CUSTOMER SATISFACTION AS A MEDIATOR: THE IMPACT OF PRODUCT QUALITY AND SERVICE QUALITY ON REPURCHASE INTEREST

Bekti Ismiah[1)*] Sutianingsih[2)]
Management Study Program, Atma Bhakti College of Economics, Surakarta1
Management Study Program, Atma Bhakti College of Economics, Surakarta2
E-mail: bektiismiah065@gmail.com

Abstract: Vegetables are rich in vitamins, minerals, and fibre. Thus, fresh veggies appeal to more individuals. This study examines how product and service quality affects repurchase intentions through consumer satisfaction. Bekti Mundakir Fresh Vegetables in Selo Boyolali will host the study. This study employs a questionnaire for quantitative research. Data from 90 individuals will be collected using questionnaires. Using SPSS 25, this study will examine validity, reliability, multiple regression, and Sobel test. This study shows that product quality does not affect repurchase intention. However, service quality and customer satisfaction affect repurchase intention. Customer happiness depends on product and service quality. Customer satisfaction may moderate product and service quality on repurchase intention.

Keywords: *product quality, service quality, consumer satisfaction, repurchase interest*

1. Introduction

The Cepogo traditional market is the economic heart of the community on the eastern slopes of Mount Merapi and Merbabu, Boyolali Regency. The harvest from the mountain is collected first at Cepogo Market and then taken by traders from outside the city. Like a market, the downstream and back-and-forth of traders and buyers alternately colour the activities of the traditional market every day. Bekti Mundakir Sayur Segar Selo is a company engaged in buying and selling vegetables. During the abundant harvest season, the price is usually low so farmers need to market their agricultural products. Only a few local sellers sell their products in the nearest market so that at Cepogo Market they meet with products from other regions, so that the price drops or is low and has an impact on farmers who suffer greatly losses with planting capital and crop maintenance costs. The rapid development of the vegetable business both in quantity and quality resulted in sharp competition. This condition requires companies to be able to meet the needs, desires, and changing tastes of consumers.

In addition, companies are also required to compete competitively in satisfying consumers, which will eventually form a repurchase interest in their products. Consumers will make a repurchase after buying a certain product to use or consume, then they are interested in repurchasing the product at the same company. This company should prioritize customer satisfaction as it can yield numerous advantages. Satisfied consumers not only foster a harmonious relationship between the company and its customers, but also establish a solid foundation for repeat purchases and generate positive word-of-mouth recommendations, which ultimately benefit the company.

The primary emphasis is on customers when discussing satisfaction and service quality. Consumer satisfaction refers to the act of fulfilling individual wishes in order to achieve a state of contentment (Sutianingsih & Yasin, 2021). By consistently delivering exceptional product and service quality, the organization will consistently create a positive perception and establish a lasting impression in the eyes of customers. As per Kotler and Keller (2009), satisfaction refers to an individual's emotional response of either joy or disappointment that emerges from comparing the perceived performance of a product with their expectations. Dissatisfaction among consumers will occur if the performance does not fulfill their expectations. Conversely, if the performance meets the expected standards, consumers will be content. Should the performance surpass expectations, consumers would have a high level of satisfaction and happiness (Budiyono & Sutianingsih, 2019). Contented customers will enhance their inclination to make future purchases of the product. According to Tjiptono and Chandra (Tjiptono & Candra, 2012), consumer pleasure offers several distinct advantages, including the possibility to generate future income, particularly through repurchases, cross selling, and up selling. Furthermore, as stated by Sangadji and Sopiah (2013), consumer happiness plays a crucial role in motivating repeat purchases.

Companies must conduct thorough research and analysis to determine the key variables that will contribute to their success. Fouladivanda et al. (2013). Companies must ensure that they meet the market's quality standards in order to deliver products and services that align with the demands and preferences of consumers. Puspita et al. (2016). Enhancing product quality is essential for the survival of a firm and to get a competitive edge in the market. The primary focus of organizations or manufacturers should be on product quality, as it is directly linked to consumer satisfaction issues (Assauri, 2015). The quality of a product has an immediate effect on its overall outcome. Hence, it is imperative for enterprises to possess the ability to select high-quality items in order to prevent consumer dissatisfaction. This is crucial as dissatisfied consumers are more likely to readily move to alternative products.

Business players must concentrate service quality to attract customers. The quality of a company's service may be assessed by comparing customers' experiences with their expectations. Service is adequate if it meets expectations. If service exceeds client expectations, it is considered exceptional and superior. Poor quality service occurs when it falls short of expectations. Thus, only high-quality companies can compete and dominate the market (Marbun et al., 2022).

2. Theoretical Foundations

Product quality

According to Minor and Mowen (2002), product quality is determined by how thoroughly customers evaluate the good performance of goods and services. For a firm to be successful, the goods and services it offers must be of high quality or reasonably priced. Ernawati (2019) asserts that product quality is a crucial element that influences the purchasing decision of every consumer. There will be more people interested in purchasing the goods if it is of higher quality. The capacity of a product to meet explicit or implicit consumer demands is an indicator of its quality, say Santi and Supriyanto (2020). A product's quality is defined by how well it satisfies both explicit and implicit demands, say Kotler and Amstrong (2001). Everything that can be sold, bought, utilized, or eaten to fulfill a want or need is considered a product.

Quality of service

Customer service, the provider's physical appearance, and trust in the provider's assurance are the three aspects of service quality identified by Bouman and Wiele (1992). The services that are included in this research are those that adhere to certain criteria; for instance, how to introduce things to customers in a good way. Service quality is defined as the degree to which actual customer experience differs from desired outcome by Parasuraman and Berry (1990). Because of its multifaceted nature, service quality defies easy definition or measurement. The term "service quality" refers to the degree to which a service meets or exceeds the expectations of its target audience. In an effort to meet the needs of the client and strike a balance between their expectations and the service they receive, service quality is defined by Tjiptono (2008). According to Saidani and Arifin (2012), servqual can be defined as follows: tangibles, realism, responsiveness, certainty, and empathy.

Customer satisfaction

According to Kotler (2000), the term "satisfaction" describes the emotional state an individual has when comparing his or her expectations with the product's actual performance. If customers are happy with the "products" they purchase, they will continue to do so and even become "marketers" by spreading the word about the company's excellent service. The company's credibility and sales can both benefit from this. A person's level of satisfaction is defined by Cahyono (2008) as their emotional response after comparing their actual experience with their expectations. In order to measure customer satisfaction on a global scale, Cahyono posits three dimensions: product attributes, service attributes, and purchasing attributes (Cahyono, 2008).

Repurchase interest

An attitude toward consumption includes purchasing habits. Saidani and Arifin (2012) define buying interest as the extent to which a respondent is likely to take action before making a purchase. A high repurchase interest indicates that customers are happy with their decision to buy a product after giving it a try and forming an opinion about whether they like it or not (Sundalangi et al., 2014). According to Hasan (2018), a repurchase interest is a kind of purchasing interest that is grounded in prior purchase experiences. Customer satisfaction is high when repurchase interest is strong. Interest, according to Kotler and Keller (2012), is both subjective and associated with one's stance. People who are really into something will exert the necessary effort or be motivated to act in a certain way to obtain it. Transactional interest, referral interest, preferential interest, and exploratory interest are the markers that can be used to identify repurchase interest, according to Saidani and Arifin (2012).

3. Research Method

This study employs a quantitative method using an explanatory survey. As per Sugiyono (2013), an explanatory survey is a research method that selects a subset of a population for investigation and aims to elucidate the causal link between variables, which will subsequently undergo hypothesis testing. The population for this study consists of all consumers in Bekti Mundakir Sayur Segar Selo, which is a significantly large and unidentifiable population. To select a sample, incidental sampling is employed, which is a technique that relies on chance. Any individual who happens to encounter the researcher can be used as a sample, as long as they are suitable as a source of data (Sugiyono, 2013). Incidental sampling is carried out with a predetermined time limit of two weeks. The sample in this study is consumers who have made

repeated purchases or old consumers. The questionnaire was distributed as many as 100 questionnaires, the following table illustrates the rate of return and processing of questionnaires in this study.

Table 1. Questionnaire Return Rate

No	Information	Sum	Total
1	Number of returned questionnaires	100	Total Distribution of 100 Questionnaires
2	Number of questionnaires that can be processed	90	Total Distribution of 100 Questionnaires
3	Number of defective questionnaires	10	

Out of the 100 surveys that were issued, all 100 were returned. Out of the total number of surveys, 90% or 90 questionnaires can be processed. Questionnaires that did not fulfill the sample criteria and were not fully completed by either 10% or 10 questionnaires could not be processed. The analysis of this study employs many statistical tests, including validity and reliability assessments, multiple linear regression analysis, T-test, R-square analysis, and Sobel test. These tests are conducted using the Statistical Program for Special Science (SPSS) version 25.

4. Results and Discussion

3.1. Results

a. Validity Test

Table 1. Validity Test Results

Product quality	Quality of service	Customer satisfaction	Repurchase interest
0,693	0,577	0,750	0,622
0,693	0,670	0,752	0,634
0,518	0,608	0,648	0,668
0,753	0,655	0,554	0,656
0,749	0,773	0,633	0,606

Source of SPSS 24 Data processing, (2024)

The table above shows that all questionnaire questions are valid because the r value is > 0.158. This fulfills the questionnaire requirements for research data processing.

b. Reliability Test

Table 2. Reliability Test Results

Variabel	Cronbach Alpha	Standar Cronbatch Alpha
Product quality	0,705	0,600
Quality of service	0,674	0,600
Customer satisfaction	0,670	0,600
Repurchase interest	0,632	0,600

Source of SPSS 24 Data processing, (2024)

The reliability test above showed that all product quality variable values had an alpha Cronbach value of 0.705 > 0.60. We got 0.674 > 0.60 for service quality. Customer satisfaction was 0.670 > 0.60. Repurchase interest was 0.632 > 0.60. Thus, this study's tools are dependable.

c. Multiple Linear Regression Test

Table 3. Multiple Linear Regression Test Results

Model	B	Std. Error	Beta	t	Sig
Constant	1,647	1,697		0,970	0,335
Product quality	0,148	0,101	0,139	1,475	0,144
Quality of service	0,381	0,111	0,384	3,416	0,001
Customer satisfaction	0,331	0,112	0,317	2,956	0,004
Constant	3,835	1,573		2,438	0,017
Product quality	0,206	0,094	0,202	2,202	0,030
Quality of service	0,574	0,087	0,604	6,585	0,000

Source of SPSS 24 Data processing, (2024)

Based on the test results in the table above, a regression equation is obtained

$$Y = 1{,}647 + 0{,}139X1 + 0{,}384X2 + 0{,}317Z + e$$

$$Z = 3{,}835 + 0{,}202X1 + 0{,}604X2 + e$$

From the equation it is explained as follows:

If product quality, service quality and customer satisfaction are lacking then repurchase interest is 1.647. The product quality regression coefficient of 0.139 is positive, meaning that increasing product quality increases repurchase interest by 0.139. Because the service quality regression coefficient is positive, every increase in service quality will increase repurchase interest by 0.384. Customer satisfaction has a positive regression coefficient of 0.317, which means that repurchase interest increases in direct proportion to customer satisfaction. If the quality of the product and service is poor then customer satisfaction is 3.835. Customer satisfaction increases by 0.202 as product quality increases, so customer satisfaction also increases by 0.202. Customer satisfaction increases by 0.202 when the service quality regression coefficient of 0.604 has a positive sign.

d. Sobel Test

Table 4. Sobel Test Results

Nilai t	Sig
1,711	0,04
2,620	0,00

Source of SPSS 24 Data processing, (2024)

Table 4 reveals significant Sobel Test results for product quality, with 2,224 > 1,654 and a significance level of 0.01 < 0.05. This indicates that customer satisfaction mediates the relationship between product quality and repurchase interest. Customer satisfaction serves as a mediator between service quality and performance, with a t-value of 2.064 and a significance threshold of 0.01 < 0.05.

3.2. Discussion

The Effect of Product Quality on Repeat Purchase Interest

The product quality variable has a tcount value of $1.475 < 1.661$ and a significance level of $0.144 > 0.05$. So Ha1 is rejected and Ho1 accepted. No substantial relationship exists between product quality and repurchase desire. This study confirms Prasetya & Yulius (2018)'s finding that product quality does not affect repurchase interest.

The Effect of Service Quality on Repurchase Interest

The service quality variable has a tcal value of $2.956 > 1.661$, with a significance threshold of $0.00 < 0.05$. Ha2 passed, Ho2 failed. Thus, the customer's pleasure greatly influences the interest in repurchase. Anwar & Wardani (2021) and Lestari & Novitaningtyas (2021) This study confirms that customer satisfaction greatly increases repurchase interest.

The Effect of Customer Satisfaction on Repeat Purchase Interest

The service quality variable has a tcount value of $2.956 > 1.661$, with a significance level of $0.00 < 0.05$. Ha3 is approved, Ho3 is refused. Therefore, consumer happiness affects repurchase interest significantly. This study supports Kusumadewi & Saraswati (2020) that customer happiness positively and significantly affects repurchase interest.

The Effect of Product Quality on Customer Satisfaction

The tcount value for product quality is $2.202 > 1.661$, with a significance threshold of $0.03 < 0.05$. We accept Ha4 and reject Ho4. Product quality affects repurchase interest significantly. This study supports Tirtayasa et al. (2021) and Bali (2022) findings that product quality positively and significantly affects consumer satisfaction.

The Effect of Service Quality on Customer Satisfaction

The service quality variable has a tcal value of $6.585 > 1.661$, with a significance threshold of $0.00 < 0.05$. Ha5 is approved, Ho5 is refused. Thus, service quality affects repurchase interest significantly. This study supports Ichsan & Karim (2021) and Ardista (2021) findings that service quality positively and significantly affects customer satisfaction.

The Effect of Product Quality on Performance with Customer Satisfaction Mediation

The tcount value for product quality on repurchase interest was $1.475 < 1.661$, with a significance level of $0.144 > 0.05$, in the direct test. In indirect testing, the product quality variable affects customer satisfaction with a t-value of $2.202 > 1.661$ and a significance threshold of $0.03 < 0.05$. Results of the Sobel calculator test indicate that customer satisfaction mediates the relationship between product quality and repurchase interest, with a significant level of $0.04 < 0.05$. This study supports Tirtayasa et al. (2021), Bali (2022) and Kusumadewi & Saraswati (2020) findings that product quality positively and significantly affects consumer satisfaction and repurchase interest.

The Effect of Service Quality on Repurchase Interest With Customer Satisfaction Mediation

The tcount value for service quality on repurchase interest was $3.416 > 1.661$ in the direct test, with a significance threshold of $0.00 < 0.05$. At a significance threshold of $0.00 < 0.05$, the indirect test showed a tcal value of $6.585 > 1.661$ for the service quality variable on customer satisfaction. Results of the Sobel calculator test indicate that customer satisfaction mediates between service quality and repurchase interest, with a significant level of $0.00 < 0.05$. Product quality variable results were $2,620 > 1,654$ results. This study supports Ichsan & Karim (2021) dan Ardista (2021) and Kusumadewi & Saraswati (2020) findings that product quality positively and significantly affects consumer satisfaction and repurchase interest.

5. Conclusion

The above study found the following hypothetical results: product quality did not have a significant effect on repurchase interest; service quality had a positive and significant effect; customer satisfaction had a positive and significant effect; product quality had a positive and significant effect on customer satisfaction; and service quality has a positive and significant effect on customer satisfaction.

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