



ANALYSIS EFFECT OF PRICE, SERVICE QUALITY AND MARKETING RELATIONSHIP ON REPURCHASING INTEREST WITH CUSTOMER SATISFACTION AS INTERVENING VARIABLE IN CV. BEKASI UNGGAS

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Abstract: The research aims to determine the effect of price, service quality and marketing relationship on repurchase intention with customer satisfaction as an intervening variable at CV. Bekasi Unggas. The type of research used is quantitative research. The data presented in this research was obtained through a questionnaire given to 53 respondents who as a customer at CV. Bekasi Unggas. Research design used is hypothesis testing using the structural equation model (SEM) – Smart PLS version 3.3.3. Results from this research show that: (1) There is a direct effect of price, marketing relationship and consumer satisfaction on repurchase intention, (2) There is no evidence of a direct effect of service quality on repurchase intention, (3) There is an indirect effect price, service quality and marketing relationship on repurchase intention through customer satisfaction.

Keywords: Price, Service Quality, Marketing Relationship, Customer Satisfaction, Repurchase Intention

INTRODUCTION

CV. Bekasi Unggas is quite successful company which sell broiler chickens around Bekasi. In 2019 to early 2021, sales of broiler chickens at CV. Bekasi Unggas continues to decline. The decline in 2020 is even lower their target selling. The sales declining be seen at Figure 1.1.

Based on the above phenomenon, it is necessary to do an analysis related to the decline in sales that occurred in CV. Bekasi Unggas. The analysis carried out can increase the number of broiler sales in CV. Bekasi Unggas. The analysis that will be carried out is the analysis of price,

service quality, marketing relationships on repurchase intention with consumer satisfaction as an intervening.

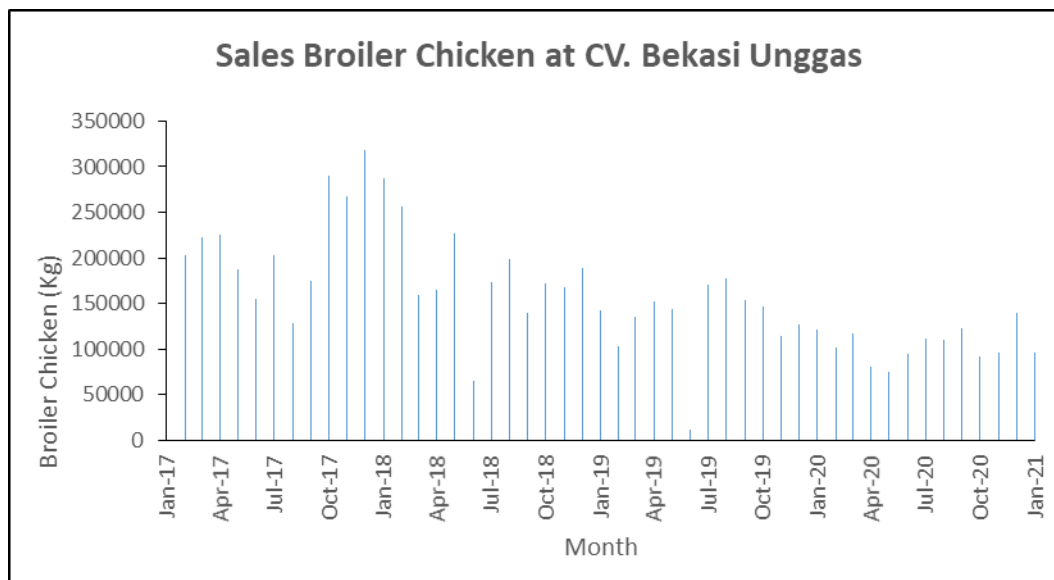


Figure 1. Broiler Chicken Sales at CV. Bekasi Unggas

To increase sales number can be done by getting repurchase intention from customer. Repurchase intention is the decision process to repurchase a product by considering of satisfaction. Repurchase intention refers to the level of strength of the company's intention to continue to perform certain behaviors in order to increase the company's income (Lee and Charles, 2021). To get repurchase intention, the company must give the best to customer so that customer get satisfaction. They will repurchase the products sold by a company (Ivana, 2021). Therefore, consumer satisfaction is used as a mediating to get consumer repurchase intention.

Customer satisfaction has a positive effect to the price (Yudi, 2018). Customer satisfaction has a positive effect to service quality (Mulyana and Gumilang, 2018), Customer satisfaction has a positive effect to marketing relationship (Rivaldi and Hatane, 2017). It is necessary to do further research related to the analysis of the relationship between price, service quality, marketing relationship on repurchase intention mediated by consumer satisfaction.

LITERATURE REVIEW

Purchase intention (consumer's purchase intention) is a theory regarding the purchase decision processes carried out by a person, group of people, or group of organizations (Kotler and Keller, 2016). Purchase intention means planning to buy an item or service which depends on the desire to buy a particular product from several brands (Shahid and Hussain, 2017).

Purchase interest can be identified through the following indicators: Transactional interest (tendency of customers to buy a product), referential interest (tendency of customers to inform other people about the products they buy), and preferential interest (interest that describes the behavior of customers who have a primary preference for the product, this preference can only be changed if something happens to the product of its preference) (Kotler and Keller, 2016).

Customer satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product perceived performance (or outcome) in relation to his or her expectation (Kotler and Keller, 2016). Consumer satisfaction is the result of consumers' evaluation of a product or service in terms of whether the product or service has met the needs and expectations of customer (Zeithmal et al, 2009).

Customer's satisfaction has three dimensions: satisfaction as fulfillment (the value of satisfaction because consumers feel their needs & desires are being fulfilled), satisfaction as pleasure (the creation of satisfaction value where consumers feel satisfied to make a purchase transaction), satisfaction as ambivalent (customers can have a unique experience with a company, this unique experience creates a certain satisfaction) (Zeithmal et al, 2009).

Price is the one element of the marketing mix that produces revenue; the other elements produce costs. Price also communicates the company's intended value positioning of its product or brand (Kotler and Keller, 2016). Price is the seller's way of determining what he will receive as a result of what they offers. The price factor consists of cost of goods or services sold, administrative expenses, advertising and promotion expenses, and perceived cost (Boonpattarakan, 2012). Price has any variable there are several elements of the main price activities which include a price list, discounts and terms of payment (Kotler and Ketler, 2016).

Service quality is a proof that the service can be said to be good or bad. Therefore, the service quality of a business can be seen from how the company behaves. Good perception of quality can be obtained if experienced quality meets expected quality (Tjiptono, 2014). Service quality is a very good service delivery when compared to the expectations of consumers (Zeithmal et al, 2009).

There are several dimensions of service quality: reliability (ability to perform the promised service in a convincing and accurate manner), responsiveness (help customers and provide prompt service), guarantee (guarantee of employee knowledge, employee courtesy and employee ability to convey trust & confidence to customer), empathy (willingness to give deep and special attention to every consumer, intangible object (appearance of facilities to support customers, employees, and communication materials) (Zeithmal et al, 2009).

Marketing relationship is the process of creating, maintaining and enhancing strong relationships with customers and other stakeholders. In addition to determining new strategies aimed at attracting new customers & creating transactions with consumers, the company is constantly striving to retain existing customers and build long-term good relationships that will bring profits to the company (Kotler and Ketler, 2016). Marketing relationship is defined as a process where a company builds long-term relationships with customers and potential customers, working together to achieve a specified goal (Anwar, 2016). Marketing relationship has a several dimension: trust, social benefit, and financial benefit (Kotler and Keller, 2016).

Based on the theoretical explanation related to price, service quality, marketing relationship, customer satisfaction, and repurchase interest, the following hypothesis can be drawn:

- H1: It is suspected that there is a direct effect of price on repurchase intention.
- H2: It is suspected that there is a direct effect of service quality on repurchase intention.
- H3: It is suspected that there is a direct effect of marketing relationship on repurchase intention.
- H4: It is suspected that there is a direct effect of consumer satisfaction on repurchase intention.
- H5: It is suspected that there is an indirect effect of price on repurchase intention through customer satisfaction.
- H6: It is suspected that there is an indirect effect of service quality on repurchase intention through customer satisfaction.
- H7: It is suspected that there is an indirect effect of marketing relationship on repurchase intention through customer satisfaction.

RESEARCH METHODS

The type of research used is quantitative research. The data presented in this research was obtained through a direct questionnaire and interview from 53 respondents whom as a customer at CV. Bekasi Unggas. Research design used is hypothesis testing using the structural equation model (SEM) – Smart PLS version 3.3.3.

FINDINGS AND DISCUSSION

The variables used in this research: price (X1), service quality (X2), marketing relationship (X3), customer satisfaction (Z) and repurchase interest (Y) with eight questions for each indicator. After validity and reliability test, any question is delete to comply with validity and reliability. Research model can be seen at figure 2.

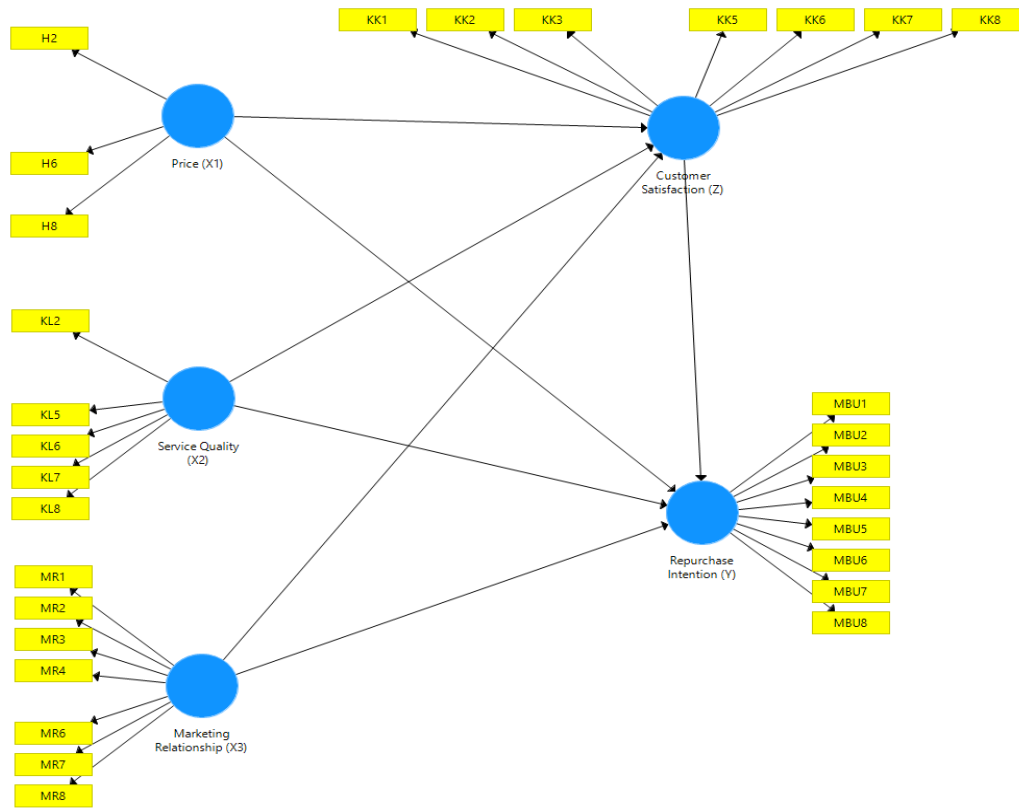


Figure 2. Research model
(Source: Smart PLS 3.3.3)

Validity and Reliability Test

Validity test on the Smart PLS 3.3.3 application is described by the outer loading value. The variable is belong to be valid if the outer loading value is > 0.7 (Hair et al, 2014). The reliability is indicated by the composite reliability value. The variable is belong to reliable if composite reliability value > 0.7 (Hair et al, 2014).

Analysis result of model at figure 2 has any some question that no valid and reliable, some question will delete to process the data valid and reliable only. The question indicators omitted in the Smart PLS 3.3.3 calculation are as follows: H7, H3, H1, MR5, KL3, H5, H4, KL4, KK4, KL1. After deleting some of the question indicators above, the results of the validity and reliability met the criteria. Validity and reliability test result can be seen at figure 3.

Construct Reliability and Validity					
Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (...)	Copy to Clipboard
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)	
Customer Satisfaction (Z)	0.907	0.909	0.926	0.643	
Marketing Relationship (X3)	0.915	0.922	0.932	0.664	
Price (X1)	0.820	0.820	0.893	0.736	
Repurchase Intention (Y)	0.920	0.921	0.935	0.643	
Service Quality (X2)	0.893	0.896	0.922	0.702	

Figure 3. Validity and Reliability Test Result
(Source: Smart PLS 3.3.3)

Outer Model

Outer model test describes the relationship between each indicator and its latent variables. Structural model for outer model to predict the feasibility of the indicators. Outer model test consist of discriminant validity test, average variance extracted, and cronbach's alpha.

1. Discriminant validity

Discriminant validity aims to describe an indicator that is not represented by other indicators. It is measured by cross loading value. The variable is belong to be valid if the cross loading value > 0.7 and the cross loading value must be greater than other variables (Hair et al, 2016). Discriminant validity test result can be seen at table 1, it show that all variable is valid.

Table 1. Discriminant Validiy
(Source: Smart PLS 3.3.3)

	Price (X1)	Service Quality (X2)	Marketing Relationship (X3)	Customer Satisfaction (Z)	Repurchase Intention (Y)
H2	0.883	0.648	0.594	0.731	0.652
H6	0.817	0.666	0.742	0.740	0.639
H8	0.871	0.694	0.572	0.744	0.681
KL2	0.615	0.759	0.680	0.681	0.663
KL5	0.708	0.894	0.793	0.782	0.744
KL6	0.648	0.845	0.711	0.704	0.621
KL7	0.607	0.823	0.660	0.690	0.599
KL8	0.688	0.863	0.616	0.718	0.607
MR1	0.574	0.619	0.703	0.667	0.603
MR2	0.758	0.727	0.870	0.834	0.797

MR3	0.634	0.717	0.854	0.731	0.717
MR4	0.583	0.746	0.835	0.678	0.622
MR6	0.556	0.634	0.813	0.681	0.711
MR7	0.439	0.602	0.764	0.584	0.513
MR8	0.629	0.674	0.852	0.761	0.677
KK1	0.751	0.668	0.735	0.840	0.709
KK2	0.779	0.736	0.719	0.846	0.732
KK3	0.708	0.679	0.655	0.813	0.744
KK5	0.647	0.760	0.702	0.770	0.671
KK6	0.729	0.646	0.636	0.767	0.716
KK7	0.552	0.655	0.686	0.745	0.628
KK8	0.652	0.658	0.763	0.825	0.770
MBU1	0.605	0.603	0.714	0.707	0.723
MBU2	0.563	0.679	0.683	0.764	0.822
MBU3	0.609	0.717	0.696	0.730	0.834
MBU4	0.580	0.601	0.576	0.666	0.825
MBU5	0.614	0.576	0.646	0.712	0.827
MBU6	0.663	0.621	0.693	0.720	0.842
MBU7	0.577	0.618	0.669	0.701	0.772
MBU8	0.709	0.543	0.578	0.677	0.761

2. Average Variance Extracted

Average Variance Extracted aims to evaluate discriminant validity for each construct and latent variable. The variable is belong meet the requirements if the AVE value > 0.5 (Hair et al, 2016). Discriminant validity test result can be seen at figure 3, it show that all variable is valid.

3. Cronbach's Aplha

Cronbach's Aplha aims to This test aims to strengthen the results of the composite reliability of a variable. The variable is belong to be eligible if cronbach's alpha value > 0.7 (Hair et al, 2016). Cronbach's Aplha test result can be seen at figure 3, it show that all variable is reliable.

Inner Model

Inner model aims to predict a relationship between the variables used in this research. Inner model test consist of discrimination coefficient, predictive relevance, effect size criteria.

1. Discrimination Coefficient (R^2)

Discrimination coefficient aims to assess the level of predictions accuracy for endogenous constructs. The value of R^2 can be declared as strong if the value is more than 0.7, as moderate if the value is > 0.5, as weak if the value is > 0.25 (Hair et al, 2016). Discrimination coefficient test result can be seen at table 2, it show that

repurchase intention and customer satisfaction has strong prediction accuracy for endogenous constructs.

Table 2. Discriminant Coefficient
(Source: Smart PLS 3.3.3)

Variable	R^2
Repurchase Intention (Y)	0.797
Customer Satisfaction (Z)	0.874

2. Predictive Relevance (Q^2)

Predictive relevance aims to measure how well the resulting observations value. The observation is belong to relevance if the value of $Q^2 > 0$ (Hair et al, 2016). Predictive relevance test result as below:

- Q^2 Repurchase Intention = 0.635
- Q^2 Customer Satisfaction = 0.764

3. Effect Size Criteria (f^2)

Effect size criteria aims to measure the relative impact of an independent variable that affects to dependent variable. The value of f^2 can be declared as strong if the value is more than 0.35, as moderate if the value is > 0.15 , as weak if the value is > 0.02 (Hair et al, 2016). Effect size criteria test result can be seen at figure 4, it show that (a). price and marketing relationship has a strong affect to customer satisfaction, meanwhile quality service has a weak affect to customer satisfaction, (b). price, service quality, marketing relationship has a weak affect to repurchase intention, meanwhile customer satisfaction has a stwong affect to repurchase intention.

f Square		
	Customer Satisfaction (Z)	Repurchase Intention (Y)
Customer Satisfaction (Z)		0.300
Marketing Relationship (X3)	0.375	0.043
Price (X1)	0.459	0.000
Repurchase Intention (Y)		
Service Quality (X2)	0.088	0.000

Figure 4. Effect Size Criteria Test Result
(Source: Smart PLS 3.3.3)

Hypothesis Testing Result

Hypothesis testing is done by analyzing the bootstrapping on the Smart PLS 3.3.3 program.

To assess the relationship between variables can be defined by Tstatistic or p-Value. The variable can be declared to have a significant effect on other variables if it has a T-statistic greater than T-table or p-Value is lower than 0.5 (Manurung and Budiastuti, 2019). T-table for this research is 1.299 (research model: one tailed, 53 sample, and 5 variabel).

1. Direct Effect

Research result for direct effect can be seen at figure 5. It can be conclude that (a). Price has a significant effect to customer satisfaction, price has a significant effect to repurchase intention, (b). Service quality has a significant effect to customer satisfaction, but quality service has no effect to repurchase intention, (c). Marketing relationship has a significant effect to customer satisfaction, marketing relationship has a significant effect to repurchase intention, (d). Customer satisfaction has a significant effect to repurchase intention.

Total Effects						
	Mean, STDEV, T-Values, P-Val...	Confidence Intervals	Confidence Intervals Bias Cor...	Samples	Copy to Clipboard:	Ex
	Original Sa...	Sample Me...	Standard ...	T Statistics (O/STDEV)	P Values	
Customer Satisfaction (Z) -> Repurchase Intention (Y)	0.697	0.713	0.213	3.278	0.001	
Marketing Relationship (X3) -> Customer Satisfaction (Z)	0.403	0.407	0.122	3.291	0.001	
Marketing Relationship (X3) -> Repurchase Intention (Y)	0.485	0.475	0.148	3.285	0.001	
Price (X1) -> Customer Satisfaction (Z)	0.399	0.400	0.070	5.686	0.000	
Price (X1) -> Repurchase Intention (Y)	0.297	0.318	0.155	1.920	0.028	
Service Quality (X2) -> Customer Satisfaction (Z)	0.209	0.206	0.125	1.678	0.047	
Service Quality (X2) -> Repurchase Intention (Y)	0.141	0.127	0.165	0.853	0.197	

Figure 5. Direct Effect Result

(Source: Smart PLS 3.3.3)

2. Indirect Effect

Research result for indirect effect can be seen at figure 6. It can be conclude that (a). Price has a significant effect to repurchase intention through customer satisfaction, (b). Service quality has a significant effect to repurchase intention through customer satisfaction, (c). Marketing relationship has a significant effect to repurchase intention through customer satisfaction, (d). Customer satisfaction is good mediating variable to connect price, service quality and marketing relationship to repurchase intention.

Specific Indirect Effects						
Mean, STDEV, T-Values, P-Val...	Confidence Intervals	Confidence Intervals Bias Cor...	Samples	Copy to Clipboard:	Excel Format	
	Orig...	Sampl...	Stand...	T Statistics (O /STDEV)	P Values	
Service Quality (X2) -> Customer Satisfaction (Z) -> Repurchase Intention (Y)	0.146	0.149	0.106	1.374	0.085	
Price (X1) -> Customer Satisfaction (Z) -> Repurchase Intention (Y)	0.278	0.287	0.103	2.698	0.004	
Marketing Relationship (X3) -> Customer Satisfaction (Z) -> Repurchase Intention (Y)	0.281	0.289	0.119	2.357	0.009	

Figure 6. Indirect Effect Result
(Source: Smart PLS 3.3.3)

CONCLUSION

From the research that has been done, it is found that only service quality does not affect directly to repurchase intention. Meanwhile price, service quality and marketing relationship affect to repurchase intention through consumer satisfaction. The specific conclusions from this research are as follows:

1. There is a significant direct effect of price on repurchase interest.
2. There is not enough evidence in this study to show that there is a significant direct effect of service quality on repurchase intention.
3. There is a significant direct effect of marketing relationship on repurchase intention.
4. There is a significant direct effect of consumer satisfaction on repurchase intention.
5. There is a significant indirect effect of price on repurchase intention through customer satisfaction.
6. There is a significant indirect effect of service quality on repurchase intention through customer satisfaction.
7. There is a significant indirect effect of marketing relationship on repurchase intention through customer satisfaction.

Based on the results of the research described, the researcher suggests CV. Bekasi Unggas to prioritize improvements in price and marketing relationships to increase repurchase intention to increase broiler chicken sales. On the other hand, for the future research, can expand the boundaries of the object of research such as researching all broiler chicken sellers in Bekasi with a larger number of respondents to get more detail result.

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