyalty : the moderating role of personality traits among young fashion retail customer in Indonesia. *Journal of Management and Business*, 20(1), 42–56.
- Hennig-thurau, T., Gwinner, K. P., & Gremler, D. D. (2002). Understanding Relationship Marketing Outcomes: An Integration of Relational Benefits and Relationship Quality. *Journal of Service Research*. <https://doi.org/10.1177/1094670502004003006>
- Khan, I., Garg, R. J., & Rahman, Z. (2015). Customer Service Experience in Hotel Operations: An Empirical Analysis. *Procedia - Social and Behavioral Sciences*, 189, 266–274. <https://doi.org/10.1016/j.sbspro.2015.03.222>

- Kusumah, W. J., & Wijayanti, R. (2020). The Effect of the 4p's Of Electronic Cigarettes Towards Customer Satisfaction and Customer Loyalty in Indonesia. *Ojs.Iuli.Ac.Id*, January.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6), 69–96. <https://doi.org/10.1509/jm.15.0420>
- Marbach, J., Lages, C. R., & Nunan, D. (2016). Who are you and what do you value? Investigating the role of personality traits and customer-perceived value in online customer engagement. *Journal of Marketing Management*, 32(5–6), 502–525. <https://doi.org/10.1080/0267257X.2015.1128472>
- Rather, R. A. (2020). Customer experience and engagement in tourism destinations: the experiential marketing perspective. *Journal of Travel and Tourism Marketing*, 37(1), 15–32. <https://doi.org/10.1080/10548408.2019.1686101>
- Rusnaini, S., Jessika, S., Pratiwi, W., & Marlina, E. (2024). The Customer Experience Revolution : Building Brand Loyalty in the Age of Digital Disruption. *Enigma on Economics*, 69–80.
- Safitri, N. (2023). Pengaruh Information Quality , Customer Experience, Dan Relationship Quality Terhadap 2(9)
- Sekaran, U. dan R. B. (2016). *Research Methods For Business A skill-Building Approach 7th Edition* (7th Editio). John Wiley & Sons,.
- Wibowo, A., Chen, S. C., Wiangin, U., Ma, Y., & Ruangkanjanases, A. (2021). Customer behavior as an outcome of social media marketing: The role of social media marketing activity and customer experience. *Sustainability (Switzerland)*, 13(1), 1–18. <https://doi.org/10.3390/su13010189>