



THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON REPURCHASE INTEREST THROUGH CONSUMER SATISFACTION AT COFFEE SHOPS IN DENPASAR CITY

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ABSTRACT

Consumer satisfaction is a measure of the value of a product and service that will affect consumer interest in repurchasing the product or reusing the service. In addition to the quality of the product itself, price is one of the indicators that indirectly affects consumer response to repurchase the goods. This study aims to determine the effect of product quality, price on repurchase interest through consumer satisfaction at coffee shops in Denpasar. This study uses a quantitative method with a differential analytical descriptive approach. The number of samples used was 100 respondents calculated from the number of indicators in the question. The questionnaire used has been tested for validity and reliability. The results of the study were analysed using alternative structural equation modeling (SEM) method PLS (Partial Least Square) with the SmartPLS 3.0 M3 program. The results of this study indicate that price and consumer satisfaction factors affect consumer repurchase interest, while product quality is not significant to consumer repurchase interest. Mediating consumer satisfaction is proven to only apply to the relationship between price and repurchase interest. Satisfaction indirectly influences consumer repurchase interest in addition to paying attention to product quality and the price of the product itself.

Keywords: interest; price; product; repurchase satisfaction

INTRODUCTION

Coffee shops have become a trend that dominates the food and beverage industry in various parts of the world, including Denpasar City in Bali. With a variety of flavors and unique atmospheres, coffee shops offer an interesting experience for coffee lovers and visitors looking for a place to relax or work. However, with the increasing number of coffee shops in Denpasar City, competition in this industry is getting tighter. Therefore, coffee shop owners must pay attention to factors that influence consumer repurchase interest in order to stay competitive and maintain their market share. Consumer satisfaction is a response that arises from within the consumer which is seen from the patient's response when enjoying the purchased product. Coffee products are currently one of the popular products and have won the hearts of consumers both in terms of quality and price offered. Consumers will feel their own satisfaction to enjoy coffee products offered by popular coffee shops with a taste that arouses the interest of consumers, especially coffee lovers. (Febrianti, 2020).

Repurchase interest is the consumer's desire to repurchase a product or service that has received a good rating or a pleasant impression. Repurchase interest is inseparable from how a company markets its products. The company not only fulfills their needs, but the company also observes consumer interest in making purchases. Consumer interest will be created if a product offered is balanced, attractive, and affordable. Purchase interest is very much needed by every company, so that the company's survival continues to be achieved. Repurchase interest arises as an internal response or internal drive from consumers that strongly encourages activities To Enjoy The Quality Of Products Or Services That Meet Consumer Desires. (Kartika, 2023). One of the main considerations for consumers in choosing a coffee shop is the quality of the product offered. Coffee product quality includes everything from the coffee beans used, processing and brewing methods, to the taste and consistency of the drink served.

Consumers want consistent product quality that meets their expectations. High-quality coffee products provide a satisfying experience and make consumers satisfied. Consumer satisfaction with product quality is an important key in creating repeat purchase interest.

Product quality is the characteristics of a product or service that correspond to its ability to satisfy stated or implied customer needs. Product quality as something that can be offered to the market to be noticed, owned, used, or consumed so as to satisfy the desires or needs of consumers. Quality is a factor contained in a product that causes the product to be valuable according to the purpose for which the product was produced and who the target recipient of the product is. Quality is usually related to the benefits or uses and functions of a product and the packaging that is the initial appearance of the product (Andini et al., 2021). In addition to product quality, price is also a significant factor in consumer decision making. The price offered by a coffee shop will affect consumer perception of the value of the product provided. Prices that are too high can make consumers feel dissatisfied and move to other coffee shops that offer more affordable prices. On the other hand, prices that are too low can be considered an indicator of low quality. Therefore, determining the right price is crucial for coffee shop owners. Competitive prices that are in accordance with the value of the product provided can increase consumer repurchase interest. (Ibrahim & Thawil, 2019).

The price of a product is one of the factors that influences the interest in repurchasing the product, but if a product is priced high, it is possible that the product will not be repurchased. Products that are priced high but supported by good quality will actually be repurchased by consumers because the price is in accordance with the quality provided. Another condition could be that a product with a high price but less than satisfactory quality will not be repurchased by consumers. Satisfaction will be one of the moderate factors that influence consumer repurchase interest in addition to the quality and price factors of the product. (Krisna et al., 2023). However, in the context of coffee shops in Denpasar City, there are still problems that need to be studied further related to the influence of product quality and price on repurchase interest through consumer satisfaction. Coffee shops in Denpasar City are facing increasingly tight competition with the emergence of new coffee shops and the development of coffee trends. Coffee shop owners need to understand more deeply the factors that influence consumer repurchase interest in this local context. Based on the review of the background above it is important to examine the Influence of Product Quality and Price on Repurchase Interest Through Consumer Satisfaction at Coffee Shops in Denpasar City.

METHOD

This study uses a quantitative research method with a differential analytical descriptive approach, where this study analyzes independent variables and then analyzes the variables that mediate the independent variables with the dependent variables. According to (Sugiyono, 2019) Differential research has the advantage of analyzing the factors that have the most influence on the dependent variable. The number of questions is 20 indicators from variables X1, X2, Y1 and Y2 in this study, so the number of questions used is 20 items, questions multiplied by 5 equals 100 respondents; $[20 \times 5 = 100]$. Therefore, this study uses a minimum of 100 respondent samples. The validity and reliability tests conducted in this study used the first 30 respondent samples. Validity and reliability testing in this study used correlation and Cronbach's Alpha with SPSS 24.0 software. The method of data collection in this study was by distributing questionnaires in the form of google forms to Coffee Shop Consumers in Denpasar City. After the data was collected, the data was then analyzed using the alternative structural equation modeling (SEM) method PLS (Partial Least Square) with the SmartPLS 3.0 M3 program.

RESULTS AND DISCUSSION

Outer model

Measurement model analysis aims to test whether valid indicators explain constructs or latent variables. Valid indicators are tested through three types of construct validity tests, namely the first is the convergent validity test, the second is the discriminant validity test, and the third is the significance test of the influence of indicators on the construct. These three types of validity tests mutually strengthen the decision whether an indicator is maintained in the model or removed from the model.

Table 1.
Discriminant Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
X1	0.887	0.924	0.902	0.540
X2	0.783	0.811	0.874	0.700
X3	0.885	0.890	0.917	0.688
Y	0.847	0.854	0.908	0.768

Table 1, the AVE (Average Variance Extracted) value for each variable is more than 0.5, indicating good discriminant validity, where Product Quality (X1): AVE is 0.540, Price (X2): AVE is 0.700, Satisfaction (X3): AVE is 0.688 and Repurchase Interest (Y): AVE is 0.768.

a. Inner model

Structural model testing (inner model) is conducted to determine the significance of the influence between exogenous and endogenous variables. This analysis is conducted after all indicators and variables are declared valid and reliable. Evaluation of the structural model or inner model is a stage to evaluate the goodness of fit which includes the coefficient of determination (R2) and predictive relevance (Q2) as well as hypothesis testing.

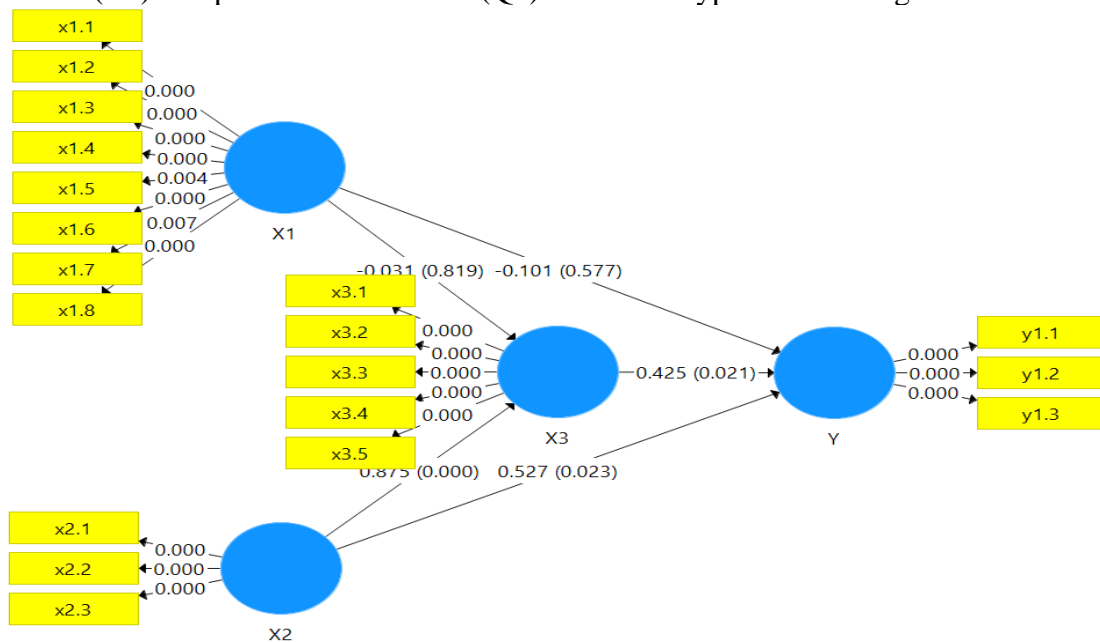


Figure 1. Results of the Structural Model (Inner Model) of the Research Model

Hypothesis Testing

Table 2.
Direct Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard (STDEV)	Deviation	T ((O/STDEV))	Statistics	P Values
X1 -> X3	-0.031	-0.003	0.135		0.229		0.819
X1 -> Y	-0.101	-0.085	0.181		0.558		0.577
X2 -> X3	0.875	0.857	0.132		6,610		0.000
X2 -> Y	0.527	0.509	0.232		2.275		0.023
X3 -> Y	0.425	0.441	0.183		2.322		0.021

Based on Table 2, the results of the analysis show that there is no significant influence between product quality and consumer satisfaction. This is based on the p value of 0.819, which is greater than 0.05. A p value greater than 0.05 indicates that the relationship between product quality and consumer satisfaction is not significant. This means that changes in product quality do not directly affect the level of consumer satisfaction in the context of this study.

Testing the effect of product quality on repurchase intention also showed insignificant results. With a p-value of 0.577 ($p > 0.05$), it can be concluded that product quality does not have a significant effect on repurchase intention. This shows that although product quality may be important to consumers, it does not directly affect consumers' decisions to make repurchases.

The effect of price on consumer satisfaction is proven to be significant. Based on the analysis results, the p value of 0.000 ($p < 0.05$) indicates that price has a significant effect on consumer satisfaction. In addition, the influence coefficient of 0.875 indicates that price changes have a strong impact on increasing consumer satisfaction. This indicates that consumers tend to be more satisfied with a product or service when the price is considered appropriate or competitive. Price also has a significant effect on repurchase intention, with a p value of 0.023 ($p < 0.05$), indicating that there is a significant relationship between price and consumer decisions to make repurchases. The influence coefficient of 0.527 indicates that price has a moderate effect on repurchase intention. This means that an appropriate or attractive price can increase the likelihood of consumers making repeat purchases. Finally, the results of the analysis show that consumer satisfaction has a significant influence on repurchase intention. The p-value of 0.021 ($p < 0.05$) indicates that consumer satisfaction is a significant factor in influencing repurchase intention. The influence coefficient of 0.425 indicates a positive influence between consumer satisfaction and repurchase intention, which means that the higher the level of consumer satisfaction, the more likely they are to make a repurchase.

The Influence of Product Quality on Repurchase Interest

Product quality is one of the important aspects that influence repurchase decisions. In this study, the results of the analysis showed that product quality did not have a significant effect on repurchase interest, with a T value of 0.558 and a P-value of 0.577. These results indicate that among consumers of this coffee shop, the product quality they feel is not strong enough to encourage repurchase interest. Previous research by (Nurfitriana & Iriani, 2018) stated that product quality is generally positively correlated with repurchase intention, especially when consumers feel that the product meets the expected standards. However, several studies also stated that in industries with high levels of competition, other factors such as price and promotion are often more prominent in attracting customers to return. (Nurhayati & Islam, 2022). Thus, in the context of coffee shops which tend to be highly competitive, product quality alone is not always enough to attract repeat purchase interest, as customers may be more focused on aspects such as convenience or other added value obtained during the visit.

The Influence of Price on Repurchase Interest

The results of the study show that price has a positive and significant effect on repurchase interest, with a T value of 2.275 and a P-value of 0.023. This confirms that competitive prices that are comparable to product quality can attract consumer interest in repurchasing. Study by (Marbun et al., 2022) found that prices that are considered reasonable and in line with customer expectations can increase repurchase intentions, especially when customers feel they are getting value that is commensurate with the costs they incur. In this context, price can be seen as a motivational factor for consumers in determining repurchase intentions, especially in the diverse coffee market. (Kotler, 2017). Competitive prices tend to have a positive psychological effect on consumers, so they feel that the value they get is in accordance with the price they pay, which ultimately increases their interest in repurchasing.

The Influence of Consumer Satisfaction on Repurchase Interest

Consumer satisfaction shows a significant positive influence on repurchase intention, with a T value of 2.322 and a P-value of 0.021. These results indicate that consumers who are satisfied

with the services and products received will be more likely to make repeat purchases. According to (Sentiana, 2018) stated that consumer satisfaction plays a key role in driving loyalty, which then has implications for repeat purchasing behavior. In another study, (Juliana & Keni, 2020) found that satisfaction is a major predictor of building long-term relationships between consumers and companies. When consumers are satisfied, they tend to have positive perceptions of the product, which increases the likelihood that they will continue to use the product or service in the future.

The Influence of Product Quality on Consumer Satisfaction

The analysis shows that product quality has no significant effect on consumer satisfaction, with a T value of 0.229 and a P-value of 0.819. This finding is interesting because it differs from previous research results that generally found product quality as a determinant of satisfaction. According to research by Lemon & Verhoef (2016), product quality is often one of the main factors that shape consumer satisfaction, especially in quality-sensitive markets. However, in the context of a coffee shop, consumers may have more diverse expectations regarding their experience, such as the atmosphere of the shop, service, and price. In this context, this insignificant result may be due to consumer preferences that prioritize the overall experience rather than just product quality, so that product quality itself is not enough to increase their satisfaction.

The Influence of Price on Consumer Satisfaction

The test results show that price has a significant positive effect on consumer satisfaction, with a T value of 6.610 and a P-value of 0.000. This shows that prices that are considered reasonable by consumers can provide additional satisfaction. According to research by (Ramadhani & Yuliana, 2023), price is an important factor in shaping consumers' perceptions of the value they receive. When consumers feel that the price is in line with the benefits they receive, they tend to be more satisfied. In this context, competitive pricing plays an important role in shaping satisfaction, as customers perceive that the product has value for money. Price-sensitive coffee consumers often judge their experience based on the fit between price and benefits received. (Wirawan & Ari, 2023).

The Mediating Effect of Product Quality on Repurchase Interest through Consumer Satisfaction

The analysis shows that consumer satisfaction does not act as a mediator between product quality and repurchase intention, considering that product quality itself does not have a significant effect on consumer satisfaction. This finding indicates that product quality alone is not enough to form repurchase intention through satisfaction. Rust and (Ronasih & Widhiastuti, 2021) stated that although product quality can increase satisfaction, this often depends on consumer expectations and the type of product itself. In the context of a competitive industry such as coffee shops, product quality may be considered more of a basic standard to be met than a differentiating factor. Therefore, in the absence of other differentiating factors, product quality may be difficult to significantly influence repurchase intention through consumer satisfaction.

The Influence of Mediating Price on Repurchase Interest through Consumer Satisfaction

The analysis shows that price has a positive effect on satisfaction, which then contributes to increasing repurchase intention. Thus, consumer satisfaction acts as a mediator between price and repurchase intention. Research (Kotler, 2017) supports this finding by stating that fair prices increase consumer perceptions of value, which ultimately increases satisfaction and repurchase intention. In the coffee industry, competitive pricing can create an additional sense of satisfaction for consumers, as they feel that the product they receive is worth the cost. This

confirms that in a price-sensitive sector, customer satisfaction is often mediated by fair and competitive pricing.

CONCLUSION

The results of this study indicate that price and consumer satisfaction factors affect consumer repurchase interest, while product quality is not significant to consumer repurchase interest. Mediating consumer satisfaction is proven to only apply to the relationship between price and repurchase interest. Consumer satisfaction acts as a mediator in strengthening the relationship between price and repurchase interest, but does not apply as a mediator for the relationship between product quality and repurchase interest.

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