

PROPOSED IMPROVEMENTS TO INCREASE CUSTOMER REPURCHASE INTENTIONS AT DEPARTMENT STORE X

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Abstract: The retail sector is one of the most significant sectors of the Indonesian economy, where according to the Minister of Trade, it contributed 53,56% of GDP in the first quarter of 2022. One example of a retail business in Indonesia is Department Store X, located in Bandung City, one of Indonesia's largest retail markets. However, since 2017, the number of visitors and sales there has stagnated, and has been pretty much the same for the last 6-7 years, despite rising costs of labor and product procurement, which is very concerning for the store's longevity. The objective of this research is to identify and analyze what key factors effect customer repurchase intentions at Bandung City department stores such as Department Store X, as it was found that the problem was caused by low customer retention. Many old customers were hesitant or unwilling to shop in Department Store X again. This research itself aims to study the effect of several independent variables, including advertising and promotions, store environment & layout, service quality, product diversity, and location as well as several mediating variables, including customer satisfaction, perceived value, and emotions/feelings in the store on the dependent variable of customer repurchase intentions. The methodology used in this research involved using a questionnaire with a convenience sampling technique for data collection and PLS-SEM (Partial Least Squares Structural Equation Modelling) for data processing. The results of this research found that product diversity, location, and customer satisfaction had a positive and significant effect on repurchase intention.

Keywords: *Retail, Department Store, Repurchase Intention, Questionnaire, PLS-SEM*

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1. Introduction

Retail, which can be defined as businesses that distribute and sell initially large quantities of goods/products at smaller quantities to institutional consumers (Utami, 2021), is one of Indonesia's significant economic sectors. According to Minister of Trade Zulkifli Hasan, in the first quarter of 2022, the Indonesian retail sector contributed 53.56% to Gross Domestic Product (GDP) with a growth of 4.34% (Redaksi DDTC News, 2022). Then, in 2021, Indonesia's retail sector was also the fourth largest in the world with total national retail sales reaching IDR 6,044 trillion and with a total Global Retail Development Index (GRDI) value of 53.0 (Naurah, 2022). To highlight this fact, Figure 1 is shown below, which displays the names of 10 countries with the largest retail market index in 2021. Indonesia only has a retail market

index smaller than 3 other countries: China, India, and Malaysia.

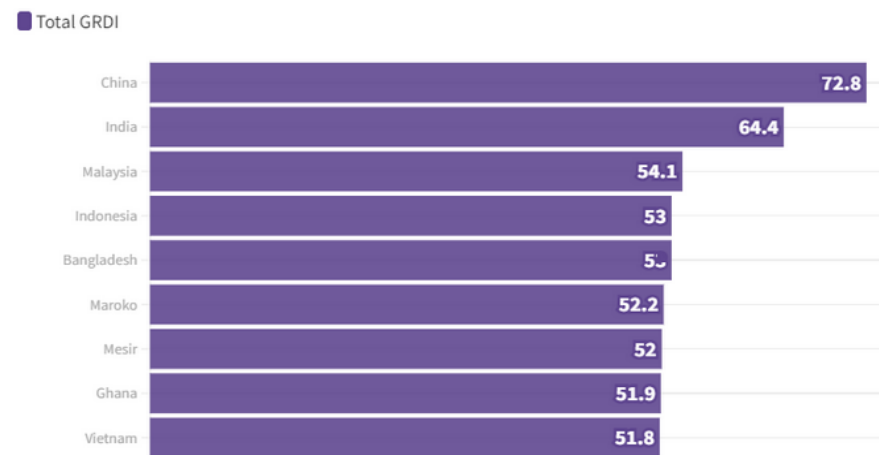


Figure 1. Retail Market Index of 2021
 (Source: Goodstats.id)

One type of retail business that is widely established in Indonesia are department stores, one of which is Department Store X. This department store is located on Pahlawan Street in Bandung City and is one of 16 department store units in the city (Portal Data Kota Bandung, 2022). This department store sells various types of goods, for example, clothing products for men, women and children, shoes, bags, electronic products such as televisions, air conditioners, gadgets, and many more. Unfortunately, there has been a problem of stagnant visitor numbers and sales there since 2017 if the COVID-19 pandemic (2020-2022) is disregarded. The number of sales and visitors there has not had a noticeable increase and has been pretty much the same for the past 6-7 years. This is very dangerous, considering inventory procurement process and labor costs will increase over time due to inflation (Bank Indonesia, n.d.), and without an increase in sales, the store will struggle to keep a profit and stay afloat. For the record, according to company policy no data can be displayed about this regard.

Based on interviews conducted with 27 customers from all walks of life who have visited and shopped at the store, it was found that only 11 customers (40.7%) answered that they would definitely shop there again. Meanwhile, 6 (22.2%) customers answered that they won't shop there again and 10 customers (37.1%) said that they were hesitant. This shows that the problem is caused by poor customer repurchase intention. Repurchase intention itself is defined as the desire and motive of customers to purchase products from the same store due to their satisfaction and fulfilled expectation (Kotler & Keller, 2009). Repurchase intention is very important, as it allows stores to retain old customers, which will cost less than trying to attract new customers with extensive advertising (Zeithaml et al., 1996).

Repurchase intention is always associated with consumer satisfaction. Customer satisfaction is what makes a customer loyal to a certain store or product (Prastyaningsih, 2014). If a customer is satisfied, they will be loyal, which will also cause them to have a high repurchase intention. There are 2 types of customer satisfaction, in which one is related to the purchased product's quality and benefit, while the other is related to intangible things experienced by the customer during his visit to the store, for example, friendly service (Cynthiadewi & Hatammimi, 2014).

Repurchase intention is also commonly associated with store attributes. These factors usually relate to the product offered by the store as well as other things that support said

product, for example service or advertising (Khair, 2016). Store attributes are important things to be considered by a retail business like a department store as it contributes to consumer decision in choosing and purchasing at a store. A customer would like a store with good attributes that is able to create a fun and enjoyable shopping experience (Khomilah, 2020). Besides product and advertising mentioned previously, other important store attributes according to Ma'ruf (2003) include the shopping experience (how a customer feels in a store) what facilities or things that the store itself has, which relates to it's environment, and the store's location, which relates to it's reachability by customers.

Research related to repurchase intention in department stores has been conducted previously by several different researchers. Ranjbarian et al. (2012) studied the relationship between perceived quality, customer satisfaction, store brand image, and repurchase intention at Iranian department stores. The research found that perceived quality significantly influenced store brand image, customer satisfaction, and repurchase intention. Another study was conducted by Akter & Ashraf (2016), which intended to study the effect of store image, perceived value, and satisfaction on customer repurchase intention in Bangladeshi retail businesses. The study found that perceived value and satisfaction had a direct significant effect towards repurchase intention, while satisfaction only had a direct significant effect toward perceived value and satisfaction. Finally, there was also research conducted by Chatzoglou et al. (2022) in Greece. This research aimed to study the relationship between several different variables related to Greek retail stores. In this research, the dependent variable is repurchase intention, the mediating variables include customer experience, perceived value, in-shop emotions, and customer satisfaction, and the dependent variables include physical environment, interior shop environment & layout, interaction with the staff, interaction with other customers, merchandise value (quality), and merchandise variety.

Based on this literature study, it is found that most research done previously have only considered store image, product quality, variety, and value, customer satisfaction, customer experience, in-shop emotions, store environment, as well as interaction with store staff and other customers as variables that may effect customer repurchase intention. It seems that there hasn't been much research that considers advertisement and promotion or location as variables that may effect customer repurchase intention in department stores or similar retail establishments, which shows the availability of a research gap. Also, because most similar research was conducted overseas, there is still a large opportunity to research the effect of store attributes studied by the studies above in Indonesia, especially in Bandung City. Therefore, this study was conducted with the aim of finding out key factors that influence customer repurchase intention in Bandung City department stores such as Department Store X, with the study now also considering location and advertising & promotion. Based on hypothesis building results, 12 hypothesis as follows were obtained.

H1: Customer satisfaction has a positive and significant effect on repurchase intention.

H2: Perceived value has a positive and significant effect on repurchase intention.

H3: Perceived value has a positive and significant effect on customer satisfaction.

H4: Location has a positive and significant influence on repurchase intention.

H5: Emotions/feelings in the store have a positive and significant effect on customer satisfaction.

H6: Advertising and promotions have a positive and significant effect on perceived value.

H7: Store environment and layout have a positive and significant effect on perceived value.

H8: Store environment and layout have a positive and significant effect on emotions/feelings in the store.

H9: Service quality has a positive and significant effect on perceived value.
H10: Service quality has a positive and significant effect on emotions/feelings in the store.
H11: Product diversity has a positive and significant effect on perceived value.
H12: Product diversity has a positive and significant effect on customer satisfaction.

2. Research Method

As shown before, this research utilized 12 hypotheses that connected 9 different variables. These hypotheses and variables were developed mainly based on the research model utilized by Chatzoglou et al. (2022). This is due to it being the most comprehensive research model that was found during the literature study, which in turn would allow this research to consider as many variables and relationships between them as possible. However, this research model was not based on the model utilized by Chatzoglou alone. Another research model that served as a base include utilized by Balaji & Maheswari (2021) as it considers the variable of location, as well as advertising and promotions, which were not considered by Chatzoglou. Figure 2 shows the final research model created based on the two previous research.

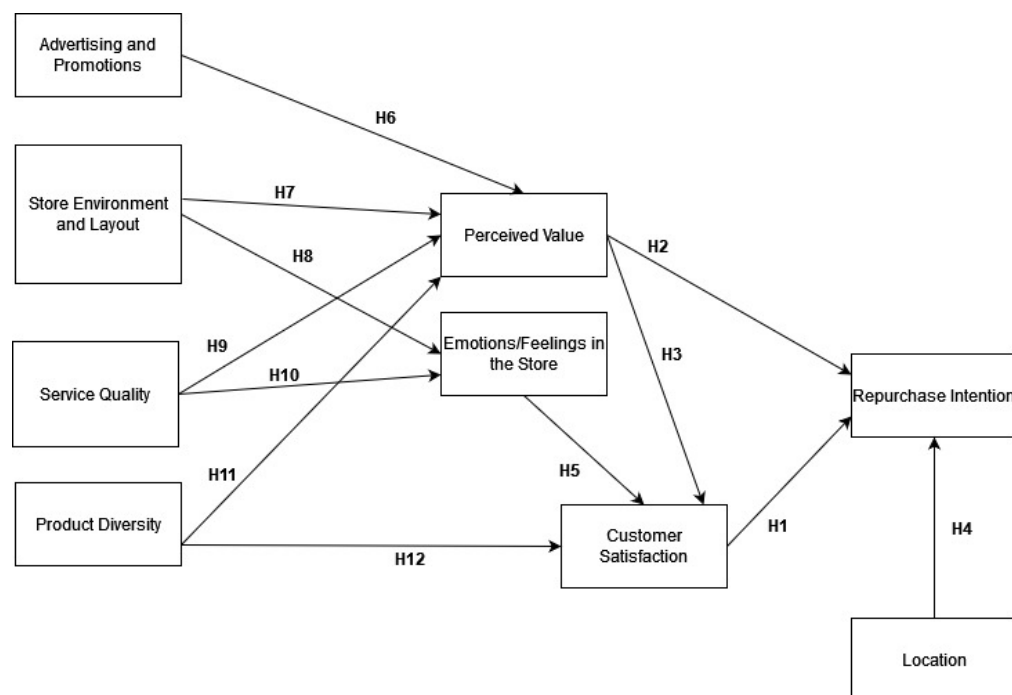


Figure 2. Research Model

Next, the indicators of each research in the research model will also be shown. These functioned to define precisely what each variable measured, which served to prevent multiple interpretations. They were also used as a basis for the development of the questionnaire used for data collection of this research. As with the research model, the indicators themselves were based on those utilized by Chatzoglou et al. (2022) and Balaji & Maheswari (2021). Below is shown Table 1, which displays each research variable's definition as well as their indicators, to show precisely what was measured by each variable. In Table 1, Department Store ABC is a placeholder name that represents the department store last visited by the respondent.

Table 1.
Variable and Indicator

Variable	Definition	Indicator
Repurchase Intention	A repurchase process that is influenced mainly by customer satisfaction and previous shopping experience (Chatzoglou et al., 2022).	RI1 I intend to shop again at Department Store ABC in the future.
		RI2 I will visit Department Store ABC again in the future.
		RI3 I will use the products and services offered by Department Store ABC in the future.
		RI4 I will shop more at Department Store ABC in the future.
Perceived Value	Comparison between the costs that need to be incurred and the benefits received (Woodruff in Chatzoglou et al., 2022)	PV1 In my opinion, product prices at Department Store ABC are more attractive than other similar stores.
		PV2 In my opinion, Department Store ABC provides reasonable prices (not excessive/extremely less) for products that are similar to those in other stores.
		PV3 In my opinion, compared to other stores, Department Store ABC provides better service.
		PV4 In my opinion, the value of the products I buy at Department Store ABC is better than other similar stores.
Customer Satisfaction	A measure of customer happiness with the service or product received (Chatzoglou et al., 2022).	CS1 Department Store ABC made a good effort to meet my needs.
		CS2 I am satisfied with the products provided at Department Store ABC
		CS3 Department Store ABC was able to meet my needs.
		CS4 My shopping experience at Department Store ABC has been satisfactory.
Location	Everything related to where the store is located that influences the ease for customers to visit. It affects the distance between the store and customers as well as ease of access and availability of transportation (Balaji & Maheswari, 2021).	L1 Department Store ABC's location is easy to reach for me.

Variable	Definition	Indicator	
Location	Everything related to where the store is located that influences the ease for customers to visit. It affects the distance between the store and customers as well as ease of access and availability of transportation (Balaji & Maheswari, 2021).	L2	For me, public transportation access to Department Store ABC is good.
		L3	For me, the traffic to Department Store ABC is not congested and tends to run smoothly.
Advertising and Promotions	Informative communication efforts that can attract attention and influence customer attitudes, differentiate a particular retail store from others, and help customers plan shopping activities (Balaji & Maheswari, 2021)	AP1	In my opinion, the promotions carried out by Department Store ABC are informative and able to provide me with knowledge regarding the products and services offered.
		AP2	In my opinion, Department Store ABC has held special events as a form of promotional effort.
		AP3	I think Department Store ABC's promotion helps me to plan my shopping.
		AP4	Store displays (e.g. posters, pictures, etc.) used for promotions by Department Store ABC were able to attract my attention.
Emotions/Feelings in the Store	Customers' emotional states that can influence their behavior and satisfaction during shopping (Chatzoglou et al., 2022).	EFS1	I feel happy to be inside Department Store ABC.
		EFS2	I felt excited when I was inside Department Store ABC.
		EFS3	I feel energetic when I am inside Department Store ABC.
Store Environment and Layout	Everything related to the physical environment and store layout (Mehrabian and Russell in Chatzoglou et al. (2022)).	SEL1	In my opinion, Department Store ABC lighting is adequate.
		SEL2	In my opinion, the room temperature at Department Store ABC is comfortable.
		SEL3	In my opinion, the Department Store ABC environment is clean.
		SEL4	I found the architecture and setting of Department Store ABC impressive.
		SEL5	In my opinion, the colors in Department Store ABC support each other.
		SEL6	In my opinion, Department Store ABC has attractive product displays and promotions.

Variable	Definition	Indicator
Store Environment and Layout	Everything related to the physical environment and store layout (Mehrabian and Russell in Chatzoglou et al. (2022)).	SEL7 I think Department Store ABC has interesting decorations.
		SEL8 In my opinion, Department Store ABC has interesting physical facilities in the store.
		SEL9 In my opinion, Department Store ABC has interesting supporting items related to its services (e.g. shopping bags, brochures, etc.)
Service Quality	The interactions, attitudes and efforts provided by employees towards customers can influence their shopping experience, perception and satisfaction (Chatzoglou et al., 2022).	SQ1 ABC Department Store employees were able to provide comprehensive and satisfactory service for me.
		SQ2 In my opinion, ABC Department Store employees are reliable.
		SQ3 In my opinion, ABC Department Store employees behave professionally.
		SQ4 In my opinion, ABC Department Store employees have good product knowledge.
Product Diversity	Goods for sale that have certain characteristics and choices that can influence customer shopping decisions (Chatzoglou et al., 2022).	PD1 In my opinion, ABC Department Store offers a variety of well-known product brands.
		PD2 In my opinion, ABC Department Store provides a variety of products.
		PD3 In my opinion, the products sold at ABC Department Store are able to meet most of my needs.
		PD4 All the product brands I want are available at ABC Department Store.

This research was conducted using a survey method, in which a Likert scale-based questionnaire was used to collect data. Respondents could choose from 5 options to answer each research indicator, namely strongly disagree (score: 1), disagree (score: 2), neutral (score: 3), agree (score: 4), and strongly agree (score: 5). Questionnaires were distributed to the research population, namely all people who had shopped at department stores in the city of Bandung, via online methods for 30 days. To determine the sample, the convenience sampling technique was used, which involved determining the sample based on the ease of reaching and willingness of population members to fill out the questionnaire, with a minimum sample size of 90. This number was obtained by multiplying the indicator for the single most variable, in this case the environment and store layout, by 10, as the data analysis process uses Partial Least Squares Structural Equation Modeling, otherwise known as PLS-SEM (Barclay, Higgins, & Thompson in Hair Jr. et al., 2022).

The data collection process succeeded in obtaining data from 122 respondents, where after selection, it was found that as many as 115 data could be used. In the selection process itself,

7 data were deleted because they had the same answer for each question (standard deviation = 0) and/or because the store that was last visited did not meet the requirements to be called a department store. After data collection and selection concluded, data processing was conducted using PLS-SEM, by utilizing the SmartPLS4 application.

3. Results and Discussion

As stated before, data processing was conducted using the SmartPLS4 application to utilize PLS-SEM. PLS-SEM is a type of SEM that has the ability to be used even if the cause-effect relationship is not clearly defined or there is no proper theoretical base (Fornell & Bookstein, 1982). It also does not need any assumptions regarding data distribution or missing data and can even work without a large sample size (Fan et al., 2016). After data processing, there are several tests that need to be conducted for the measurement and structural models. Tests for the measurement model are divided into 4 stages, which include indicator reliability, internal consistency reliability, convergent validity, and discriminant validity tests (Gunawan & Zulkarnain, 2021). The results of the indicator reliability test are shown in Table 2 below.

Table 2. Indicator Reliability Test Results

Variable	Indicator	Outer Loading Value
Customer Satisfaction	CS1	0.637
	CS2	0.745
	CS3	0.808
	CS4	0.711
Perceived Value	PV1	0.640
	PV2	0.683
Location	L1	0.685
	L2	0.782
Emotions/Feelings in the Store	EFS1	0.822
	EFS2	0.929
	EFS3	0.873
Advertisement and Promotions	AP1	0.798
	AP2	0.758
	AP3	0.767
	AP4	0.796
Store Environment & Layout	SEL1	0.525
	SEL2	0.501
	SEL3	0.562
	SEL4	0.711
	SEL5	0.669
	SEL6	0.702
	SEL7	0.753
	SEL8	0.732
Service Quality	SQ1	0.847
	SQ2	0.807
	SQ3	0.730
	SQ4	0.671

Variable	Indicator	Outer Loading Value
Product Diversity	PD1	0.794
	PD2	0.835
	PD3	0.774
	PD4	0.597
Repurchase Intention	RI1	0.848
	RI2	0.869
	RI3	0.873
	RI4	0.767

According to Gunawan & Zulkarnain (2021), an indicator is said to be reliable if it has an outer loading value greater than 0.7. Meanwhile, if the indicator has an outer loading value of <0.4 , the indicator should be deleted. Finally, if the indicator's outer loading value is in the range of $0.4 - 0.7$, then the indicator can be considered for deletion after considering the AVE (average variance extracted) value of their respective variable when those indicators are deleted, which must be larger or equal to 0.5 (Hair Jr. et al. al., 2022). Based on the results in Table 2, the indicators CS1, PV1, PV2, PV3, PV4, L1, L3, SEL1, SEL2, SEL3, SEL5, SEL9, SQ4, and PD4 should be considered for deletion. However, it was discovered that only PV1, PV4, L3, SEL2, SEL1, and SEL9 were mandatory for deletion due to them causing their respective variable's AVE score to be larger or equal to 0.5 when they were deleted.

The next stage of testing for the measurement model is the internal consistency reliability test. In this test, a variable is considered to have good internal consistency reliability if it has a composite reliability value between $0.7 - 0.95$ (Hair Jr. et al., 2022). Based on the scores, it was found that every variable fulfilled this requirement as every single variable had a composite reliability value larger than 0.72. The composite reliability scores for each variable are shown in Table 3.

Table 3. Internal Consistency Reliability Test

Variable	Composite Reliability Value (ρ_c)
Customer Satisfaction	0.818
Perceived Value	0.727
Location	0.748
Emotions/Feelings in the Store	0.908
Advertisement and Promotions	0.865
Store Environment & Layout	0.855
Service Quality	0.854
Product Diversity	0.840
Repurchase Intention	0.905

Next, the convergent validity test were conducted. This test was carried out by checking the AVE value of each variable. An AVE value is considered good if it is above 0.5 (Chin & Todd, 1995). It was found that all research variables met these requirements, as they were all above 0.5 in value, so it could be said that the measurement model passed the convergent validity test. The AVE values themselves can be seen in Table 4 below.

Table 4. Convergent Validity Test Results

Variable	AVE Value
Customer Satisfaction	0.535
Perceived Value	0.587
Location	0.769
Emotions/Feelings in the Store	0.607
Advertisement and Promotions	0.627
Store Environment & Layout	0.506
Service Quality	0.599
Product Diversity	0.574
Repurchase Intention	0.708

The final stage of measurement model testing is the discriminant validity test. This test was carried out by checking the heterotrait-monotrait ratio (HTMT). Henseler, Ringle, and Sarstedt in Hair Jr et al. (2022) recommends that HTMT be worth ≤ 0.9 for it to be considered good. Based on an examination of the existing HTMT values, it was found that all of them were < 0.9 , thus meeting these requirements. Thus, it can be said that the measurement model has passed the discriminant validity test as well as all measurement model tests. The HTMT value for the discriminant validity tests itself is shown in Table 5 below.

Table 5. Discriminant Validity Test Results

	RI	CS	PV	L	EFS	AP	SEL	SQ	PD
RI		0.551		0.665	0.440		0.323	0.492	0.750
CS					0.430			0.604	
PV	0.448	0.937		0.497	0.236		0.456	0.620	0.535
L		0.680			0.380			0.382	0.571
EFS									
AP	0.289	0.499	0.638	0.446	0.556		0.726	0.384	0.406
SEL		0.463		0.309	0.710			0.559	0.405
SQ					0.449				
PD		0.749			0.466			0.476	

Next, structural model testing was also carried out. Structural model testing can be divided into 3 stages, which include collinearity assessment, significance of structural model coefficients testing, and coefficient of determination testing (Hair Jr. et al., 2022). First of all, the results of the collinearity assessment test will be explained. This test was carried out by examining the variance inflation factor (VIF) value. According to Hair Jr., based on the rule of thumb, the VIF value must be < 5 so it can be said to be good. Ideally, the VIF value should even be < 3 to eliminate any possibility of collinearity problems arising. Based on the test results, it was found that not a single VIF value was > 2 , which means that the measurement model passed the collinearity assessment test. The VIF value for the collinearity assessment test itself can be seen in Table 6 below.

Table 6. Collinearity Assessment Results

	RI	CS	PV	L	EFS	AP	SEL	SQ	PD
RI									1.376
CS	1.068								1.243
PV									1.139

L	1.160	
EFS	1.592	
AP	1.783	1.282
SEL	1.391	1.282
SQ	1.227	1.220
PD		

The next test conducted is the significance of structural model coefficients test. This test was conducted by checking the p-value and t-statistics obtained for each existing hypothesis. If the p-value and t-statistics are < 0.05 and > 1.96 respectively, the null hypothesis will be rejected. Table 7 below shows the results of the structural model coefficients significance testing that has been carried out, which shows that H1, H3, H4, H8, H9, and H12 were the only alternate hypotheses that were accepted due to them each having a t-statistic value of 2.808, 3.947, 2.883, 6.780, 2.194, and 5.089 respectively as well as a p-value of 0.005, 0.000, 0.004, 0.000, 0.028, and 0.000 respectively. All of these fall into the required t-statistic and p-values for hypothesis acceptance.

Table 7. Significance of Structural Model Coefficients Test Results

	Hypothesis	Path Coefficient	T-statistic	P-value	Conclusion
H1	Customer satisfaction has a positive and significant effect on repurchase intention.	0.343	2.808	0.005	H1 accepted
H2	Perceived value has a positive and significant effect on repurchase intention	0.052	0.408	0.683	H2 rejected
H3	Perceived value has a positive and significant effect on customer satisfaction	0.322	3.947	0.000	H3 accepted
H4	Location has a positive and significant effect on repurchase intention	0.258	2.883	0.004	H4 accepted
H5	Emotions/feelings in the store have a positive and significant effect on customer satisfaction	0.143	1.630	0.103	H5 rejected
H6	Advertising and promotions have a positive effect on perceived value	0.249	1.872	0.061	H6 rejected
H7	The store environment and layout have a positive and significant effect on perceived value.	-0.046	0.373	0.709	H7 rejected
H8	Store environment and layout have a positive and significant effect on emotions/feelings in the store.	0.532	6.780	0.000	H8 accepted
H9	Service quality has a positive and significant effect on perceived value.	0.227	2.194	0.028	H9 accepted

H10	Service quality has a positive and significant effect on emotions/feelings in the store.	0.145	1.733	0.083	H10 rejected
H11	Service quality has a positive and significant effect on emotions/feelings in the store.	0.118	0.962	0.336	H11 rejected
H12	Product diversity has a positive and significant effect on customer satisfaction.	0.432	5.089	0.000	H12 accepted

To complement the results obtained from testing the significance of structural model coefficients, the results of testing the total effect of each research variable on repurchase intentions will also be displayed. This was done to clearly determine what variables actually have a positive and significant influence on customers repurchase intentions in department stores. The Result is shown in Table 8 below.

Table 8. Total Effects

Total Effect	Total Effect Path Coefficients	T-statistics	P-values	Conclusion
Total effect of perceived value on repurchase intention	0.161	1.599	0.110	Total effect is not significant
Total effect of emotions/feelings in the store on repurchase intention	0.051	1.243	0.214	Total effect is not significant
Total effect of advertising and promotions on repurchase intentions	0.039	1.144	0.253	Total effect is not significant
Total effect of advertising and promotions on repurchase intentions	0,020	0,460	0,646	Total effect is not significant
Total effect of service quality on repurchase intention	0,048	1,280	0,201	Total effect is not significant
Total effect of product diversity on repurchase intention	0,174	2,446	0,014	Total effect is positive & significant
Total effect of customer satisfaction on repurchase intention	0,343	2,808	0,005	Total effect is positive & significant

Total effect of location repurchase intention on	0,258	2,883	0,004	Total effect is positive & significant
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Similar to the structural model coefficients significance test, in the total effects test, variables that have a positive and significant total effect on repurchase intentions will have p-values and t-statistics < 0.05 and > 1.96 respectively. Based on these criteria, it was found that only 3 variables had a positive and significant total effect on repurchase intention. These variables are product diversity, location, as well as customer satisfaction, which only functions to mediate the influence of product diversity. Because of this, the improvement proposals that are formulated will only be related to location and product diversity as they are the only independent variables.

Next, the final structural model test will be carried out, which is the coefficient of determination test or what is often referred to as the R^2 test. This test is carried out by checking the R^2 value whose value range is always between 0 and 1 (Hair Jr. et al., 2022). The higher the R^2 value, the more capable a predictor (independent/mediating) variable will be of explaining a dependent/mediating variable. Chin (1998) suggests that an R^2 value > 0.67 indicates a strong influence of the predictor variable (independent/mediating variable) on the dependent variable, while an R^2 value that is greater than 0.33 but smaller than 0.67 and smaller than 0.33 but greater than 0.19 indicates a moderate and weak influence respectively of the predictor variable on the dependent/mediating variable. Table 9 below shows the R^2 and adjusted R^2 values for the variables customer satisfaction (CS) and repurchase intention (RI), which are the mediating and dependent variables that are still being considered in this research.

Table 9. Coefficient of Determination Test

Variable	R^2	Adjusted R^2
Customer Satisfaction (CS)	0.693	0.622
Repurchase Intention (RI)	0.512	0.504

Based on the R^2 and adjusted R^2 values obtained, it can be seen that both customer satisfaction and repurchase intention have R^2 and adjusted R^2 values above 0.33. This indicates that those two variables are moderately/strongly influenced by their predictor variables. Customer satisfaction is influenced strongly, while repurchase intention is influenced moderately. This is shown by the fact that customer satisfaction has an R^2 value that is larger than 0.67, while repurchase intention has an R^2 that is smaller than 0.67 but larger than 0.33.

Thus, all the results of measurement and structural model testing have been described. However, there is still one more data processing result that will be described, namely the performance comparison between Department Store X and other department stores in the Bandung City area. This performance comparison was carried out by looking at the differences in the average values of location variables, product diversity, customer satisfaction and repurchase intentions between the two of them. To make comparisons easier, the bar chart shown in Figure 3 below is used.



Figure 3. Department Store Performance Comparison

In Figure 3, it can be seen that Department Store X is superior and inferior in several aspects compared to other department stores. Department Store X has advantages in terms of customer satisfaction and repurchase intentions. However, other department stores are superior to Department Store X in terms of location and product diversity. However, in fact, the differences in the advantages possessed by each department store are very slight.

Thus, based on the data processing that has been carried out, it was found that only product diversity, location and customer satisfaction have a positive and significant effect on repurchase intention, in which only product diversity and location are considered independent variables, as customer satisfaction is a variable that mediates the influence of product diversity on repurchase intentions. This is in accordance with the findings obtained in similar studies, for example Akter & Ashraf (2016), Balaji & Maheswari (2021), Chatzoglou et al. (2022), Prameswari (2017), Natacha (2023), and Rosita (2015). This means that the research can be said to have been carried out correctly.

The finding that only product diversity, location and customer satisfaction have a positive and significant effect on repurchase intention makes sense. This is because the focus of department stores is mostly on the products they offer. Customers come to the department store to see and buy products, so if the products provided are varied so they can meet the varied needs of customers, customers will tend to want to come back to shop because they feel the department store is able to meet their needs. If product diversity can answer customer needs, the customer will feel satisfied and will be encouraged to come back to shop. In addition, if the department store location is close and easy to reach for customers, customers will not need much consideration to visit again, so the opportunity for return visits will be greater.

Meanwhile, other variables such as advertising and promotions, perceived value, and service quality were found to have no positive and significant effect on customers repurchase intentions, most likely due to the respondent's profile. It is known that the majority of respondents (77 people or 66%) are under 40 years old, which is considered young. Young customers tend to be more impulsive in shopping (Marketing Charts, 2022) so they tend not to pay much attention to the value of the products they buy and also do not really like being served (Destination CRM, 2023). Apart from that, department stores also tend not to target many young people (Ludmir, 2024), so that the experiences provided and promotions carried out by department stores for young people tend to be seen as not attractive and effective, so they are unable to generate positive reactions from young customers. Lastly, the environment and store layout were found to have no significant influence in the research of Chatzoglou et al. (2022), which shows that physical aspects and store appearance related to the environment and store layout do not really contribute to customers repurchase intentions by themselves, and only

support other aspects.

Furthermore, based on previous performance comparisons, it was found that Department Store X was superior in terms of customer satisfaction and repurchase intentions compared to other department stores. The loss of Department Store X in terms of product diversity is most likely due to the fact that in terms of size, that store is smaller than several other department stores in the city of Bandung, and also does not offer many variations and brands of products that are well-known and attractive to young people who are the majority of respondents in this study. as other department stores do. Meanwhile, Department Store X is also still behind in terms of location due to two things, namely distance and ease of crossing. The majority of respondents who recently visited the store who also do not live in Cibeunying Kidul District where the department store is located tend to have to travel a long distance to visit it, unlike other department stores which are located closer. Apart from that, currently Department Store X also does not really facilitate its customers who need to cross Pahlawan Street where the store is located to reach it, even though the road has quite busy traffic which makes crossing difficult, especially for children or the elderly.

Then, it was also found that Department Store X was also superior in terms of repurchase intentions compared to other department stores. However, in reality, this advantage is very minimal and the difference in repurchase intentions between Department Store X and other department stores is not large. This is possibly caused by the existence of predictor variables for repurchase intention which were not considered in this study. It is known that the predictor variable of repurchase intention is currently only able to explain 51.2% of customers' repurchase intention, while 48.8% of this variable is explained by other predictor variables that have not been considered.

To improve the independent factors that have a positive and significant influence on repurchase intentions at Department Store X, namely location and product diversity, several suggestions for improvement can be formulated. First of all, we will outline the proposed improvements to improve location factors. Because moving locations would take a lot of time, money and energy, proposals involving this were not feasible, so improvements were designed that would allow customers to more easily reach and shop at Department Store X without needing to move locations. First, it is proposed that the department store create an online shopping site or utilize an online marketplace to make the distance that customers have to travel negligible. This proposed improvement will cost an estimated Rp. 972,000/year to create and utilize an online shopping site (Redaksi Jagoan Hosting, 2023), or 1 to 6.5% of sales according to Yudizwara (2024) if an online marketplace is used. The next proposed improvement that can be made regarding location is to collaborate more closely with online courier/driver companies so that they can take advantage of the marketplace contained in the applications designed by these companies. This proposed improvement will cost an estimated 9% of sales (Grab, 2024). The final suggestion that can be given to improve the location of Department Store This proposed improvement will cost an estimated IDR 3,100,000/month for security guard salaries (Shofa, 2024).

Next, suggestions for improvements can also be given to improve product diversity at Department Store X. To improve product diversity, there are three suggestions for improvement that can be given. The first proposal is to add product variations and brands that are well-known and popular with young people, such as those that can be found in other department stores. Variations of clothing products that are popular among young people that can be added include, for example, pleated skirts, washout denim and floral dresses (Arini, 2021). Meanwhile, well-known clothing product brands among young people that could be

added include Erigo, Skaters, and 3Second (Nurjali, 2022). The proposed improvements themselves will require varying costs, considering that the costs that need to be incurred are influenced by the variety and brand of products that Department Store X wants to add.

Furthermore, the second proposed improvement to improve product diversity is to replace the existing product shelves with ones that are taller and more multi-level. This will allow more product variations and brands to be accommodated in the store because it allows utilization of the vertical space of the store which has not been used as much. This solution will cost IDR 545,000 to purchase each shelf if using shelves sold by Khanza Display (Khanza Display, n.d.). It is known that the number of old shelves that can be replaced with these shelves is 24 units. This means that the total costs required are IDR 13,080,000.

Then, the final proposal to improve product diversity is to re-sort the products sold at Department Store X. One re-sorting strategy that can be implemented is deep assortment, which limits the product categories sold but allows an increase in the number of brands and product variations from each existing product category. It is known that currently the products in that store are not all relevant to the needs and desires of customers (the average value of the indicator is < 4), so the application of deep assortment is very feasible to eliminate irrelevant product categories and increase the variety and number of brands in product categories which is relevant. It is proposed that the product categories to be eliminated are cosmetics and electronic devices which do not contribute much to sales. To implement the deep assortment strategy, the estimated costs that need to be incurred vary, depending on how Department Store X implements this strategy.

Thus, all proposed improvements for location and product diversity have been outlined which are expected to solve the problem of repurchase intentions at Department Store X. The estimated total cost required to implement all of the proposed improvements is IDR 3,181,000/month (to pay the salaries of security guards and online shopping sites) + IDR 13,080,000 (to buy an entire shelf of replacement products) + 10-15.5% of product sales (to pay work costs for using marketplace applications and collaboration with online driver/courier companies) + costs for implementing a deep assortment strategy and adding variations and well-known product brands whose value depends on the management decision of Department Store X. Apart from that, the estimated costs that need to be incurred are also considered reasonable and acceptable.

4. Conclusion

After the research results and discussion had been described, the conclusions of this research were outlined. This research has 2 main conclusions. The first conclusion reached was that the factors that influence repurchase intentions in department stores include location, product diversity, and customer satisfaction. After that, the second conclusion included suggestions for improvements that can be given to increase repurchase intentions at Department Store X, such as security guards to assist with road crossings, increasing the variety and choice of well-known product brands sold, especially those that are relevant to young people, replacing the shelves used with ones that are taller and have more levels, and re-sorting products by utilizing a deep assortment strategy.

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