THE EFFECT OF PRICE PERCEPTION, PRODUCT QUALITY, AND SERVICE QUALITY ON REPURCHASE INTENTION

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ABSTRACT: The purpose of this study was to determine the effect of perceived price, product quality and service quality on repurchase intention of Kober Mie Setan products in Denpasar City. This research was conducted on customers who usually buy Kober Mie Setan products who live in Denpasar City. The sample size used was 210 respondents, with non-probability sampling methods, especially purposive sampling. Data collection was carried out through distributing questionnaires which were distributed to respondents who live in Denpasar City. The data analysis technique used is multiple linear regression. Based on the results of the research conducted, it was found that (1) perceived price has a significant positive effect on repurchase intention with a regression coefficient value of 0.132 and a significant value of 0.015 (2) product quality has a significant positive effect on repurchase intention with a regression coefficient value of 0.223, and a significant value of 0.000 and (3) service quality has a positive and significant effect on customer loyalty with a regression coefficient value of 0.308 and a significant value of 0.000. This study can be concluded that the perception of price, product quality, and good service quality greatly affect the repurchase intention of Kober Mie Setan in Denpasar City. We recommend that the management of the Kober Mie Setan company pay attention to price perceptions, product quality, and service quality felt by customers in order to maintain and increase repurchase intentions for their customers.

Keywords: price perception, product quality, service quality, repurchase intention

I. INTRODUCTION

Research on consumer behavior in shopping is very important, given that the growing growth and development of culinary businesses can affect how consumers behave in choosing culinary products, especially regarding consumer repurchase intention behavior. Companies are very important to determine the right product what consumers need because it will have a positive effect on customer repurchase intentions. Repurchase intention occurs when consumers re-purchase for the second or more times, where the reason for repurchasing is mainly driven by the customer's experience of products and services. Repurchase intention will certainly grow in consumers when consumers feel satisfaction and comfort with the products that consumers bought previously and want to reuse. Repurchase intention is part of consumer buying behavior where the match between the performance of the product or service offered by the company generates consumer interest to consume it again in the future (Wijaya, 2015). Repurchase intention is a post-purchase action caused by the satisfaction felt by consumers for products that have been purchased or consumed previously (Ain & Ratnasari, 2015). Repurchase intention is a consumer commitment that is formed after a consumer purchases a product or service.

In creating consumer repurchase intentions, this can be done by building a good price perception in the minds of consumers. Price is one of the determining factors in determining a purchase decision for a product or service. The suitability of the price and quality offered needs to be a concern for the creation of a good image (Beneke and Zimmerman, 2014). Price is an important factor in sales. Many companies go bankrupt because fixing prices do not match. The price set must be in accordance with the consumer's economy, so that consumers can buy the item, while for consumers, price is a consideration in making purchasing decisions because the price of a product affects consumer perceptions of the product (Situmeang, 2017). Achmad & Supriono's research (2017) suggests that the higher the positive perception value, the more likely it will increase the interest rate of recovery. Different research results were found in the research of Palma and Andjarwati (2016), in which the price had a negative effect on repurchase intention. Negative results were also found in research conducted by Denniswara (2016), in which the price did not have a significant effect on repurchase intention.

Apart from price perceptions, creating repurchase intentions can also be done by selling quality products. Ehsani (2015), states that product quality is the customer's perception of the overall quality or superiority of a product or service, in relation to its objectives, relative to alternatives. Research results from Ramadhan and Sentosa (2017) state that product quality does not have a significant effect on repurchase
intention. This result contradicts the research of Aryadhe and Rastini (2016) which states that product quality has a positive effect on repurchase intention. This is in line with the results of Yunus's (2014) research, that product quality has a significant effect on repurchase intention.

In addition to the perception of price and product quality, creating repurchase intentions can be done by building good service quality. In providing services to consumers, customers who experience dissatisfaction with the services they receive, tend to provide negative information to others about the services they receive (Siburian & Zainurosalamia, 2016). Negative information about the company will have an impact on the company's image so that customers switch to using its competitors' products which are considered better than previous product or service servants. Products with good service quality will be discussed by consumers to the people around them and they tend to use these products in the future (Pramana and Ratini, 2016). Research conducted by Rizqulloh and Elida (2015), as well as Aryadhe and Rastini (2016) whose results state that service quality has a positive and significant effect on repurchase intentions. However, Destanti (2010) found different results, it was stated that service quality had a positive and insignificant effect on re-purchase intentions.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Positive price perceptions that consumers have for a product can be realized when the results of the evaluation of price comparisons with other products or the same product with different price offers are in accordance with the desires and abilities of consumers. An increase in the level of positive price perceptions that consumers have for a product will increase consumption or repurchase intention (Liu & Tingko, 2016). This can be proven by the results of research conducted by Liu & Tingko (2016) which states that price perceptions affect a traveler's return visits to the same place.

According to Resti & Soesanto (2016), in marketing, price perception is an important factor in creating repurchase interest in services or products. Achmad & Supriono (2017) argued that the higher the positive perception value, the more likely it will increase the interest rate of recovery. H1: Price perception has a positive and significant effect on Repurchase Intention.

Product quality plays an important role in shaping consumer purchase intentions, but it is also closely related to creating profits for the company. Many previous studies have discussed the effect of product quality on repurchase intention. Diponugroho (2015) concluded that the variable product quality has an effect on repurchase intention. The same results were carried out by Aryadhe & Rastini (2016) which stated that product quality had a significant effect on repurchase intention. The results of this study are in accordance with Hilman Afriansyah Halim's (2018) research entitled "the influence of service quality and product quality on consumer attitudes and their implications for repurchase intention". Product quality is said to be of quality if the quality provided by the company can meet the wants, needs and expectations of these customers. If this can be fulfilled, customers who have previously had experience with the quality provided by the company will be encouraged to make repeat purchases at the same company.

H2: Product quality has a positive and significant effect on Repurchase Intention.

When a company succeeds in making its customers feel satisfied with the service quality that has been provided, then the good service quality will also encourage consumers to repurchase at that service. This is in line with research conducted by Raihana and Setiawan (2018) which shows that service quality has a significant positive effect on re-purchase intentions. Service is said to be of quality if the services provided are able to meet the needs and desires of consumers. If this is the case, quality service can encourage repurchase intentions. Service quality has a positive and significant effect on the intention of saving customers again from Kanzu and Soesanto (2016). If the service quality is good, consumers will feel satisfied and repurchase intention will increase. Sari et al. (2016) stated that the higher the service quality, the higher the intention to repurchase. The results of this study are in line with or the same as research conducted by Harfania (2018: 589) which states that service quality has a significant effect on repurchase intention.

H3: Service quality has a positive and significant effect on Repurchase Intentions

III. RESEARCH METHODS

This research was conducted in Denpasar City, where the city of Denpasar is the city center as well as the capital city of Bali Province with a very dense population and has high mobility and consumption levels. The population in this study were all residents of Denpasar City who had purchased infinite products from Kober Mie Setan.

The sample size in this study was determined using multivariate analysis. According to Sugiyono (2014: 130), if the research uses multivariate analysis, the number of sample members is at least 10 times the number of variables to be studied. The number of indicators used in this study are as follows: 21 indicators x 10 = 210 respondents

So, the respondents needed in this study were 210 respondents.
The analysis used in this research is multiple linear regression analysis (multiple regression). Multiple linear regression analysis is used to analyze the effect of the independent variables (Price Perception, Product Quality, and Service Quality) on the dependent variable, namely Repurchase Intention. The mathematical formula of multiple linear regression used in this study is:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \]

Information:
- \( Y \) = Repurchase Intention
- \( a \) = Constant
- \( b_1, b_2, b_3 \) = Regression Coefficient
- \( X_1 \) = Perceived Price
- \( X_2 \) = Product Quality
- \( X_3 \) = Service quality
- \( e \) = error disturbances

### IV. RESULTS AND DISCUSSION

**Multiple linear regression analysis**

Multiple linear regression analysis was used to determine the effect of perceived price (\( X_1 \)), product quality (\( X_2 \)), and service quality (\( X_3 \)) on repurchase intention (\( Y \)). The results of multiple linear regression analysis are shown in Table 1.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.862</td>
</tr>
<tr>
<td>Price Perception</td>
<td>.132</td>
<td>.054</td>
</tr>
<tr>
<td>Product Quality</td>
<td>.223</td>
<td>.031</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.308</td>
<td>.038</td>
</tr>
</tbody>
</table>

Primary Data, 2020

Based on the results in Table 1, the regression equation is as follows.

\[ Y = 0.862 + 0.132 X_1 + 0.223 X_2 + 0.308 X_3 \]

The multiple linear regression equation can be interpreted as follows.

1) The price perception regression coefficient (\( X_1 \)) of 0.132 indicates that each increase in the price perception variable (\( X_1 \)) assuming the other independent variables are constant, repurchase intention will increase by 0.132.

2) Product quality regression coefficient (\( X_2 \)) of 0.223 indicates that each increase in the product quality variable (\( X_2 \)) assuming the other independent variables are constant, repurchase intention will increase by 0.223.

3) The service quality regression coefficient (\( X_3 \)) of 0.308 indicates that each increase in the service quality variable (\( X_3 \)) assuming the other independent variables are constant, then the repurchase intention will increase by 0.308.

**F test (model feasibility test)**

The F test is used to test whether the independent variables jointly affect the dependent variable. A good condition for use as a regression model is if sig.\( t < 0.05 \). The results of the feasibility test of this research model are shown in Table 2.

<table>
<thead>
<tr>
<th>ANOVAa</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1138.095</td>
<td>3</td>
<td>379.365</td>
<td>148.079</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>489.324</td>
<td>191</td>
<td>2.562</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1627.419</td>
<td>194</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Primary Data, 2020

Table 2 shows the sig value .000 < .05 (sig < \( \alpha \)) which means that the independent variables, namely price perception (\( X_1 \)), product quality (\( X_2 \)), and service quality (\( X_3 \)) have a significant effect simultaneously or collectively on the dependent variable, namely repurchase intention (\( Y \)), so this research can be said to meet the feasibility test of this model or research model is suitable to be used as a regression model.
T test (partial test)
The effect of price perception on repurchase intention

Based on the results of multiple linear regression in Table 1, it is known that the value of the beta coefficient of the price perception variable is positive, namely 0.126 with a significant value for price perception, namely 0.015. Sig value. 0.015 <0.05 indicates that H1 is accepted.

Hypothesis testing on the effect of price perception on Kober Mie Setan repurchase intentions in Denpasar City shows that price perceptions have a positive and significant effect on Kober Mie Setan repurchase intentions in Denpasar City. This means that if the price perception is getting higher, the intention to repurchase Kober Mie Setan in Denpasar will increase and conversely the lower the price perception will be, the intention to repurchase Kober Mie Setan in Denpasar City will decrease. In this study, the respondent's highest assessment of the price perception variable is shown in the indicator which states that the price offered by Kober Mie Setan is in accordance with the people's purchasing power. This means that Kober Mie Setan has succeeded in building a good price perception in the minds of consumers. The results of this study are in accordance with previous research conducted by Liu and Tangko (2016), Resti and Soesanto (2016), and Achmad and Supriono (2017) who suggest that price perception has a positive and significant effect on repurchase intention.

The Effect of product quality on repurchase intention

Based on the results of multiple linear regression in Table 1, it is known that the value of the beta coefficient of the product quality variable is positive, namely 0.424 with a significant value for product quality, namely 0.000. Sig value. 0.000 <0.05 indicates that H1 is accepted.

Hypothesis testing on the effect of product quality on repurchase intention of Kober Mie Setan in Denpasar City shows that the quality of the product has a positive and significant effect on the repurchase intention of Kober Mie Setan in Denpasar, which means that if the product quality is higher, the intention to repurchase Kober Mie Setan in the City Denpasar is increasing and vice versa, the lower the quality of the product, the intention to repurchase Kober Mie Setan in Denpasar is decreasing.

Respondents' assessment of the quality of Kober Mie Setan products is in the good category. The indicator with the highest value is the taste of the products served by Kober Mie Setan, which is very delicious and in accordance with the wishes. The results of this study are in accordance with previous research conducted by Diponugroho (2015), Aryadhe and Rastini (2016), Afriansyah Halim (2018) which states that product quality has a positive and significant effect on repurchase intention.

The Effect of service quality on repurchase intention

Based on the results of multiple linear regressions in Table 1, it is known that the beta coefficient value of the service quality variable is positive, namely 0.416 with a significant value for service quality, namely 0.000. Sig value. 0.000 <0.05 indicates that H1 is accepted.

Hypothesis testing on the effect of service quality on repurchase intention of Kober Mie Setan in Denpasar City shows that service quality has a positive and significant effect on Kober Mie Setan repurchase intentions in Denpasar City, which means that if the service quality is higher then the intention to repurchase Kober Mie Setan in the City Denpasar is increasing and vice versa, the lower the quality of service, the intention to repurchase Kober Mie Setan in Denpasar is decreasing.

The highest assessment of respondents on the indicator of service quality variables was that the equipment and equipment prepared by Kober Mie Setan were very complete. This is in line with research conducted by Raihana and Setiawan (2018) which shows that service quality has a significant positive effect on re-purchase intentions. Service is said to be of quality if the services provided are able to meet the needs and desires of consumers. If this is the case, quality service can encourage repurchase intentions. The results of this study are in accordance with previous studies conducted by Kanzu and Soesanto (2016), Sari et al. (2016), and Harfania (2018) which state that service quality has a positive and significant effect on repurchase intention.

The coefficient of determination (R²)
The coefficient of determination (R Square) in essence measures how far the model's ability to explain the variation in the dependent variable. The coefficient of determination is 0 (zero) or 1 (one), the higher the coefficient of determination, the better the prediction of the variation in the dependent variable.

Table 3: Determination Coefficient Analysis (R²)

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.836</td>
<td>0.699</td>
<td>0.695</td>
<td>1.600595</td>
</tr>
</tbody>
</table>

Primary Data, 2020
Table 3 shows the magnitude of the influence of the independent variables on the dependent variable and is shown by the R Square value of 0.699 which means that 69.9 percent of the variation in repurchase intention is influenced by variations in price perceptions, product quality, service quality. The remaining 30.1 percent is explained by other variables outside the regression model.

V. CONCLUSION

This study shows that perceived price, product quality, and service quality have a positive and significant effect on repurchase intention. Thus, the results of this study provide empirical support and can be stated to strengthen the results of previous studies. Practically this research is expected to be used as input for the management of the Kober Mie Setan company, so that it can increase consumer repurchase intentions so that customers do not move to similar companies by increasing the perception of price, product quality and service quality so that customers have the intention to repurchase Kober Mie Setan in Denpasar City. For future researchers, it is hoped that they can conduct research with a wider scope, by adding other variables outside of this study so that they can enrich the information obtained.

Research Limitations

This research is only limited to examining the effect of perceived price, product quality, and service quality on repurchase intention at Kober Mie Setan in Denpasar City, and the results of this study cannot be generalized or cannot be used in other areas or in other products besides that. this is only limited to customers of Kober Mie Setan products in Denpasar City, in a relatively small scope.

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