

The Role of Customer Satisfaction in Mediating the Effect of Product Quality and Service Quality on Customers' Repurchase Intention of a Coffee Shop in Bali, Indonesia

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ABSTRACT

Repurchasing intention is described as the behaviour of consumers in making repeated purchases of products that have been purchased previously. The positive feedback consumers receive after purchase creates repurchase intentions. Good repurchase intentions are influenced by many factors, i.e., product and service quality and customer satisfaction. This research was conducted to determine how product and service quality affect intention to make repeated purchases with customer satisfaction as mediation, with 119 respondents. Data was gathered using a questionnaire and analyzed using SmartPLS. Results imply that Product and Service quality has a significant positive effect on satisfaction and repurchase intentions. Customer satisfaction positively affects repurchasing intentions and mediates the relationship between product quality and service quality towards repurchase intentions.

Keywords: Customer satisfaction, repurchase intention, product quality, service quality.

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I. INTRODUCTION

Coffee has become one of the most consumed drinks in Indonesia. Currently, the habit of drinking coffee is not only to quench thirst but also to accompany various activities such as meetings, business meetings, class reunions, and various activities to fill other free time. The habit of drinking coffee is unknowingly increasing, making coffee a part of their lifestyle. Coffee production in Indonesia has increased over the past few years to reach its highest level in 2022, reaching 794,800 tons, an increase of 1.10% from the prior year, which was 789,191 tons. In line with the increase in coffee production, coffee shop startups have also increased yearly.

The Janji Jiwa coffee shop is a coffee shop brand in Indonesia that was founded by Billy Kurniawan in 2018 under the auspices of the Jiwa Group. The Janji Jiwa coffee shop faces tough competition, which motivates the company to continue innovating to attract its customers. This encourages companies to think about how to make customers have high repurchase intentions for the company's products. To repurchase an item or service continuously by the customer will create maximum sales, and maximum sales is one of the goals of a company to survive in this business. Based on a summary of Google's 2022 reviews, there are consumer reviews related to service quality where there are complaints from customers, such as service delays, dine-in locations that are too narrow, and order discrepancies. In addition, there are consumer reviews related to product quality, one of which is the inconsistent taste of the food

served, which influences consumers' repurchase intention.

The pre-survey was conducted on 30 Janji Jiwa X Samasta coffee shop customers on November 27, 2022, regarding their intention to repurchase Promise Jiwa X Samasta products. Customers who intend to make repeat purchases are 16 people. Meanwhile, 14 people did not intend to repurchase Janji Jiwa X Samasta coffee shop products. The results of the pre-survey prove some problem occurring with products and service quality that affects repurchasing intentions by customers of the Janji Jiwa X Samasta coffee shop.

Consumer repurchasing is an important factor in determining a business target to be achieved. High repurchase intention can result in high sales volume so that the profits to be obtained by the company are higher. To achieve high profits, companies must consider how to attract customers' repurchase intentions for these goods or services.

Product quality has an essential role in encouraging customers to adopt the product repeatedly. When customers are satisfied with the products presented and according to what they want, then customers will continue to make purchases and recommend them to others (Pratama & Yulianthini, 2022).

To increase customers' repurchase intention, in addition to maintaining and improving product quality, companies must also focus into quality of service to have a competitive advantage over other competitors. Wiradarma and Respati (2020) states that service quality has significant effects on repurchasing intention. Apart from the research that has been described, several studies differ from the results of previous studies, such as Sandy and Aquinia (2022); product quality

does not affect purchasing intention.

There is a research gap regarding the implication of products with service quality into repurchase intentions, and several antecedents could be mediators in repurchase intentions. Mediating variable which can be used to strengthen antecedent. Customer satisfaction is an important factor in achieving the goal of creating maximum sales, especially to increase repurchase intentions. So, in achieving these goals, the company needs to increase customer satisfaction, which becomes the business' mainstay in retaining consumers.

II. LITERATURE REVIEW

A. Repurchase Intentions

Repurchasing intention is described as an individual's intention to repurchase a product by considering previous experiences. The indicators of repurchase intention referred to by Widyasari and Suparna (2022) are as follows: transactional, referential, preferential, and explorative intention.

B. Product Quality

Product quality is something that is able to make consumers make repeated purchases. Product quality indicators refer to Halim and Suparna (2021) as follows: Taste, Appearance, Menu Variation, Temperature.

C. Service Quality

Service quality is described as a service provider's efforts to meet its consumers' needs to match the customers' expectations. The indicators referred to by Pradnyana and Suryanata (2021) are as follows: Tangibility, Reliability, Responsiveness, Assurance, and Empathy.

D. Customer Satisfaction

Satisfaction felt by customers happens as customers enjoy products and services provided by businesses. In addition, the definition of customer satisfaction is one's expectations or feelings for purchasing an item or service, meaning that what is expected by the customer can be achieved and is a reality. Service quality indicators referred to by Putri and Sukawati (2020) are as follows: Good experience, product satisfaction, service satisfaction, and right decision.

E. Hypothesis Development

Repurchase intention is defined as a mental statement that reflects a buyer's plan to buy a particular brand or company within a certain period (Raman, 2019). Girsang *et al.* (2020) on Oriflame Skincare customers stated product quality has significant effects and implications on repurchasing intention.

H1: Product quality has a positive significant effect on the intention to repurchase.

Customer satisfaction describes liking a product that arises when customers perceive that the product they use

meets their expectations (Khasbulloh & Suparna, 2022). Sari and Giantari (2020) state that product quality has positive implications for customer satisfaction.

H2: Product quality has a positive significant effect on customer satisfaction.

Nazarani and Suparna (2021) stated that repurchasing intention towards a company can occur when customers receive quality service and vice versa. Wiradarma and Respati (2020) with Lazada users in Denpasar showed that service quality positively impacted repurchasing intention.

H3: Service quality has a positive significant effect on repurchase intention.

Good service will have satisfactory results for customers due to the successful fulfillment of the expected expectations (Ishmael & Dei, 2018). Wiradarma and Respati (2020) on Lazada users in Denpasar and Yaeri *et al.* (2021) on online stores in China proved that quality of service raised buyers' satisfaction.

H4: Service quality has a positive significant impact on customer satisfaction.

Repurchase intention is described as purchasing activities that happen as repeated acts on the same products or services (Pratama & Yulianthini, 2022). Sastrawan and Suparna (2021) on Dunkin Donuts customers in Denpasar City stated that customer satisfaction positively affects repurchasing intentions.

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

Repurchase intention occurs when consumers have the desire to repeatedly purchase due to the satisfaction received by the customer because the product's perceived quality meets expectations. Rahmawati *et al.* (2020) state that a positive significant influence on customer satisfaction in mediating product quality on repurchase intentions.

H6: Customer satisfaction has a significant role in mediating the effect of product quality variables on repurchase intentions.

Repurchase intention occurs because of the satisfaction felt by customers when receiving quality service and by customer expectations. Ma'idayu and Vania (2022) on Hastag Dau coffee shop customers, Malang, and Gunawan *et al.* (2023) at KPD supermarkets in Palangka Raya showed that service quality tends to have significant positive implications for repurchasing intention.

H7: Customer satisfaction mediates the relationship between antecedent service quality and repurchasing intention.

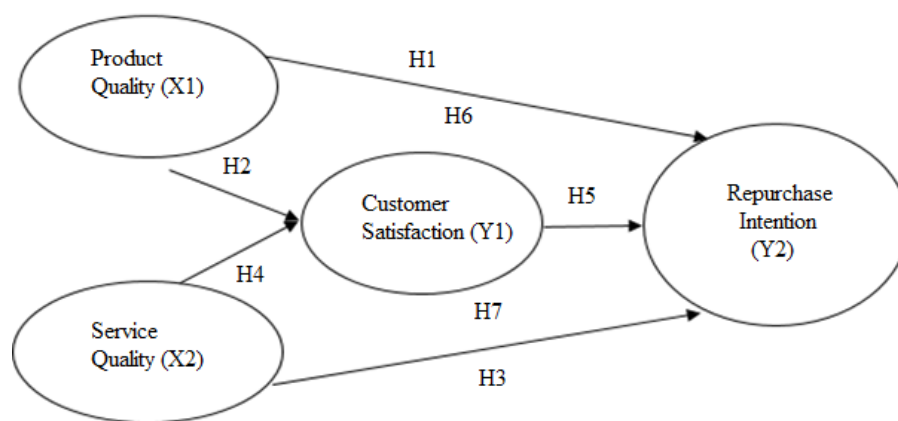


Fig. 1. The conceptual framework.

III. METHOD

This research was conducted with a questionnaire and data collection using cross-sectional. The use of a cross-sectional study is because, in this study design, all variables are measured and observed simultaneously. The research was conducted at the Janji Jiwa X Samasta coffee shop, South Kuta District, Badung Regency. This place was chosen because Badung Regency ranks highest in the District Minimum Wage in Bali Province in 2022, and the election for South Kuta District is because there are more productive, consumptive residents compared to other sub-districts in Badung Regency.

The sampling population was buyers at Janji Jiwa X Samasta coffee shop who live in Badung Regency and have previously visited and purchased the product. This study used 119 respondents, the product of 17 indicators multiplied by 7, meaning they met the criteria. The sampling technique uses the purposive sampling method. Sampling criteria: Respondents have completed high school education, and the selection of these criteria is with the consideration that respondents can understand the contents of the questionnaire and have a broader understanding and Have bought Janji Jiwa X Samasta coffee shop products more than once in three months. Data was compiled by survey methods with Likert Scale questionnaires to consumers who purchased at the Janji Jiwa X Samasta coffee shop. Data analysis uses SmartPLS.

IV. RESULTS AND DISCUSSION

A. Characteristics of Respondents

The total number of customers of the Janji Jiwa X Samasta coffee shop as samples was 119 people. Most consumers are young women (20-24 years old). According to the last education, customers of the Janji Jiwa X Samasta coffee shop who have a bachelor's education dominate. Consumers are also dominated by students.

B. Description of Research Variables

Respondents' perceptions of the variable repurchase intention have a total score of 3.72; the Janji Jiwa X Samasta coffee shop consumers have high repurchase intentions for Janji Jiwa X Samasta products. This is because Janji Jiwa X Samasta often provides new menu variants in their coffee

shops, and this also influences consumers to continue to intend to make purchases. The indicator of repurchase intention that gets the highest rating, "I will seek more info regarding the newest menu at Janji Jiwa X Samasta", with a score of 3.99, the respondent will look for information about the latest menu at the Janji Jiwa X Samasta coffee shop because of quality. The products offered are reasonable, and Janji Jiwa Coffee often provides new variants in the coffee shop, so respondents continue to want to find information about when the Janji Jiwa coffee shop launches its new menu so that customers intend to make purchases. The indicator of repurchase intention that gets the lowest score is in the statement "Janji Jiwa X Samasta will be my top choice when I want to buy coffee", with a score of 3.56, meaning respondents thought the Janji Jiwa X Samasta coffee shop will not fully become their top choice when you want to buy coffee. This is because many other coffee shops offer similar products. So, the respondents did not make the Janji Jiwa X Samasta coffee shop their first choice.

Respondents' perceptions of product quality variables have a total score of 3.58, which includes good criteria. This indicates that consumers assess the quality of products served at Janji Jiwa X Samasta coffee shop as good. This is because the Janji Jiwa X Samasta coffee shop can offer a varied menu so that respondents can enjoy the various menus available. The statement that received the highest rating was "Janji Jiwa X Samasta provides a variety of food and beverage products", with a score of 3.71, which is a good criterion. This means that respondents felt that the Janji Jiwa X Samasta coffee shop provided a variety of food and beverage products. Suppose the Janji Jiwa X Samasta coffee shop can offer a variety of menus. In that case, the respondent will intend to make a repeat purchase because the respondent can choose a variety of menus. The statement that received the lowest rating was "Products from Janji Jiwa X Samasta have a unique taste", with a value of 3.50, which means that respondents considered that the product of the Janji Jiwa X Samasta coffee shop did not fully have a unique taste. The Janji Jiwa X Samasta coffee shop company is expected to be able to offer menu variations that are different from similar products or other similar companies.

Respondents' perceptions of quality of services variables have a total score of 3.68. This indicates that the consumer gives good reviews towards service quality because the business can maintain quality of service in terms of

cleanliness. The service quality indicator that received the highest rating was the statement “dine area in Janji Jiwa X Samasta is clean and comfortable”, with a value of 3.91, meaning respondents considered the dining area in the Janji Jiwa X Samasta coffee shop to be clean and comfortable, this means that providing cleanliness and comfort in the dine-in area of the Janji Jiwa X Samasta coffee shop. The statement that received the lowest rating was “Janji Jiwa X Samasta is swift in responding to customer needs,” with a value of 3.45; the respondent thinks that the Janji Jiwa X Samasta coffee shop is not fully responsive in responding to customer needs.

Respondents’ perceptions of the customer satisfaction variable have a total score of 3.46, showing that respondents’ mean satisfaction rating with the Janji Jiwa X Samasta coffee shop is high. Consumers are happy when purchasing at the Janji Jiwa X Samasta coffee shop. The statement that received the highest rating was “I feel more comfortable shopping at Janji Jiwa X Samasta”, with a value of 3.60, which is a high criterion; this means that respondents feel more comfortable shopping at the Janji Jiwa X Samasta coffee shop. This shows that consumers prefer shopping at Janji Jiwa X Samasta, which the variety of menus can cause. The statement that received the lowest rating was “I feel satisfied with the services”, with a value of 3.37. The Janji Jiwa X Samasta coffee shop is expected to provide excellent service when consumers make purchases at the Janji Jiwa X Samasta coffee shop to increase the satisfaction felt.

C. PLS Results

Q2 at 0.902, meaning 90.2% of repurchase intention for the Janji Jiwa X Samasta coffee shop customers is influenced by the quality of products, services, and customer satisfaction. In comparison, 9.8% is affected by another antecedent.

TABLE I: HYPOTHESIS TESTING RESULTS

	Correlation coefficient	p-value	
1 st Hypothesis	0.503	0.000	Proved
2 nd Hypothesis	0.308	0.004	
3 rd Hypothesis	0.139	0.039	
4 th Hypothesis	0.348	0.000	
5 th Hypothesis	0.484	0.000	
6 th Hypothesis	0.224	0.001	
7 th Hypothesis	0.149	0.002	
Q2 = 0.902			

D. Quality of Products at Intention of Repurchasing

Table I showed a positive result with a significant effect on the repurchasing intentions of customers, drawing a coefficient of 0.139, with a p-value of $0.039 < 0.05$. That is, with better quality served by the Janji Jiwa X Samasta coffee shop, the repurchase intention of the Janji Jiwa X Samasta coffee shop customers will increase. Wijaya and Hapsari (2022) concluded that decent-quality goods increase customers’ intention to repurchase.

E. Products of Services at Customers’ Satisfaction

Hypothesis Testing at Table I shows a positive significant result for Janji Jiwa X Samasta coffee shop customers, with a coefficient of 0.503, with a p-value of $0.000 < 0.05$, meaning if the product quality of Janji Jiwa X Samasta coffee shop customers increases, and the customers’ satisfaction will also

be stronger. Based on this, the hypothesis is proven and accepted, equivalent to what Sari and Jatra (2019) found out.

F. Quality of Services at Intention of Repurchasing

Testing the hypothesis on service quality influencing repurchasing intentions at Table I, found a positive significant influence, with a coefficient of 0.348 and a p-value of $0.000 < 0.05$. That is a higher quality of service owned by the business, intention to repurchase will increase, the results equivalent to Wiradarma and Respati (2020) on Lazada users in Denpasar.

G. Quality of Services at Customers’ Satisfaction

The testing result at Table I shows a coefficient of 0.308, with a p-value of $0.004 < 0.05$, meaning when service quality improves, customers’ satisfaction becomes stronger. Drawing on this, the implication of service quality has a significant positive effect on customer satisfaction at Janji Jiwa X Samasta customers is accepted (Wiradarma & Respati, 2020).

H. Customer’ Satisfaction at Intention of Repurchasing

Testing the hypothesis on customer satisfaction influencing repurchasing intention at Table I, found a positive significant influence on Janji Jiwa X Samasta coffee shop customers, with a coefficient of 0.484 and a p-value of $0.000 < 0.05$. That is, the increasing customer satisfaction held by the Janji Jiwa X Samasta coffee shop customers the repurchase intention of the Janji Jiwa X Samasta coffee shop customers will increase (Pratama & Yulianthini, 2022).

I. Customer’s Satisfaction as Mediator for Quality of Products and Repurchasing Intention

Testing the influence of product quality towards repurchasing intention by mediating customer satisfaction at Table I shows positive results, with a p-value of $0.001 < 0.05$. Where customer satisfaction partially mediates the quality of the products onto the repurchasing intention of coffee shop customers at Janji Jiwa X Samasta, the results are equivalent to those of Rahmawati *et al.* (2020).

J. Customer’s Satisfaction as Mediator for Quality of Services and Repurchasing Intention

Testing the hypothesis at Table I shows that H7 was proven right with a p-value of $0.002 < 0.05$. Based on this, customer satisfaction is a significant mediator of service quality and repurchasing intention (Wiradarma & Respati, 2020).

V. CONCLUSION

Product quality has significant positive implies on repurchase intention, which higher quality of the products owned by Janji Jiwa X Samasta coffee shop escalates intention to repurchase the customers of the Janji Jiwa X Samasta coffee shop. The quality of products has a beneficial impact on customers’ satisfaction at the Janji Jiwa X Samasta coffee shop, which means that if there is consistency in product quality, it can increase customer satisfaction. The quality of Services significantly influences customers’ repurchase intention of the Janji Jiwa X Samasta coffee shop. The higher quality of services owned by the Janji Jiwa X Samasta coffee shop can increase the repurchase intention. Service quality has a significant positive implication on

customer satisfaction, which means excellent service leads to maximum customer satisfaction. Customers' satisfaction planted positive outcomes onto repurchasing intentions, which means that the increasing satisfaction of the Janji Jiwa X Samasta coffee shop customers will escalate intention to repurchasing at Janji Jiwa X Samasta coffee shop customers. Customer satisfaction mediates a significant positive effect of product quality on the repurchase intention of customers of Janji Jiwa X Samasta coffee shop, which means that if there is an increase in the quality of products, it can increase customer satisfaction by increasing satisfaction felt by customer would make repurchase intentions increasing. Customer satisfaction mediates service quality towards repurchase intentions; better services offered by the Janji Jiwa X Samasta coffee shop can increase customer satisfaction, and with increased satisfaction felt by customers, it will increase the repurchase intention.

In terms of product quality, it is hoped that the management of the Janji Jiwa X Samasta coffee shop can pay attention to or improve the taste of the Janji Jiwa X Samasta coffee shop by providing its uniqueness to the products offered to customers, such as by using better quality raw materials, mixing taste variants to be able to offer new and more varied food and beverage products to increase customers satisfaction also repurchase intention. Management can pay attention to or increase alertness in service to respond to consumer needs, where the management of the Janji Jiwa X Samasta coffee shop can provide training to employees so they can serve consumers swiftly, or the management of the Janji Jiwa X Samasta coffee shop can give a warning to employees who cannot serve consumers well. It is hoped that providing good service can increase customer satisfaction, and increasing satisfaction would improve repurchase desire. Janji Jiwa X Samasta is also advised to provide the best service by applicable operational standards when consumers make purchases at the Janji Jiwa X Samasta coffee shop so that it will have an impact on increasing the satisfaction felt by consumers because the services provided have met expectations.

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