

## THE INFLUENCE OF SERVICE QUALITY AND CUSTOMER SATISFACTION ON REPURCHASE INTENTIONS

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**ABSTRACT:** This research aims to find out how Service Quality and Customer Satisfaction Influence to Repurchase Intentions (Case Study at the M23 Denpasar Restaurant). The research method used in this research is quantitative research. The data processed is the result of distributing questionnaires to customers of the Restaurant M23 Denpasar. The sampling method is non-probability sampling and the technique used in collecting respondents is purposive sampling. The data analysis technique used in this research is multiple linear regression. Based on the results of data analysis, it can be concluded that service quality and customer satisfaction have a positive and significant effect on repurchase intention at Restaurant M23 Denpasar.

**KEYWORDS:** *service quality, customer satisfaction, repurchase intention*

### I. INTRODUCTION

The success and failure of a company is a reality that can be experienced by a business. The business world is filled with competition, opportunities, challenges, enthusiasm and laziness which can cause the ups and downs of a business. Therefore, an entrepreneur should be astute in seeing opportunities and taking advantage of them, because the business world which is full of challenges does not always end in success. In this era of globalization, competition is not only limited locally (certain regions) and nationally, but also globally, this has resulted in more and more variables that can influence the success of a business.

There are many culinary businesses in Indonesia, namely restaurants or eateries. Restaurants in Indonesia provide good service to consumers or customers. In launching a restaurant business, the business actor must optimize the quality of service provided to consumers/customers. Customer satisfaction is also a very important factor that restaurant owners must pay attention to if they want to get buying interest from consumers. Every restaurant is required to make customers feel satisfied by providing better offers and service, considering that restaurants must be able to compete and maintain an increasingly tight market position.

The satisfaction obtained by a consumer/customer can encourage repeat purchases, become loyal to the product or loyal to the shop where the item was purchased so that the consumer can tell good things to other people. New competition is emerging around restaurant locations that have strong competitiveness. So there must be changes so as not to lose out in competition, one thing that must be paid attention to is the quality of service and customer satisfaction. If these two factors are found by customers, there will be an interest in repurchasing. Customer satisfaction will influence the level of customer interest in repurchasing, this will influence the productivity of the restaurant itself. If a restaurant ignores customer satisfaction and causes customer dissatisfaction, it will affect consumers' repurchase interest, so that consumers will switch to competitors/other restaurants which will of course affect the productivity of the restaurant/restaurant itself.

Research of Moch Irzad Aditya Imran (2018) with title: "The Influence of Customer Satisfaction on Repurchase Intention Food at the Wong Solo Alauddin Grilled Chicken Restaurant, Makassar City" Based on the research results, it can be concluded that there is a positive and significant influence between the influence of Customer Satisfaction on Repurchase Intention. If one consumer is dissatisfied, of course the consumer will not return and there is a possibility that they will also complain about their dissatisfaction to other consumers and this will affect other consumers. Of course, this will be a threat to the entrepreneurs themselves.

The importance of this research was to determine the level of customer satisfaction and to find out the level of repurchase intention of customer at Restaurant M23 Denpasar. Based on the background, the author took the title: "The Influence of Service Quality and Customer Satisfaction on Repurchase Intention Food at the Restaurant M23 Denpasar".

## II.LITERATURE REVIEW

### Service Quality

Service quality is described as a comprehensive assessment consideration of the level of service provider performance. This service highlights the company's ability to determine customer expectations correctly (Mohtasham et al., 2017). Adeline (2020) found that service quality influences purchasing decisions at D'pawon Tegal Restaurant. Research by Afifi and Widodo (2021) found that service quality has a positive and significant effect on purchasing decisions at Aroma Kitchen.

Perwira (2021) found that service quality has a positive and significant effect on purchasing decisions at the Nasi kulit Syurga restaurant. Prasetyo (2018) found that service quality has a positive and significant effect on purchasing decisions at KQ5 Grilled Chicken Restaurant. The indicators in this research refer to Harfika and Abdullah (2017), namely: 1. Physical Evidence, 2. Reliability, 3. Responsiveness, 4. Assurance, 5. Empathy. From this empirical study the following hypothesis can be formulated:

H1: Service quality influence positive and significant to repurchase intention.

H2: Service quality influence positive and significant to customer satisfaction.

### Customer Satisfaction

According to Kotler and Keller (2009: 138-139), customer satisfaction is a feeling that is reflected after customers feel the performance of a product and compare it with customer expectations. This feeling can be a feeling of joy or disappointment, depending on the level of conformity obtained. Customer satisfaction refers to good or bad feelings or attitudes by customers after consuming products or receiving services (Mohtasham et al., 2017). Kotler and Armstrong (2009: 61) state that there are three indicators that show consumer satisfaction, including; 1) perceived quality 2) perceived value 3) customer expectations, while customer satisfaction indicators refer to (Babin et al, 2005). The results of research conducted by (Yuni et al, 2022) stated that customer satisfaction directly has a positive and significant effect on repurchase decisions. From this empirical study the following hypothesis can be formulated:

H3: Customer satisfaction has a positive effect on repurchase intention.

### Repurchase Intention

According to (Ekaprana et al. 2020) Repurchase intention is behavior where consumers repurchase previously purchased products. Repurchase intention is a post-purchase action caused by consumer satisfaction with products that have been previously purchased. There are four indicators of repurchase interest, namely: transactional interest, referential interest, preferential interest and exploration interest.

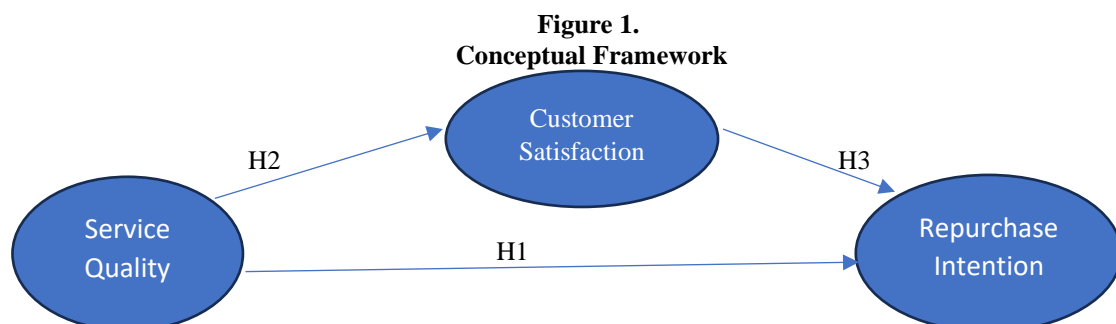
a. Transactional Interest: A customer's tendency to purchase a product or service.

b. Referral Interest: Customers tend to recommend products and services to others.

c. Preferential Interest: A customer's tendency to have primary alternatives to a product or service.

d. Exploratory Interest: The behavioral tendency of customers to search for positive information about products of interest

Shin et al. (2013) concluded that website quality is an important factor for increasing repurchase intentions from the customer's perspective. Repurchase intention directly influences a company's revenue and profitability (Hsu et al. 2012). Therefore, this study focuses on repurchase intention as the final dependent variable in the proposed model. The indicators used in this research refer to (Ishmael and Rebecca Mensah, 2015).



## III.RESEARCH METHODS

This type of research is quantitative research. Quantitative methods are used to measure the influence of service quality and customer satisfaction on repurchase intention. This research was conducted on customers who had eaten at the Restaurant M23 Denpasar, precisely on Jalan Drupadi No.24B Denpasar. As a this studi of research location, it is estimated that the research time will take several days. Research Variables 1. Independent variables are: Service Quality as X1, Customer Satisfaction as X2. The dependent variable is: Repurchase Intention as Y.

Sampling in this research was carried out using the purposive sampling method. Purposive sampling is a sampling technique based on certain criteria. The sample criteria contained in this research are customers who have made purchases at the Restaurant M23 Denpasar. The data source used is primary data. The data collection technique directly uses questionnaires from respondents as customers who have made purchases at the Restaurant M23 Denpasar.

Data collection was carried out by distributing questionnaires in the form of a Google form to people in Denpasar who had eaten or made purchases at the Restaurant M23 Denpasar. The questions asked concern the indicators of each variable used in this research. Respondents must provide their opinions by placing certain marks on the alternative answers provided. Questionnaires are used to collect data in research. The measurement scale used in this research is a Likert scale with a scale of 1 to 5.

IV.RESULTS AND DISCUSSION

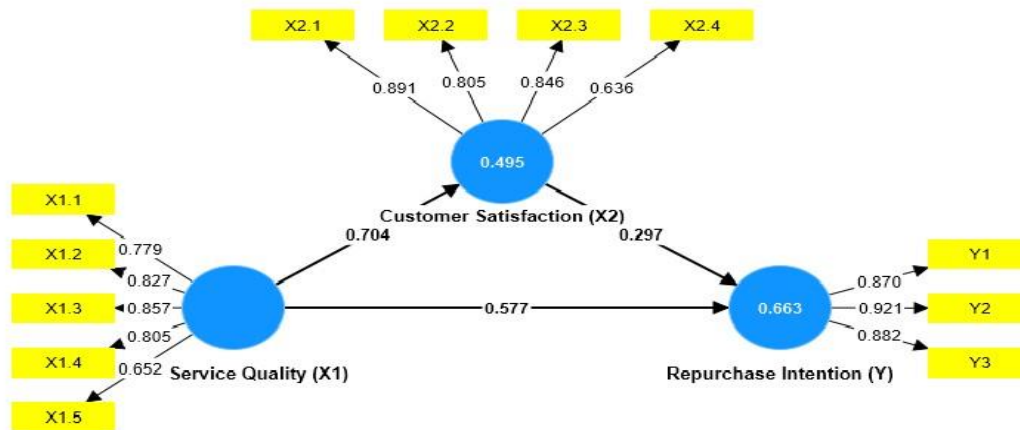


Figure 2 PLS Algorithm Test Results with SmartPLS 4.0

Based on Figure 2, the following structural equation is formed:

$$X2 = 0.704 X_1 + e$$

$$Y = 0.577 X_1 + 0.297 X_2 + e$$

Description :

X1 = Service Quality

X2 = Customer Satisfaction

Y = Repurchase Intention

e = error

Validity testing is carried out using a convergent validity test which consists of loading factor and Average Variance Extracted (AVE) values. The reliability test was carried out by looking at the Cronbach's alpha and composite reliability values. The validity and reliability testing of research instruments can be described as follows:

1) Convergent Validity Test

Table 1 Loading Factor Values for Each Indicator

Variable	Indicator	Outer Loading
Service Quality (X1)	X1.1	0.779
	X1.2	0.827
	X1.3	0.857
	X1.4	0.805
	X1.5	0.652
Customer Satisfaction (X2)	X2.1	0.891
	X2.2	0.805
	X2.3	0.846
	X2.4	0.636
Repurchase Intention (Y)	Y1	0.870
	Y2	0.921
	Y3	0.882

Source: Primary data processed, 2023

Based on Table 1, it can be said that all the indicators used have loading factor values above 0.50. This value indicates that the model formed is good enough and the indicators used to measure the variables are valid.

Average Variance Extracted (AVE) is a measuring tool for assessing convergent validity. The model is said to be good if the AVE value is greater than 0.50. The AVE value for each variable can be seen in Table 2 below.

**Table 2 AVE Value of Each Variable**

Variabel	Average Variance Extracted (AVE)
Service Quality (X1)	0,620
Customer Satisfaction (X2)	0,587
Repurchase Intention (Y)	0,794

Source: Primary data processed, 2023

Based on Table 2, it can be seen that all the variables used have an AVE value greater than 0.50. This means that all the variables used are valid.

## 2) Reliability Test

**Table 3 Cronbach's Alpha and Composite Reliability Values**

Variabel	Cronbach's Alpha	Composite Reliability
Service Quality (X1)	0,844	0,890
Customer Satisfaction (X2)	0,737	0,843
Repurchase Intention (Y)	0,870	0,920

Source: Primary data processed, 2023

Based on Table 3, it can be seen that each variable has a Cronbach's Alpha and composite reliability value that is greater than 0.70, so it can be said that the variables used are reliable. This means, this variable can be used repeatedly on the same or different subjects to measure something with consistent results.

## Uji Inner Model (Structural Model)

Testing of the inner model or structural model is evaluated using R-square for endogenous constructs. Testing the inner model in this research is by processing data using SmartPLS 4.0 with the PLS Algorithm test as in Table 4 below.

**Table 4 R-Square value of Customer Satisfaction and Repurchase Intention**

	R Square	R Square Adjusted
Customer Satisfaction (X2)	0,495	0,486
Repurchase Intention (Y)	0,663	0,651

Source: Primary data processed, 2023

Based on Table 4, it can be seen that the Customer Satisfaction variable has an R-Square value of 0.495 or 49.5%. The value of 49.5% means that 49.5% of the variation in the Customer Satisfaction variable can be explained by the Service Quality variable. Meanwhile, 50.5% is explained by other variables outside this research.

The R-Square value of the Repurchase Intention variable has an R-Square value of 0.663 or 66.3%. The value of 66.3% means that 66.3% of the variation in the Repurchase Intention variable can be explained by the Service Quality and Customer Satisfaction variables. Meanwhile, 33.7% is explained by other variables outside this research.

Testing the structural model apart from using the R-Square value also uses the Q-Square value to determine the coefficient of determination of the overall model. Following are the calculation results for the Q-Square value.

$$\begin{aligned}
 Q^2 &= 1 - (1 - R^2_1)(1 - R^2_2) \\
 &= 1 - (1 - 0.495)(1 - 0.663) \\
 &= 1 - (0.505)(0.337) \\
 &= 1 - 0.170 \\
 &= 0.830
 \end{aligned}$$

Based on the calculation results, the Q-Square value is 0.830 or 83%. The value of 83% means that 83% of the variation in the Repurchase Intention variable can be explained by all the variables in the model. Meanwhile, the remaining 17% is explained by other variables outside the research model. These results show that the Q-Square value is close to 1, which indicates that the model has strong predictive relevance.

Hypothesis Testing

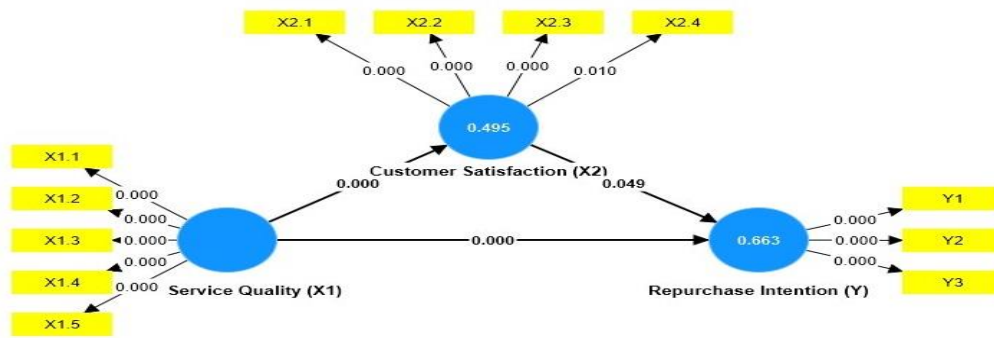


Figure 3 Bootstrapping Test Results with Smart PLS 4.0

Hypothesis testing in this research can be seen from the path coefficient value which shows the t-statistic value and p-value. If the t-statistic value is greater than the t-table then the hypothesis can be accepted. This research uses a confidence level of 95%, meaning the p-value/alpha value cannot be more than 5% or 0.05 (significance level is 0.05).

Table 5 Influence Direct between Variable

	T Statistics ( O/STDEV )	P Values	Information
Service Quality (X1) -> Repurchase Intention (Y)	13,435	0,000	H1 is accepted
Service Quality (X1) -> Customer Satisfaction (X2)	9,627	0,000	H2 is accepted
Customer Satisfaction (X2) -> Repurchase Intention (Y)	1,972	0,049	H3 is accepted

Source: Primary data processed, 2023

From the results of the bootstrapping resampling test with Smart PLS 4.0, the t-statistics and p-values presented in Table 5 can be described as follows:

1) Results of the first hypothesis test (H1)

Table 5 shows that the t-statistical value of the relationship between the Service Quality variables and Repurchase Intention is 13.435. This value is greater than the t-table value, namely 1.645. The p-value of the relationship between these variables is 0.000 and this value is smaller than the error/significance level of 0.05. Based on these data, it can be said that Service Quality has a positive and significant effect on Repurchase Intention. This means, if Service Quality increases, Repurchase Intention also increases so that hypothesis 1 (H1) is accepted.

2) Second hypothesis test results (H2)

Table 5 shows that the t-statistical value of the relationship between the Service Quality variables and Customer Satisfaction is 9.627. This value is greater than the t-table value, namely 1.645. The p-value of the relationship between these variables is 0.000 and this value is smaller than the error/significance level of 0.05. Based on these data, it can be said that Service Quality has a positive and significant effect on Customer Satisfaction. This means, if Service Quality increases then Customer Satisfaction also increases so that hypothesis 2 (H2) is accepted.

3) Third hypothesis test results (H3)

Table 5 shows that the t-statistical value of the relationship between the Customer Satisfaction variables and Repurchase Intention is 1.972. This value is greater than the t-table value, namely 1.645. The p-value of the relationship between these variables is 0.049 and this value is smaller than the error/significance level of 0.05. Based on this data, it can be said that Customer Satisfaction has a positive and significant effect on Repurchase Intention. This means, if Customer Satisfaction increases, Repurchase Intention also increases so that hypothesis 3 (H3) is accepted.

V.CONCLUSION

From the results and discussion in this research, it can be concluded that

1. Based on the results of the Outer Model (Measurement Model) test using SmartPLS 4.0 to test the validity and reliability, this research is valid and reliable to carry out.
2. Based on the Inner Model (Structural Model) Test Results, it shows that the Q-Square value is close to 1, which indicates that the model has strong predictive relevance
3. Based on the results of the bootstrapping resampling test with SmartPLS 4.0, it is obtained:

- a) Service quality has a positive and significant effect on repurchase intentions
- b) Service quality has a positive and significant effect on customer satisfaction
- c) Customer satisfaction has a positive and significant effect on repurchase intentions

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