

Analysis of Product Quality, Price and Service Quality on Customer Repurchase Intention at Marboba Outlet

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Research aim : The purpose of this study is to examine and analyze the effect of product quality, price, and service quality partially and simultaneously on customer repurchase intention at Marboba Outlet.

Design/Method/Approach : This study uses a quantitative approach and the technique used is causal associative. The population for this study were all customers who had purchased marboba products and the sample used in the study were 40 respondents who had repurchased and were analyzed using multiple linear regression methods.

Research Finding : The results of this study are product quality, price, and service quality partially and simultaneously influence customer repurchase intention at Marboba Outlet.

Theoretical contribution/Originality : -

Practitionel/Policy implication : -

Research limitation : The limitation of this research is the lack of time in sampling because it has entered the rainy season.

Keywords : Product Quality, Price, Service Quality, Repurchase Intention

1. Introduction

One of the growing food and beverage businesses in Indonesia is the culinary business. Culinary business is a business engaged in the field of food and beverages. Despite the current Covid-19 pandemic, investment growth in the food and beverage industry has remained strong during the Covid-19 pandemic. Ministry of Industry (Kemenperin), the food and beverage industry makes a significant contribution to the export value of the manufacturing sector of USD 13.73 billion in 2020 [1].

The food and beverage industry is estimated to grow by 1.5 percent in 2020. Despite continuing to perform well, growth in the food and beverage industry in 2020 will still be lower than in 2019 and in previous years.

Sumber: DataIndustri Research, diolah dari Badan Pusat Statistik (BPS) dan Bank Indonesia (BI)
PDB Atas Dasar Harga Konstan 2010



Source: [2].

Figure 1. Growth of the Food and Beverage Industry Sector in 2010-2020

The culinary industry develops because of the needs of the community. Apart from the aspect of needs, the lifestyle of people who do a lot of activities outside the home also influences the growth of the food industry. Employees who work late, for example, are more likely to order food out than eat at home. Advances in technology and the internet make it easier for consumers to order food using online applications, which supports this trend. There is also social media which is often used to publicize all activities, especially in the Nganjuk Regency area.

Not only the desired taste, but also the uniqueness of a product that can make it attractive enough to cause a desire to try something new, which leads to a purchase decision. We find lots of outlets or cafes that sell drinks and function as a gathering place, especially among the younger generation Y (Millennials). These outlets usually sell coffee, tea and other drinks [3].

Every consumer has unique characteristics and values in everyday life. This can be seen in their buying behavior related to each product offered. In one case, someone is very enthusiastic about a particular product, but there is also not. One such situation occurs because everyone has a unique set of circumstances when they make a repurchase intention decision. Product quality planning can be done with the aim of influencing consumers in determining their choice to use company-made products to make it easier for consumers to make repurchase interest decisions. Understanding of recognizing the quality that customers feel can be used for repurchasing decisions on these products [4].

Repurchase interest is the desire to do something based on previous purchases [4]. Purchase intention can be used as a measure of a customer's ability to buy a product, because the higher the interest in repurchasing, the higher the customer's willingness to obtain a product [5], therefore repurchasing interest is inseparable from product quality factors, price and quality of service.

One of the factors that consumers consider in making repurchase intentions is the product quality factor. Product quality is the overall component that combines the types of products from marketing, engineering (planning), manufacturing (products) and maintenance that make the products used meet customer desires [6]. Companies must consider selecting the best raw materials, because by improving product quality it can increase the company's popularity and good reputation in the eyes of customers. In one study, it was shown that there was an effect on product quality on repurchase intention [7].

The next factor that has to do with repurchasing interest is price. Price has an important role for a consumer to something he consumes. If the price offered by the company is relatively cheap and can be reached by consumers, then customers will find it easier to fulfill

their needs and have their own satisfaction using the product. In the current intense business competition, especially in companies that produce boba drink products, the perception of price is very important. In one study it was shown that price has a positive and significant effect on repurchasing interest [8].

The next factor that is the reason customers make repeat purchases is service quality. Customers will make repeat purchases if the service provided is good. Service quality can be identified by comparing customer perceptions of services that are realistically received or obtained with services that are actually expected or desired for the service attributes of a company. If the service received or perceived is as expected, then the quality of service is perceived as good and satisfying and if what is received exceeds customer expectations, then the quality of service is perceived as very good and of high quality. Conversely, if the service received is lower than expected, then the service quality is perceived as bad. Service quality is a measure of the level of service provided through meeting customer needs and desires and the provision of delivery to offset customer expectations.

There are still many services at Marboba that are not in line with customer expectations, while from the observations it can be seen that customers complain about the long queues and manufacturing time. A study shows that there is a significant influence between service quality and repurchase intention [9].

The Marboba Outlet which stands for "Mari Boba Bareng" is one of the outlets selling packaged drinks located on Jalan Gondang Rejoso, Gondang District, Nganjuk Regency, established since 2018, in the development of selling its products, Marboba outlets have experienced fluctuations in the number of customers who come to make purchases, so that Marboba Outlet sales have increased and sales turnover decreased. This can be seen from the data on the number of customers for 2021, as follows:

Table 1. Data on the Number of Customers at Marboba Outlet for the Period January - December 2021

Month	Target Customers	Number of Customers	Percentage
January	500	450	90%
February	500	356	71%
March	500	432	86%
April	500	420	84%
May	500	398	80%
June	500	440	88%
July	500	480	96%
August	500	425	85%
September	500	443	89%
October	500	398	80%
November	500	490	98%
December	500	472	94%

Source: Data Marboba, 2022

1.1. Statement of Problem

Sales of Marboba Outlet products have fluctuated, it can be seen in February where it experienced a decline which was very far from the target set, namely with a total of 356

customers while the target to be achieved was 500 customers. This shows that the policies made by the company in the form of minimizing raw materials that can affect the quality of the products produced, online purchase prices and direct purchases are quite expensive and queues and services that are less than optimal make customers think about making repurchase decisions.

1.2. Research Objectives

The purpose of this research is to examine and analyze the effect of product quality, price, and service quality partially and simultaneously on repurchase intention at Marboba Outlet.

2. Method

Quantitative is the research approach used, and causality is the technique. Marboba, which is located at Gondang Rejoso Street, Gondang District, Nganjuk Regency, is the place of his research. Accidental sampling is a sampling technique and a total of 40 respondents. Multiple linear regression is the data analysis technique. The dependent variable in this study is repurchase intention (Y). The independent variables in this study are product quality (X1), price (X2) and service quality (X3).

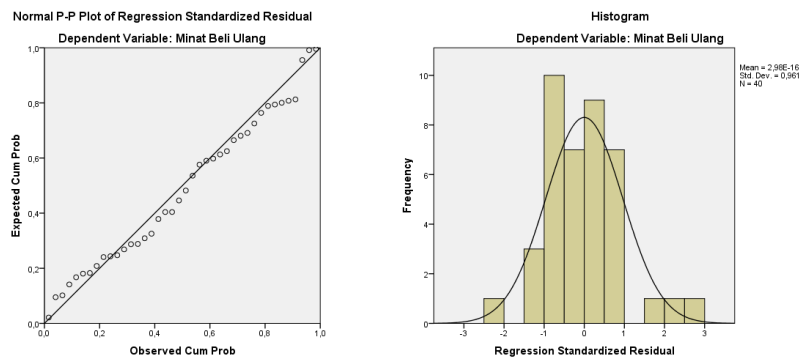
3. Results and Discussion

The analysis technique used is multiple linear analysis, aiming to obtain a comprehensive picture of the independent variables namely product quality, price, service quality to the dependent variable namely repurchase intention using the IBM SPSS for windows version 23 program. So to fulfill the requirements specified in the model Multiple linear regression needs to be tested on the classical assumptions which are then followed by multiple linear regression and the coefficient of determination as follows:

3.1 Classical Assumption Testing

The analytical tool used is multiple linear regression analysis and the research data used is primary data. To meet the requirements specified in the use of multiple linear regression models, it is necessary to test several classical assumptions.

Used to test the dependent variable and independent variable or both have a normal distribution or not. Proof whether the data has a normal distribution or not can be seen in the shape of the data distribution, namely the histogram and normal probability plot. In the histogram, the data is said to have a normal distribution if the data is shaped like a bell. Whereas in the normal probability plot, the data is said to be normal if there is a spread of dots around the diagonal line and the spread follows the direction of the diagonal line.



Source: Primary data processed, 2022

Figure 2. Normality Test Results

Based on Figure 2 the results of the normality test can be seen that the data analyzed has been normally distributed. The results of the histogram image show variable data shaped like a bell. Meanwhile, the normal probability plot results show that the points or data spread around the diagonal line and follow the direction of the diagonal line, so that this regression model meets the assumption of normality.

Multicollinearity test aims to test whether the regression model found a correlation between the independent (independent) variables. A good regression model should not have a correlation between the independent variables. The method used to detect the presence of multicollinearity is to use VIF (variance inflation factor) values. The multicollinearity test results of the correlation matrix between independent variables, tolerance values and VIF, are shown in table 2.

Table 2. Multicollinearity Test

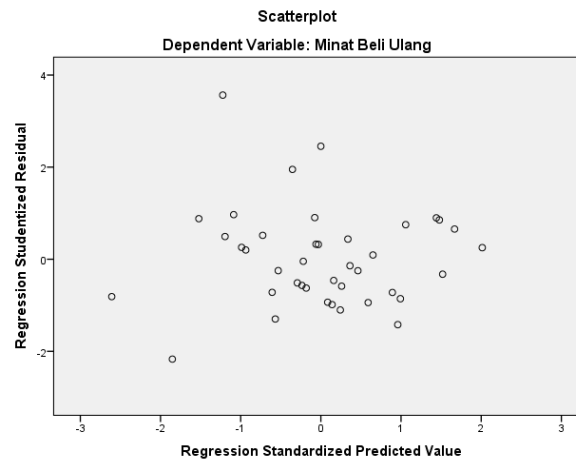
Coefficients ^a		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product quality	,954	1,048
	Price	,931	1,075
	Service quality	,966	1,035

Source: Primary data processed, 2022

Based on table 2 it is known that the VIF value of each variable is the product quality variable of 1.048, the price variable is 1.075 and the service quality variable is 1.035. It can be seen from the three variable values that have a VIF value less than 10 and with a tolerance value greater than 0.10, thus in this regression model there is no multicollinearity between the independent variables.

The purpose of the heteroscedasticity test for this test is to find out whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the variance from the residual of one observation to another observation remains, it is called homoscedasticity, but if it is different, it is called heteroscedasticity. A good

regression model is homoscedasticity and there is no heteroscedasticity. The results of the heteroscedasticity test using the scatterplots graph can be seen in Figure 3.



Source: Primary data processed, 2022

Figure 3. Heteroscedasticity Test Results

In Figure 3, the scatterplots graph shows that the points spread randomly and do not show a particular pattern, spread both above and below 0 on the Y axis. So it is known that the regression model does not have heteroscedasticity.

3.2 Multiple Linear Regression Analysis

The results of multiple linear regression analysis can be seen in table 3:

Table 3. Multiple Linear Regression Analysis

Model		Coefficient ^a		T	Sig.
		Unstandardized Coefficients	Standardized Coefficients		
	B	Std. Error	Beta		
1	(Constant)	3,003	3,464	,867	,392
	Product quality	,282	,072	,445	,000
	Price	,206	,060	,394	,002
	Service quality	,105	,044	,268	,023

Source: Primary data processed, 2022

Based on table 3, the multiple linear regression equation is obtained as follows:

$$Y = 3,003 + 0,282 X1 + 0,206 X2 + 0,105 X3 + e$$

The regression equation above has the meaning: Constant = 3.003. This value indicates that if the product quality (X1), price (X2) and service quality (X3) variables are 0, then the value of repurchase intention (Y) is 3.003.

Coefficient X1 = 0.282. X1 variable product quality has a positive influence on Y (repurchase intention) with a regression coefficient of 0.282 units meaning that if there is an

increase in the X1 variable (product quality) by 1 unit, then Y (repurchase intention) will increase by 0.282 units assuming the price variable and fixed or constant service quality.

Coefficient X2 = 0.206. The variable X2 price has a positive influence on Y (repurchase intention) with a regression coefficient of 0.206 units, meaning that if there is an increase in the X2 variable (price) by 1 unit, then Y (repurchase intention) will increase by 0.206 assuming the variable product quality and quality regular or constant service.

Coefficient X3 = 0.105. Variable X3 service quality has a positive influence on Y (repurchase intention) with a regression coefficient of 0.105 meaning that if there is an increase in the X3 variable (service quality) by 1 unit, then Y (repurchase intention) will increase by 0.105 units assuming the product quality variable and fixed or constant prices.

The variable that has the most dominant effect. Based on the results of multiple linear regression analysis, it can be concluded that the variable that has the most dominant effect is the product quality variable which has the largest B (beta) coefficient value of 0.282.

3.3 Test the Coefficient of Determination (Adjusted R²)

The coefficient of determination (adjusted R²) is intended to determine how far the model's ability to explain the variation of the dependent variable. Determination analysis is used to determine the percentage contribution of the independent variable simultaneously on the dependent variable.

This coefficient shows how much the percentage of variation of the independent variables used in the model is able to explain the dependent variable. Adjusted R² = 0, so the variation of the independent variable used in the method does not explain the slightest variation in the dependent variable. Conversely, if Adjusted R² = 1, then the variation of the independent variable is used in the model to explain 100% of the variation in the dependent variable.

The following table 4 shows the results of the coefficient of determination of the three independent variables product quality, price and service quality.

Tabel 4. Test of Adjusted R²

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,745 ^a	,556	,518	1,872

a. Predictors: (Constant), product quality, price and service quality.

b. Dependent variable: repurchase intention

Source: Primary data processed, 2022

Based on table 4, it can be seen that the adjusted R² value is 0.518. This shows that the independent variables of product quality, price, and service quality are able to explain the dependent variable (repurchase intention) of 51.8% and the remaining 48.2% is explained by other variables not examined in this study.

3.4 Hypothesis Testing

Testing the hypothesis in this study using the t-test and F-test, as follows:

The partial test results use the t-test whose value is compared with a significance of 0.05 which can be seen in table 5.

Table 5. T-test (Partial Test)

Coefficients^a

Model		t	Sig.
1	(Constant)	,867	,392
	Product quality	3,910	,000
	Price	3,420	,002
	Service quality	2,374	,023

Source: Primary data processed, 2022

Table 5 shows the results of the t-test, it is obtained that the significance value of the product quality variable is 0.000, which is less than 0.05, then H0 is rejected and Ha is accepted. This means that the product quality variable partially has a significant effect on repurchase intention.

Based on the calculation results in table 5, the significance value of the price variable is 0.002, which is less than 0.05, then H0 is rejected and Ha is accepted. That is, the price variable partially has a significant effect on repurchase intention.

Based on the calculation results in table 5, the significance value of the service quality variable is 0.023, which is less than 0.05, then H0 is rejected and Ha is accepted. This means that the service quality variable partially has a significant effect on repurchase intention.

1) F-test (Simultaneous Test)

The F-test is used to test how the independent variables of product quality, price, and service quality simultaneously (together) affect the dependent variable, namely repurchase intention. The F-test can be searched by comparing the results of the probability value. The following are the results of simultaneous testing using the F-test whose value will be compared with a significance of 0.05 which can be seen in table 6.

Table 6. F-test (Simultaneous Test)

ANOVA^a

Model		F	Sig.
1	Regression	14,998	,000 ^b
	Residual		
	Total		

Source: Primary data processed, 2022

Based on the results of the F-test in table 6, a significance value of 0.000 is obtained, which is less than 0.05, then the hypothesis H0 is rejected and Ha is accepted. That is, the variables of product quality, price and service quality simultaneously have a significant effect on the variable of repurchase intention.

4. Conclusion

Product quality has a positive and significant effect on repurchase intention as evidenced by a significance value of 0.000 < 0.05. That is, the better the quality of the existing products at Marboba, the more interest in repurchasing will also increase. Price has a

positive and significant effect on repurchase intention as evidenced by a significance value of $0.002 < 0.05$. This means that the better the price offered by Marboba, the higher the interest in repurchasing Marboba's customers. Service quality has a positive and significant effect on repurchase intention as evidenced by a significance value of $0.023 < 0.05$. Means that, the better the quality of service provided to customers, it can increase repurchase intention in Marboba's products. Product quality, price, and service quality simultaneously have a positive and significant effect on repurchase intention. In addition, the coefficient of determination Adjusted R² is 51.8%, indicating that repurchase intention can be influenced by the three independent variables of product quality, price and service quality in this study and the remaining 48.2% is influenced by other factors not examined in this study.

Marboba should pay attention to the service quality factor which has the lowest regression value, namely 0.023, it is hoped that service friendliness in sales or personal selling is expected to be able to make customers repurchasing at Marboba that aim to increase turnover and profits.

The results of this study can be used as a bridge to conduct further research, especially in the same field of study. Future research needs to expand research variables so as to produce better research. This is proposed because it has been proven that the variables of product quality, price and service quality have an effect of only 51.8% on repurchase intention, so that other factors such as location, product design, etc. also need to be studied because they can involve repurchase intention.

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