

## The Role of Price Fairness in Mediating the Influence of Service Quality and Promotion on Repurchase Intention

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**ABSTRACT :** This study aims to analyse the role of price fairness in mediating the influence of service quality and promotion on repurchase intention. The study was conducted at Nitra Jaya Kebaya, a Balinese traditional clothing business facing increasingly fierce competition. A quantitative approach was used, employing the Partial Least Squares–Structural Equation Modelling (PLS-SEM) method. Data were collected through a structured questionnaire administered to 160 respondents who were customers of Nitra Jaya Kebaya. The results showed that service quality and promotion had a positive and significant effect on price fairness. In addition, service quality, promotion, and price fairness also had a positive and significant effect on repurchase intention. The mediation test results prove that price fairness is able to partially mediate the effect of service quality and promotion on repurchase intention. This finding confirms that the perception of price fairness is an important mechanism in bridging marketing strategies and consumer repurchase behaviour.

Keywords: service quality, promotion, price fairness, repurchase intention

### I. INTRODUCTION

Increasingly intense business competition requires business actors to implement effective marketing strategies in order to maintain business sustainability and increase customer loyalty (Indrasari, 2019; Santosa & Mashyuni, 2021). The fashion sector, including the Balinese traditional clothing industry, is experiencing rapid dynamics in line with changing consumer tastes and an increasing number of business actors. This condition requires companies to not only focus on acquiring new customers but also on retaining existing customers by increasing their repurchase intention. Repurchase intention is an important indicator of a company's long-term success because it reflects positive experiences and the perceived value received by consumers (Putri Nugraha et al., 2021). Previous research shows that repurchase intention is influenced by various factors, including service quality, customer satisfaction, and consumers' perceived value (Putra et al., 2023b). Good service quality can create positive experiences that strengthen trust and increase the likelihood of consumers making repeat purchases in the future.

In the context of marketing, service quality and promotion are seen as key factors influencing consumers' evaluation of a product's value (Aryandi & Onsardi, 2020; Martowinangun et al., 2019). However, this perception is inseparable from consumers' assessment of the fairness of the price paid. Effective promotions can enhance perceived value and strengthen the relationship between consumers and companies, thereby increasing repurchase intent (Putra et al., 2023a).

However, the influence of service quality and promotion on repurchase intention does not occur directly but rather through the consumer's cognitive evaluation process, particularly their perception of price fairness. Price fairness is consumers' perception of whether the price paid is commensurate with the benefits received (Fauzyah et al., 2021). Previous studies have shown that price fairness plays an important role as a mediating mechanism in the relationship between service quality and consumer behaviour, including word of mouth and repurchase intention (Putra et al., 2022; Putra et al., 2025). Various previous studies have shown inconsistent results regarding the influence of service quality, promotion, and price on consumer behaviour, thus opening up a research gap (Budiarno et al., 2022; Sukmanawati & Purwati, 2022). Furthermore, studies that place price fairness as a mediating variable, particularly in the traditional clothing industry, are still relatively limited. Therefore, this study aims to empirically test the role of price fairness in mediating the influence of service quality and promotion on repurchase intention.

## II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### 2.1 Consumer Behaviour

Consumer behaviour is the process of individual or group decision-making in selecting, purchasing, using, and evaluating products or services to meet needs and desires (Putri Nugraha et al., 2021). Understanding consumer behaviour is the basis for companies in designing effective and value-oriented marketing strategies.

### 2.2 Service Quality

Service quality is defined as the level of service excellence perceived by consumers compared to their expectations (Indrasari, 2019). Good service quality is reflected in reliability, responsiveness, assurance, empathy, and tangibles, which collectively enhance perceived value and encourage repeat purchases (Aryandi & Onsardi, 2020). Good service quality can increase consumer satisfaction and trust, which ultimately strengthens loyalty and the intention to make repeat purchases. Previous studies have shown that service quality has a positive and significant effect on consumers' intention to make repeat purchases (Putra et al., 2023b). Consumers who receive high-quality service will have a positive experience that strengthens their relationship with the company and increases the likelihood of repeat purchases in the future.

### 2.3 Promotion

Promotion is a marketing communication activity that aims to inform, persuade, and remind consumers about the products or services offered (Martowinangun et al., 2019). Effective promotion can increase consumer knowledge, shape positive attitudes, and strengthen the intention to make repeat purchases (Ningrum & Ratnasari, 2023). Previous research shows that promotion has a positive effect on repurchase intention, as it helps consumers understand the benefits of a product and reinforces their perception of its value (Putra et al., 2023a).

### 2.4 Price Fairness

Price fairness refers to consumers' perceptions of whether the price paid is considered fair and commensurate with the benefits received (Fauzyah et al., 2021). Perceptions of price fairness play an important role in shaping consumer satisfaction, trust, and repurchase intention (Wijaya & Pasaribu, 2024). Previous studies have shown that price fairness has a positive effect on consumers' repurchase intention (Putra et al., 2025). Consumers who feel that the price paid is fair will have higher satisfaction levels and a greater tendency to make repeat purchases. In addition, previous studies have also shown that price fairness can mediate the relationship between service quality and consumer behaviour (Putra et al., 2022; Putra et al., 2025). This shows that price fairness is an important mechanism in bridging marketing strategies and consumer behaviour.

### 2.5 Repurchase Intention

Repurchase intention is the tendency of consumers to repurchase the same product or service in the future. This intention is influenced by previous experiences, perceived value, and evaluation of price and quality (Santosa & Mashyuni, 2021).

### 2.6 Hypothesis Development

Good service quality will improve consumers' perception of the value received, thereby encouraging them to consider the price paid to be reasonable (Indrasari, 2019). Similarly, informative and transparent promotions can shape realistic price expectations in consumers' minds (Martowinangun et al., 2019). The perception of price fairness then plays a role in strengthening the intention to repurchase because consumers feel that they are getting value commensurate with the sacrifice made (Fauzyah et al., 2021).

Based on the theoretical basis and previous empirical findings, the research hypothesis is formulated as follows:

- H1: Service quality has a positive and significant effect on price fairness
- H2: Service quality has a positive and significant effect on repurchase intention
- H3: Promotions have a positive and significant effect on price fairness
- H4: Promotions have a positive and significant effect on repurchase intention
- H5: Price fairness has a positive and significant effect on repurchase intention
- H6: Price fairness mediates the effect of service quality on repurchase intention
- H7: Price fairness mediates the effect of promotions on repurchase intention

## III. Research Method

This study uses a quantitative approach with the aim of explaining the causal relationship between variables through hypothesis testing (Sahir, 2022). The research population is all Nitra Jaya Kebaya customers in Denpasar, with an unknown population size. The sample size was determined based on the provisions of Hair et al. (2019), namely five to ten times the number of research indicators. Data collection was conducted through

the distribution of questionnaires using a five-point Likert scale. Data analysis techniques used Partial Least Squares–Structural Equation Modelling (SEM-PLS) because this method is capable of testing complex structural models and is suitable for use with relatively limited sample sizes (Hair et al., 2019).

#### IV. Results and Discussion

Based on the results of the analysis using the Partial Least Squares-based Structural Equation Modelling (SEM-PLS) approach, the model evaluation was carried out in two main stages, namely the measurement model evaluation (outer model) and the structural model evaluation (inner model).

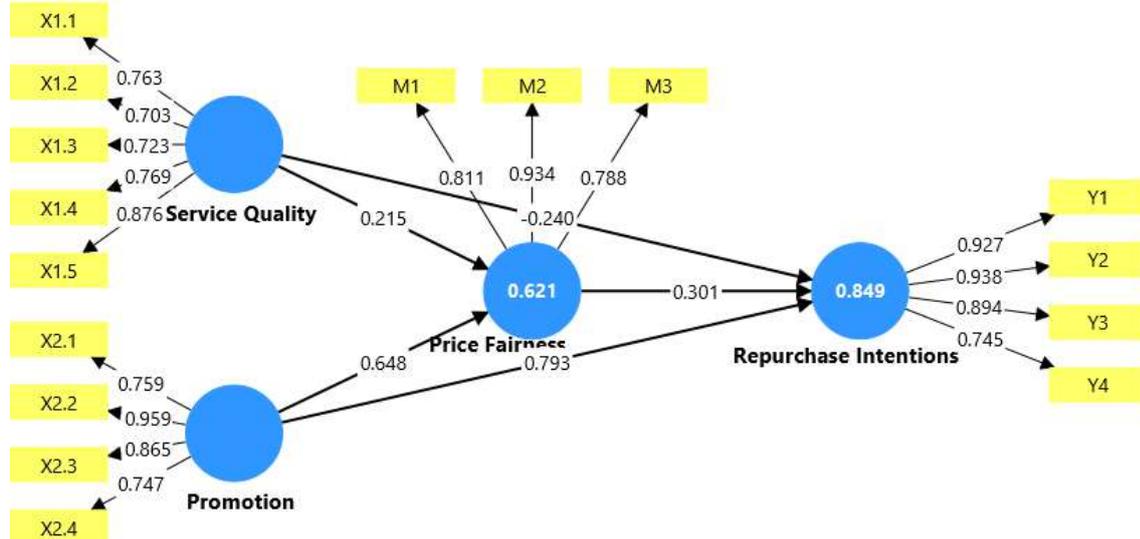


Figure 1. PLS-SEM Test Results

The analysis results indicate that service quality and promotion have a positive and significant effect on price fairness. These findings are in line with the research by Fauzyah et al. (2021) and Indrasari (2019), which states that consumer perceptions of price are greatly influenced by the quality of service received. In addition, service quality, promotion, and price fairness have been proven to have a positive and significant effect on repurchase intention. These results support the findings of Santosa and Mashyuni (2021) and Wijaya & Pasaribu (2024), who emphasise that consumers tend to make repeat purchases when they perceive prices to be fair and commensurate with the benefits of the product. The mediation effect test shows that price fairness partially mediates the influence of service quality and promotion on repurchase intention. This indicates that service quality and promotion not only have a direct effect but also work through the formation of price fairness perceptions in encouraging consumer repurchase behaviour.

#### V. CONCLUSIONS AND IMPLICATIONS

This study concludes that price fairness plays a strategic role as a mediating variable in the relationship between service quality, promotion, and repurchase intention. The practical implication of this study is the importance for traditional clothing businesses to improve service quality, design informative and honest promotions, and set prices that are perceived as fair by consumers. Companies need to ensure that the prices set reflect the quality of service provided and develop transparent and informative promotional strategies to strengthen consumers' perception of value. Theoretically, this study contributes to the literature by reinforcing the role of price fairness as a mediating mechanism in the relationship between service quality, promotion, and repurchase intention. Furthermore, this study expands the marketing literature by showing that promotions are the most dominant determinant in shaping repurchase intention, highlighting the importance of marketing communication strategies in retaining customers. Further research is recommended to add other variables such as brand image or consumer trust and expand the research object.

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