

The Influence of Product Quality and Brand Image Through Customer Satisfaction and Its Implications on Repurchases Intention of Retail Products at PT Aerofood Indonesia Balikpapan Unit

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ABSTRACT : The purpose of this study is to analyze and prove the influence of product quality on customer satisfaction, the influence of brand image on customer satisfaction, the influence of product quality on repurchases intention, the influence of brand image on repurchases intention, customer satisfaction as a mediator between product quality and repurchases intention, and customer satisfaction as a mediator between brand image and repurchases intention. The sampling technique in this study used a nonprobability sampling technique, namely the purposive sampling method with a sample size of 128 respondents via Google Form. The data analysis technique used is the SEM (Structural Equation Modeling) method with PLS (Partial Least Squares) using Smart PLS 4.0 software. The results of the study show that product quality has a positive and significant effect on customer satisfaction, brand image has a positive and significant effect on customer satisfaction, product quality has a positive and significant effect on repurchases intention, and brand image has a negative and insignificant effect on repurchases intention. This study also found that customer satisfaction positively and significantly mediates the relationship between both product quality and brand image with repurchases intention.

KEYWORDS - *Product Quality, Brand Image, Customer Satisfaction, Repurchases Intention.*

I. INTRODUCTION

PT Aerofood Indonesia, also known as Aerofood ACS (Aerowisata Catering Service)—in this context referring to PT Aerofood Indonesia Balikpapan Unit—is a subsidiary of the Garuda Indonesia Group that operates in the international-standard inflight catering service industry.

Based on retail sales data from 2020 to 2023, there has been a consistent downward trend in retail sales year over year. In particular, during the period of 2020 to 2022, one of the main contributing factors to this decline was the COVID-19 pandemic, which led to reduced production capacity due to deteriorating cash flow across the company's business segments. However, by 2023, sales performance began to recover. This rebound highlights the need for strategic marketing leverage to ensure continued growth in retail sales for the Balikpapan unit of PT Aerofood Indonesia.

A customer satisfaction survey conducted among retail product customers of PT Aerofood Indonesia's Balikpapan unit revealed several factors influencing repeat purchases. Chief among these were trust in the Garuda Indonesia Group brand and product quality. This underscores the importance of further research into the key aspects that drive repeat purchasing behavior.

One important dimension in consumer purchasing decisions is brand choice, where consumers assess the alignment of price, benefits, and brand image when selecting a particular brand. As Kotler and Armstrong (2002) emphasize, without a strong and positive brand image, companies are unlikely to gain a significant market share.

This is supported by research conducted by Arifin et al. (2022), which found that product quality influences purchasing decisions through brand image as a mediating variable. Similarly, a study by Saraswati & Giantari (2022) demonstrated that brand image significantly mediates the effect of product quality on purchasing decisions, further affirming the critical roles of brand image and product quality as positive and significant variables influencing purchase decisions.

However, research by Setyaningrum & Wati (2019) indicated that product quality is the most influential variable in repeat purchases, while brand image does not have a direct effect on repeat purchasing decisions. Conversely, Chairudin & Sari (2021) found that brand image does influence repeat purchases, but this effect is mediated by customer satisfaction.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Consumer Behavior

Consumer behavior underlies the decision-making process behind a consumer's purchase. It encompasses activities closely related to the process of purchasing goods or services. There may be some confusion as to what specific behaviors are classified as consumer behavior. In essence, consumer behavior is broad in scope—individuals often engage in such behaviors without realizing it (Firmansyah, 2018).

The Influence of Product Quality on Customer Satisfaction

A study by Kibebssii et al. (2023) confirmed a significant relationship between service and product quality and customer satisfaction. Similarly, a literature review by Bhowmick & Seetharaman (2023) identified product features, service, and consumer behavior as key factors that impact how product quality influences customer satisfaction.

H1: Product quality has a positive effect on customer satisfaction.

The Influence of Brand Image on Customer Satisfaction

Research by Laison Sondoh Jr et al. (2007) emphasizes the importance of brand image in driving customer satisfaction and loyalty. Understanding the benefits derived from brand image can help marketers formulate effective strategies. It is crucial to assess brand image dimensions from the customer's perspective to ensure they align with consumer perceptions, expectations, needs, and goals. By doing so, companies can develop marketing strategies based on consumer perceptions and the symbolic meaning of the product.

H2: Brand image has a positive effect on customer satisfaction.

The Influence of Product Quality on Repurchase Intention

According to Setyaningrum & Wati (2019), product quality exerts the greatest influence on repurchase decisions. This is further supported by findings from Rahayu & Astuti (2021), who concluded that product quality has the most significant impact on repurchase intention through customer satisfaction, followed by perceived value, brand image, and service quality.

H3: Product quality has a positive effect on repurchase intention.

The Influence of Brand Image on Repurchase Intention

Chairudin & Sari (2021) highlight that to increase repurchase intention, significant attention must be given to improving brand image from the consumer's perspective. A positively perceived brand image enhances customer satisfaction, which in turn fosters loyalty and the desire to repurchase.

H4: Brand image has a positive effect on repurchase intention.

The Influence of Customer Satisfaction on Repurchase Intention

Girsang et al. (2020) demonstrated that customer satisfaction has a highly significant influence on repurchase decisions. This is in line with Rambe et al. (2017), who concluded that the degree of customer satisfaction is one of the main determinants of repurchase behavior. The findings indicate that higher customer satisfaction levels are associated with increased repurchase actions.

H5: Customer satisfaction has a positive effect on repurchase intention.

The Influence of Product Quality on Repurchase Intention through Customer Satisfaction

Wardani et al. (2022) found that product quality significantly influences customer satisfaction, which subsequently impacts repurchase intention. This suggests that when the perceived quality of a product meets or exceeds customer expectations, satisfaction increases and positively affects the likelihood of repurchasing.

H6: Product quality has a positive effect on repurchase intention through customer satisfaction.

The Influence of Brand Image on Repurchase Intention through Customer Satisfaction

This aligns with findings from Rambe et al. (2017), who revealed that brand image directly affects repurchase behavior through customer satisfaction. The better the perceived brand image, the greater the likelihood of repeat purchases.

H7: Brand image has a positive effect on repurchase intention through customer satisfaction.

III. RESEARCH METHOD

This research was conducted at PT Aerofood Indonesia, Balikpapan Unit. The study employed an explanatory research design using a quantitative approach. The population in this study consisted of 128 consumers of retail products. A non-probability sampling technique was used, specifically the purposive sampling method, to determine the sample. Data were collected through the distribution of structured questionnaires to the respondents.

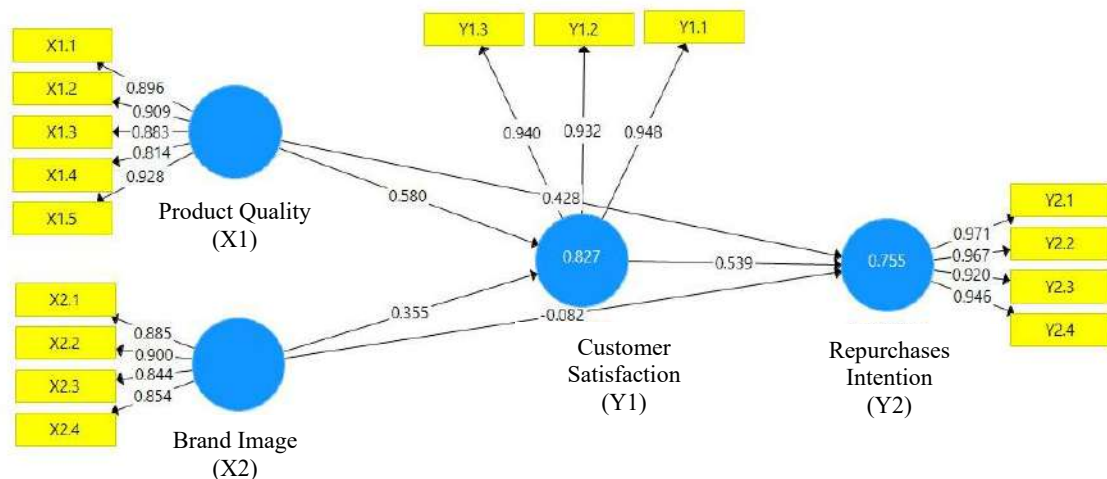
The data analysis technique used in this study was the Structural Equation Modeling (SEM) method with Partial Least Squares (PLS), utilizing SmartPLS version 4.0 software. In this research, data analysis was conducted using the Partial Least Squares (PLS) approach. PLS is a statistical technique used to estimate partial least squares in regression models, also referred to as projection to latent structures. PLS is considered a predictive technique that serves as an alternative to Ordinary Least Squares (OLS) regression or Structural Equation Modeling (SEM). PLS is particularly useful in situations where there is high multicollinearity among predictor

variables or when the number of predictors exceeds the number of observations. This method integrates features of Principal Component Analysis (PCA) and multiple regression. According to Sarwono (2013), the PLS procedure involves two main stages:

1. Extraction of a series of latent factors that explain as much of the covariance as possible between independent and dependent variables.
2. Prediction of the dependent variable values using a decomposition of the independent variables

This technique allows for robust model testing even under conditions of complex relationships, small sample sizes, or highly correlated indicators.

IV.RESULT AND DISCUSSION



Hypothesis Test

The hypothesis test conducted aims to answer the research questions and analyze the relationships within the structural model. The data analysis for the hypotheses can be seen from the standardized regression weight values, which indicate the coefficient of influence between variables, as shown in the following table :

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Product Quality (X1) -> Customer Satisfaction (Y1)	0.580	0.579	0.101	5.742	0.000
Brand Image (X2) -> Customer Satisfaction (Y1)	0.355	0.351	0.102	3.486	0.001
Product Quality (X1) -> Repurchases Intention (Y2)	0.428	0.412	0.134	3.193	0.002
Brand Image (X2) -> Repurchases Intention (Y2)	-0.082	-0.077	0.175	0.471	0.638
Customer Satisfaction (Y1) -> Repurchases Intention (Y2)	0.539	0.540	0.130	4.144	0.000
Product Quality (X1) -> Customer Satisfaction (Y1) -> Repurchases Intention (Y2)	0.313	0.309	0.079	3.954	0.000
Brand Image (X2) -> Customer Satisfaction (Y1) -> Repurchases Intention (Y2)	0.192	0.194	0.083	2.299	0.023

Hypothesis 1

Product quality has a positive and significant effect on customer satisfaction for PT Aerofood Indonesia's Balikpapan retail products. The hypothesis testing results show a positive and significant relationship between product quality and customer satisfaction, indicated by a t-statistic value of 5.742 (>1.96) and a p-value of 0.000 (<0.05). The original sample estimate is positive at 0.580, indicating a direct relationship. Therefore, Hypothesis H1 is accepted.

Hypothesis 2

Brand image has a positive and significant effect on customer satisfaction for PT Aerofood Indonesia's Balikpapan retail products. The results indicate a positive and significant relationship between brand image and customer satisfaction, with a t-statistic value of 3.486 (>1.96) and a p-value of 0.000 (<0.05). The original sample estimate is 0.355, indicating a positive direction of influence. Therefore, Hypothesis H2 is accepted.

Hypothesis 3

Product quality has a positive and significant effect on repurchase intention for PT Aerofood Indonesia's Balikpapan retail products. There is a positive and significant relationship between product quality and repurchase intention, as shown by a t-statistic value of 5.742 (>1.96) and a p-value of 0.000 (<0.05). The original sample estimate is 0.580, indicating a direct relationship. Therefore, Hypothesis H3 is accepted.

Hypothesis 4

Brand image has a negative and insignificant effect on repurchase intention for PT Aerofood Indonesia's Balikpapan retail products. The hypothesis testing results show a negative and insignificant relationship between brand image and repurchase intention, with a t-statistic value of 0.471 (<1.96) and a p-value of 0.638 (>0.05). The original sample estimate is -0.082, indicating an inverse relationship. Therefore, Hypothesis H4 is rejected.

Hypothesis 5

Customer satisfaction has a positive and significant effect on repurchase intention for PT Aerofood Indonesia's Balikpapan retail products. There is a positive and significant effect of customer satisfaction on repurchase intention, demonstrated by a t-statistic value of 4.144 (>1.96) and a p-value of 0.000 (<0.05). The original sample estimate is 0.539, indicating a direct positive influence. Therefore, Hypothesis H5 is accepted.

Hypothesis 6

Product quality has a positive and significant effect on repurchase intention through customer satisfaction for PT Aerofood Indonesia's Balikpapan retail products. The analysis shows a significant mediating effect of customer satisfaction in the relationship between product quality and repurchase intention, with a t-statistic value of 3.954 (>1.96) and a p-value of 0.000 (<0.05). The original sample estimate is 0.313, confirming a direct positive relationship. Therefore, Hypothesis H6 is accepted.

Hypothesis 7

Brand image has a positive and significant effect on repurchase intention through customer satisfaction for PT Aerofood Indonesia's Balikpapan retail products. The results indicate a significant mediating effect of customer satisfaction on the relationship between brand image and repurchase intention, supported by a t-statistic value of 2.299 (>1.96) and a p-value of 0.023 (<0.05). The original sample estimate is 0.192, indicating a direct positive influence. Therefore, Hypothesis H7 is accepted.

Discussion

The results of this study confirm that product quality has a positive and significant effect on customer satisfaction for retail products of PT Aerofood Indonesia, Balikpapan unit. In other words, the quality of products offered by PT Aerofood Indonesia significantly contributes to enhancing customer satisfaction. This finding is consistent with the research of Rahayu & Astuti (2021), which concluded that product quality has a significant positive impact on customer satisfaction—indicating that higher product quality leads to higher customer satisfaction. This result also aligns with Kibebisii et al. (2023), who observed that product quality significantly affects customer satisfaction.

Furthermore, brand image was found to have a positive and significant effect on customer satisfaction, suggesting that a strong brand image plays an important motivational role in influencing customer satisfaction. This supports prior research by Laison Sondoh Jr et al. (2007), which emphasized the importance of brand image in building both satisfaction and loyalty. However, these findings contrast with Suharyono & Kusumawati (2014), who argued that customer satisfaction should naturally lead to repeated purchases and positive word-of-mouth, suggesting a more direct behavioral outcome from satisfaction itself.

The study also revealed that product quality positively and significantly influences repurchase intention, indicating that products perceived as high quality are more likely to prompt customers to make repeat purchases. This is in line with Setyaningrum & Wati (2019), who noted that, besides promotional efforts, product quality makes a substantial contribution to repeat buying decisions. Similarly, Rahayu & Astuti (2021) found that product quality exerts the strongest influence on repurchase intention, mediated through customer satisfaction—more than other factors such as perceived value, brand image, or service quality.

On the other hand, brand image was found to have a negative and insignificant effect on repurchase intention, implying that brand image alone may not directly lead to repeat purchases. Instead, it may exert its influence indirectly through other variables such as satisfaction. This finding supports Setyaningrum & Wati (2019), who reported no significant effect of brand image on repurchase decisions. However, it contradicts Chairudin & Sari (2021), who argued that improving brand image is crucial to increasing repeat purchase intentions, as a positively perceived brand enhances consumer satisfaction and fosters loyalty.

The study further confirms that customer satisfaction has a positive and significant effect on repurchase intention. This suggests that when the products offered by PT Aerofood Indonesia align with customer expectations, they are more likely to make repeat purchases. This result is consistent with the findings of Rambe et al. (2017), which emphasized that customer satisfaction is a strong predictor of repurchase behavior. It also supports Girsang et al. (2020), who demonstrated a strong and significant influence of satisfaction on repeat purchase behavior.

The results also show that product quality has a significant indirect effect on repurchase intention through customer satisfaction. This means that higher product quality enhances customer satisfaction, which in turn drives repurchase behavior. This finding supports Wardani et al. (2022), who found that product quality significantly affects customer satisfaction, which subsequently influences repurchase decisions. It underscores that the more the product quality aligns with customer expectations, the more likely customers are to be satisfied and repurchase the product.

Finally, brand image also has a positive and significant indirect effect on repurchase intention through customer satisfaction. This aligns with Madiawati & Az-Zahra (2023), who found that a favorable brand image positively influences repurchase behavior through customer satisfaction. A strong brand image creates a positive perception in consumers' minds, which enhances satisfaction and encourages repeat purchases. This also supports the findings of Rambe et al. (2017), who showed that brand image has an indirect effect on repurchase through satisfaction, highlighting the importance of perceived brand reputation in consumer retention strategies.

V.CONCLUSION

Based on the results of analysis, hypothesis testing, and the preceding discussion, several conclusions can be drawn:

1. Product quality has a positive and significant effect on customer satisfaction for the retail products of PT Aerofood Indonesia, Balikpapan unit. This implies that higher product quality leads to a significant increase in customer satisfaction. Among the indicators, perceived quality shows the strongest correlation between product quality and customer satisfaction.
2. Brand image has a positive and significant effect on customer satisfaction. This indicates that a stronger brand image perceived by customers significantly enhances their satisfaction. The indicator with the highest correlation in this relationship is the company's image compared to competitors.
3. Product quality has a positive and significant effect on repurchase intention. This finding means that higher product quality significantly influences the likelihood of customers making repeat purchases. The most influential indicator in this context is again perceived quality.
4. Brand image has a negative and insignificant effect on repurchase intention, indicating that brand image does not directly influence customers' decisions to repurchase. However, the indicator most strongly correlated with this relationship is the company's image compared to competitors.
5. Customer satisfaction has a positive and significant effect on repurchase intention, implying that high customer satisfaction leads to an increased likelihood of repeat purchases. The indicator showing the highest correlation here is expectation.
6. Product quality has a positive and significant indirect effect on repurchase intention through customer satisfaction. This suggests that high product quality influences repurchase behavior when it leads to high levels of customer satisfaction. The strongest indicator in this relationship remains perceived quality.
7. Brand image has a positive and significant indirect effect on repurchase intention through customer satisfaction. This indicates that a strong brand image affects repurchase behavior when mediated by customer satisfaction. The most influential indicator in this relationship is the company's image compared to competitors.

Contribution and Implication

Based on the conclusions of this study, the researcher offers several recommendations that may be beneficial for relevant stakeholders:

1. Improve Product Quality to Enhance Repurchase Intentions through Customer Satisfaction. Since product quality has a positive and significant impact on repurchase behavior mediated by customer satisfaction, it is recommended that PT Aerofood Indonesia continue improving product quality. This can be achieved through the use of higher-grade materials, adopting suitable technologies to enhance product durability, increasing product variety, and other initiatives that enhance perceived quality.
2. Focus Marketing Strategies on Product Quality Rather Than Solely on Brand Image. Although brand image does not have a direct and significant effect on repurchase behavior, it does significantly influence customer satisfaction. Therefore, the company should focus its marketing efforts on improving product quality as a key factor in driving repeat purchases, while continuing to strengthen brand perception indirectly to support customer satisfaction.

3. Enhance Service Quality to Maintain Customer Satisfaction and Loyalty. The company should invest in improving service quality by upgrading facilities, improving packaging standards, simplifying access to products, and other customer-centric strategies. Furthermore, maintaining customer satisfaction is crucial to ensure that loyal customers do not switch to competitors. Continuous efforts in maintaining customer satisfaction will reinforce loyalty and encourage long-term engagement.
4. Suggestions for Future Research : Future researchers are encouraged to explore other factors that may influence repurchase intentions, such as promotion, pricing, and location, to gain a deeper understanding of effective sales improvement strategies. Additionally, further studies could investigate marketing strategies, including the effectiveness of Word of Mouth (WoM), in boosting customer engagement and sales performance.

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