The Influence of Service Quality, Product Quality, and Brand Image on Repurchase Intention of Rattan Products (Study on Bali Bagus Rotan)

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ABSTRACT: This research objective is to determine the effect of service quality, product quality, and brand image on consumer repurchase intention at Bali Bagus Rotan. This research was conducted with 100 respondents as sample who had bought Bali Bagus Rotan products at least twice in the last three years. Data collection was carried out by distributing questionnaires. The analysis technique used is multiple linear regression analysis. Based on the analysis, Service quality has a positive and significant effect on repurchase intention. This means that high service quality can increase consumer Repurchase Intention. Product quality has a positive and significant effect on repurchase intention. This means that the higher quality of product offered, the higher the consumer's repurchase intention of the product. Brand image has a positive and significant effect on repurchase intention. This means that the positive attitude of consumers towards a brand will attract consumers to repurchase the brand. Service quality, product quality, and brand image simultaneously influence repurchase intention.

Keywords - service quality, product quality, brand image, repurchase intention.

I. INTRODUCTION

The current population growth is quite rapid, resulting in the emergence of various types of Small and Medium Enterprises. The existence of these SMEs has attracted the attention of the world and one of them is Indonesia. SME has become the backbone of the Indonesian and ASEAN economies. Around 88.8 to 99.9 percent of businesses in ASEAN are SMEs, with employment reaching 51.7 to 97.2 percent. In 2014 to 2016 the number of SMEs in Indonesia reached more than 57,900,000 units and in 2017 the number of SMEs continued to grow to more than 59,000,000 units. SMEs in Indonesia are mostly focused on agriculture-based industries (Maksum et al., 2020)

There are various types of agro-industrial SME products in Indonesia, one of which is rattan handicrafts. Rattan is a typical tropical plant that grows a lot in Indonesia, this makes Indonesia one of the largest rattan producing countries in the world. Rattan has been seen as one of the trading commodities of non-forest products and adds to Indonesia's leading export revenue. Rattan exports in Indonesia in 2013 reached US $ 250 million to US $ 300 million, an increase of about 17 percent compared to 2012 which reached the range of US $ 200 million (Kumalasari, 2019). The increase in the export value of rattan products was due to the high demand in developed countries. The regions that are the target of exports of rattan finished goods from Indonesia are Australia, Asia, Europe, America and Africa. There are approximately seventeen countries that are the export destinations for rattan finished goods from Indonesia, which are spread across the five regions (Maulana & Suharno, 2016).

Sales of rattan products for the local market in Indonesia reached 30 percent in 2016. Several cities in Indonesia are centers of rattan handicrafts whose products are marketed domestically and abroad, namely Katingan, Jepara, Banjarmasin, Sukoharjo, Bali, and others. so. There are many villages of craftsmen of rattan-based products in Bali, one of them is in Mas Village, Ubud District, Gianyar Regency, which is known as Bali Bagus Rotan. Bali Bagus Rotan has produced various kinds of handicraft products that have been sold to various regions in Indonesia and abroad such as guest tables, dining tables, sketches, wall hangings, certificate bags, and so on. In 2016 to 2018 the five competitors of Bali Bagus Rotan experienced an increase in sales, but from 2019 to 2020 all of them experienced a decrease in sales. In 2016, Bali Bagus Rotan's sales amounted to IDR 760,000,000 which was superior to its competitors. In 2017, Bali Bagus Rotan sales reached IDR 856,000,000, which increased by IDR 96,000,000 from the previous year. During the period 2016 to 2018 all...
stores experienced an increase, but from 2019 to 2020 there was a decrease in sales. Bali Bagus Rotan experienced a sales decline of IDR 99,750,000 or around 12.8 percent decrease from 2018. The decline in sales was due to the Covid-19 pandemic that has hit worldwide. Despite the decline in sales, Bali Bagus Rotan remains ahead of its competitors.

This research focuses on examining consumers who come to shop directly at the Bali Bagus Rotan store or online. Bali Bagus Rotan produces unique products and is always up to date with current rattan product trends, such as rattan chairs, which are currently popular with local and foreign consumers. Rattan chairs produced by Bali Bagus Rotan have various designs that can be selected by consumers according to what they like. The large number of rattan craftsmen has resulted in increasingly fierce business competition so that Bali Bagus Rotan is required to be able to maintain the quality of its products, provide good service, and a brand image that must be maintained so that the products sold are always glanced at and purchased by consumers and later it can lead to repurchase intentions from consumers to increase sales.

Repurchase intention is consumer behavior in which consumers respond positively and intend to make a return visit or buy back a product (Wijaya et al., 2018). Companies must determine the right product in accordance with what consumers need, because this will have a positive effect on consumer repurchase intentions (Rita et al., 2019). Quoted from Hussain (2017), “repurchase intention shows the desire of customers to make repeat purchases. Repurchase intention is the tendency of consumer buying behavior for a product, goods, and services which is repeated within a certain period of time and is based on past experiences. When consumers have felt the value of a product through positive experiences that have been obtained before, they will feel happy and satisfied. This will make consumers intend to buy back because there is an emotional bond from the experience they get. There are several factors that influence consumer repurchase intentions, including service quality, product quality, and brand image”

Service is an action that can be provided by one party to another. Yu & Lee (2019) states that these consumer needs can be fulfilled in accordance with the expectations or desires of consumers with the level of consumer perception. The conformity between the quality of service that the consumer feels or receives is commensurate with what the consumer expects or wants, so in other words the quality of service can be perceived as satisfactory quality. If the quality of service received or felt by customers or consumers is not in accordance with the expectations or desires of consumers, then the quality can be said to be unsatisfactory or it can be called poor service quality (Dewi & Kusuma, 2019). According to Pakurár et al. (2019), service quality is all forms of service excellence provided by companies to consumers. Bali Bagus Rotan always provides fast and responsive service to consumers so that these consumers are satisfied and want to buy Bali Bagus Rotan products again. In addition to maintaining service quality, companies should maintain the quality of their products so that consumers feel more confident about choosing the products offered.

Product quality is the suitability of using the product to meet customer needs and satisfaction (Sitanggang et al., 2019). According to Razak et al. (2016) product quality is a complex form of satisfaction value. Product quality is the ability of a product or service to demonstrate its function, which includes overall durability, reliability, accuracy, ease of operation and product repair and other product attributes. Consumers will use their judgment in determining and making decisions, especially when buying quality products. If it is not suitable for them, they will reject the product. The quality of the products sold in Bali Bagus Rotan has a unique and varied shape so that consumers feel happy after shopping at Bali Bagus Rotan and want to buy again. In addition to product quality, creating consumer repurchase intentions can be done by building a positive brand image.

Brand image is a strong sub-variable within the company and is very important in purchasing decisions for consumers (Popovic et al., 2019). Brand image is the perception and belief in a set of brand associations that occur in the minds of consumers. Consumers tend to use the image as a reference before purchasing a product. According to Paramananda (2018), the main function of brand image is to answer questions about how consumers choose between alternative brands after taking information. It is very profitable to have a product that has a good brand image and therefore the company must continue to maintain and maintain its brand image continuously. Brand image represents associations that are activated in memory when thinking about a particular brand. Brand image recommendations that consumers have will help consumers in making purchase decisions. The suitability of the price and quality offered needs to be a concern for the creation of a good image (Ansari et al., 2019). Bali Bagus Rotan has a good brand image in the eyes of consumers so that consumers always have the intention to buy back Bali Bagus Rotan products.

Nguyen & Tran (2018), Saleem et al. (2017) show that service quality has a positive influence on repurchase intention. Ariffin et al. (2016) states that product quality has a positive and significant effect on repurchase intention. Wijaya & Astuti (2018) found that brand image has an effect on consumer repurchase intention. Soleha et al. (2017) concluded that the higher the level of brand image, the higher the consumer's repurchase intention. However, in previous research conducted by Palma & Andjarwati (2016) shown that the variable product quality had no effect on consumer repurchase intentions.
Interviews (pre-survey) conducted on 30 respondents who had already purchased Bali Bagus Rotan products in Bali indicated a phenomenon of “service quality, product quality, brand image, and repurchase intention” seen from the statement “Bali Bagus Rotan employees are able to help consumers and provide fast and responsive service.”, 22 respondents answered Bali Bagus Rotan employees were fast and responsive and 8 respondents answered no. 20 respondents agreed with the statement "Consumers are able to recognize Bali Bagus Rotan brand products compared to other products," and 10 respondents answered disagree. For the statement "Consumers always make Bali Bagus Rotan a priority for rattan products" 18 respondents answered Bali Bagus Rotan as a priority for rattan handicrafts while 12 respondents answered no.

II. HYPOTHESIS DEVELOPMENT

Quality is the degree to which a product meets its specifications (Stylidis et al., 2020). Service quality is a function of what the customer receives directly (technical quality) and how the service is performed (functional quality). Bani Ismoyo (2017) prove that high service quality can increase consumer Repurchase Intention, which is in line with Nguyen & Tran (2018), Saleem et al. (2017) who prove that service quality has a positive and significant effect on repurchase intention.

H1: “Service quality has a positive effect on Repurchase Intention.”

One of the goals of the quality of the product itself is to determine consumer behavior by influencing the choice to use the product so that this can make it easier for consumers to make a decision to make a purchase. Repurchasing is a process that is considered as an evaluation by consumers of the products they consume. If customers have a positive experience with a product they have used, then the customer will certainly use the product the same, and vice versa. Santoso & Aprianingsih (2017) say that indirectly quality and consumer satisfaction can strengthen repurchase intentions. Sari (2020), Saputra et al. (2020), Yasa (2018) also concluded that product quality variables had a positive and significant effect on Repurchase Intention.

H2: “Product Quality has a positive effect on Repurchase Intention.”

Brand image is the perception and belief carried out by consumers, as reflected in the associations that occur in consumer memory. Saputra & Ekawati (2020) proved that brand image has a significant effect on repurchase intention. Asshidin et al. (2016) examines that a positive attitude of consumers towards a brand will attract consumers to repurchase the brand. Budi & Harsono (2018) found that a good brand image can be created from improving product quality both in terms of product packaging and improving the quality of the product itself.

H3: “Brand Image has a positive effect on Repurchase Intention.”

H4: “Service Quality, Product Quality, and Brand Image simultaneously have a positive effect on Repurchase Intention”

III. METHODS

This research is a type of research using a quantitative approach with the associative method. Associative research aims to explain the effect of service quality, product quality, and brand image variables on consumer repurchase intentions. The object of this research is service quality (X1), product quality (X2), brand image (X3), and repurchase intention (Y) for consumers who have bought Bali Bagus Rotan products. This study uses a questionnaire as a data collection tool. The statement in the questionnaire for each variable is measured with a 5-point Likert scale starting from a statement that strongly disagrees with a score of 1, disagree is given a score of 2, quite agree is given a score of 3, agree is given a score of 4, and the statement strongly agrees is given a score of 5.

The indicator of service quality is Reliability; Responsiveness; Assurance; Tangibles; Empathy. Then the indicators of product quality in this study are durability, aesthetics, conformance to specifications. The indicator of brand image refers to easy to recognize by consumers, current model and good brand reputation. The indicator of repurchase intention refers to the intention to buy the product / service back, the main preference of consumers on the product / service, referencing the product / service.

In this study, the population used is all Bali Bagus Rotan consumers in Bali who have bought products from Bali Bagus Rotan whose exact number is unknown (infinite). With the number of indicators used is 14 x 7 = 98 (rounded 100), so the required sample size is at least 100 respondents. This study uses a sample selection method non-probability sampling using purposive sampling technique. The criteria for determining the sample in this study were that the respondent was at least 18 years old on the grounds that the person could understand the meaning of the question to be asked and was able to answer the question objectively, was domiciled throughout Indonesia and had bought Bali Bagus Rotan products at least twice in the last three years and intended to repurchase. The method used to collect data is by distributing questionnaires in the form of a statement. The questionnaire was distributed using a google form in the form of a link distributed to social media such as WhatsApp, Line and Instagram. The analysis used to process the data is multiple regression.
IV. RESULTS AND DISCUSSION

Male respondents dominate (51%) compared to female respondents (49%). The dominant age of the respondents is > 25 years (60%), while for the age group the least is <20 years (10%). Respondents were dominated by undergraduate graduates (70%). The dominant occupation of the respondents is civil servants (40%).

Distribution of respondents’ answers to service quality with the highest score of 4.04 on the statement of the capabilities of Bali Bagus Rotan in supporting the company's physical facilities and infrastructure in creating a comfortable atmosphere for consumers and the lowest score of 3.85 in the statement Bali Bagus Rotan can pay attention in communicating needs as well as the desires of consumers regarding rattan products properly. The total score for the service quality variable was 3.93. Distribution of respondents' answers to product quality with the highest score of 4.26 on the statement that the Bali Bagus Rotan product has a unique shape and appearance value and the lowest score is 4.07 on the statement that the Bali Bagus Rotan product conforms to the level of specifications offered by the company. The total score for the product quality variable is 4.18.

The distribution of respondents' answers to the brand image with the highest score of 4.24 on the model statement of Bali Bagus Rotan products is always up-to-date and the lowest score is 4.08 on the brand statement Bali Bagus Rotan has a good and positive reputation by the public, especially in customer. The total score for the brand image variable is 4.16. Distribution of respondents' answers to repurchase intentions with the highest score of 4.23 in my statement that I will buy Bali Bagus Rotan products again next time and the lowest score of 3.85 in my statement will refer Bali Bagus Rotan products to relatives or relations and other people. The total score for the repurchase intention variable was 4.09.

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The value of R square is 0.707, which means that the effect of service quality, product quality and brand image on repurchase intention is 70.7 percent, while the remaining 29.3 percent is influenced by other factors outside the model.

The effect of service quality (X1) on repurchase intention (Y) is 0.538 with a sig.t value comparison of 0.000 less than the significant value used (0.000 <0.05). This shows that service quality has a positive and significant effect on repurchase intention of 53.8 percent (H1 is Accepted). This means that high service quality can increase consumer Repurchase Intention. The effect of product quality (X2) on repurchase intention (Y) is 0.233 with a sig.t value comparison of 0.000 less than the significant value used (0.000 <0.05), the product quality has a positive and significant effect on repurchase intention of 23.3 percent (H2 is Accepted). This means that the higher the quality of the product offered, the higher the consumer's repurchase intention of the product. The effect of brand image (X3) on repurchase intention (Y) is 0.255 with a sig.t value ratio of 0.001 less than the significant value used (0.001 <0.05). Brand image has a positive and significant effect on repurchase intention by 25.5 percent (H3 is Accepted). This means that the positive attitude of consumers towards a brand will attract consumers to repurchase the brand. The effect of service quality, product quality and brand image on repurchase intention is 70.7 percent (H4 is Accepted). This means that the higher the service quality, product quality and brand image, the repurchase intention will increase.

V. CONCLUSION

Based on the results it can be concluded that, service quality has a positive and significant effect on the repurchase intention of Bali Bagus Rotan products. This shows that high service quality can increase consumer Repurchase Intention. Product quality has a positive and significant effect on the repurchase intention of Bali Bagus Rotan products. This means that the higher the quality of the product being sold, the higher the consumer's repurchase intention of the product. Brand image has a positive and significant effect on the...
repurchase intention of Bali Bagus Rotan products. This means that the better the image of a brand, the more consumer interest in repurchasing the brand will be. Service quality, product quality and brand image simultaneously influence the repurchase intention of Bali Bagus Rotan products. This means that service quality, product quality and a good brand image can increase consumer Repurchase Intention.

Management should increase knowledge and courtesy in serving consumers in order to foster consumer confidence. In addition, the company should also pay attention to product suitability with the level of specifications the company offers. This will make the company have a good image in the eyes of consumers so that consumers will have great attention and are interested in buying back products. For the future research, it is necessary to consider examining variables, factors, and other indicators outside of service quality, product quality and brand image to determine consumer repurchase intention, because there are many other variables outside that can influence the repurchase intention variable. Such as sales promotion variables, store atmosphere, price perception, shopping experience and so on.

Research Limitations. This research is only conducted in a certain point in time, while the environment can change at any time which makes this research important to be carried out again in the future. The variables examined in this study only focus on service quality, product quality, and brand image where there are other variables that can influence repurchase intentions such as sales promotions and store atmosphere.

REFERENCES


