

The Influence Of customer Satisfaction As A Mediation To Repurchases (Survey On White Coffee Products In Yogyakarta)

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Abstract: *Repurchases are purchases made by consumers second, third and so on. This research aims to: 1. Analyze price that directly affects repurchases, 2. Analyze brand image that directly affects repurchases, 3. price and brand image influence on repurchases mediated by customer satisfaction. Subjects in this research are consumers of white coffee product in Yogyakarta. The sample uses as many as one hundred respondents, data analysis technique uses Structural Equational Model (SEM) with SmartPLS Program. The results of this research prove: 1. price has influenced on repurchases, 2. brand image has influenced on repurchases, 3. price and brand image have influenced on repurchases mediated by customer satisfaction. The findings of this study may contribute to consumer behavior models, on white coffee products and Tripple duties of Higher Education.*

Keywords: *price, brand image, satisfaction, repurchases*

1. INTRODUCTION

The comprehension of repurchases is the second or third product purchases. Engel and Blackwell (1994) "a specific type of purchase intentions is repurchase intentions, which reflect whether we anticipate buying the same product or brand again".

The earlier research, in April 2017, done to the customers who do repurchasing on white coffee shows that some of them continuously repurchasing and the rest are not. The phenomenon related to price is that few consumer response of Kapal Api White Coffee price is cheap, but some of them said that the product is quite affordable. Their responses are various.

Based on previous research study which is done by George, et al (2006) price sensitivity affects repurchase behavior by consumer mediated by brand influence. The purpose of this research can be formulated as follow:

- a. To analyze the influence of price perception to repurchase decision on Kapal Api White Coffee brand.
- b. To analyze the influence of Brand Image to repurchase decision on Kapal Api White Coffee Brand.
- c. To analyze the influence of price perception to Customer satisfaction on Kapal Api White Coffee brand.
- d. To analyze the influence of Brand Image to customer satisfaction on Kapal Api White Coffee Brand.
- e. To analyze the influence of customer satisfaction to repurchase decision on Kapal Api White Coffee brand.
- f. To analyze the influence of price perception on customer satisfaction of repurchases decision on Kapal Api White Coffee brand, mediated by customer satisfaction

- g. To analyze the influence of brand image on customer satisfaction of Kapal Api White Coffee brand, mediated by customer satisfaction

Theoretical benefits of this study is that it can develop consumer behavior theory on Kapal Api White Coffee by creating the low price, brand image, customer satisfaction on repurchasing. **The Practical Contribution** is that the company can build a price that is reasonable and build a brand image to the targeted market. **The benefits for the next researcher**, education and society is as an opportunity to conduct research on the same or different object.

1.1 Theoretical Review

Based on Mowen (2002), consumer behavior is a study of buying unit and exchange process which is involves the gain. *Aries Susanty and Eirene Kenny* (2015), explains that Brand Loyalty stands for three indicators, such as:

- a. A recommend this brand to someone who seeks my advice (BL1)
- b. Next time I will stick with this brand (BL2)
- c. Switch to other brands (BL3)

The Relation between price perception and repurchase

Based on previous research study done by George, et all (2006) explains that price sensitivity affects repurchase behavior by consumer mediated by brand influence. Price indicators stands for four, reasonable price, low price compete, price compliance with the quality, Price standardize.

The Relation between Brand Image and Repurchase

Brand Image is an imaging or commonly said as a brand that is often implied on consumer's mind when they

buy a certain thing. Waqar Nisar (2014) Taste, Quality of brand, Price and Awareness terhadap Beverage brands (Coca cola & Pepsi cola).

Helen Ongkowidjoyo (2015) proves that brand quality affect on customer loyalty mediated by customer satisfaction. This is in line with Keller's opinion (2008), that basically high brand awareness and positive brand image can improve the choice possibility of certain brand. The better brand image is the higher consumers' purchase level and the greater consumers' chance to do purchase on repeat.

The Relation between Satisfaction and Repurchase

A research on satisfaction that is considered to have an effect on repurchase decision was also done by Shujaat Mubarik, et al. (2016) proves that customer satisfaction affect on loyalty behaviour. *Aries Susanty and Eirene Kenny* (2015) proves that customer satisfaction affect on starbucks brand loyalty.

There are several satisfaction indicators measured from customer satisfaction

- a. Overall, the service provided by the employee of this brand is very satisfactory.
- b. Overall, the food and beverages served by this brand are very satisfactory .
- c. Overall, the arrangement of rooms and equipment presented by this brand are very satisfactory.

1.2 Prior Researches

Source	Variable	Indicators
George (2006)	Price	a. Reasonable price b. Low price compete c. Price compliance with the quality d. Price standardize

Source	Variable	Indicators
Waqar Nisar (2014); Helen Ongkowi djoyo (2015)	Brand Image	a. Positivity Producer Brand Image b. Positivity White Coffee Brand Image c. Product has advantages
Aries Susanty and Eirene Kenny (2015)	Satisfaction	a. The satisfaction of KapalApi White Coffee taste b. The satisfaction of KapalApi White Coffee flavor c. The satisfaction of KapalApi White Coffee portion
Aries Susanty and Eirene Kenny (2015); Shujaat Mubarik, et al. (2016)	Repurchasing	a. Repurchase decision on KapalApi White Coffee b. Long term repurchase decision on KapalApi White Coffee. c. Speak positive about KapalApi White Coffee d. Committed to do repurchase on KapalApi White Coffee

Source: Arranged by researcher, 2017

1.3 Conceptual Framework

Conceptual Framework is stated based on theoretical review and the previous research as follow:

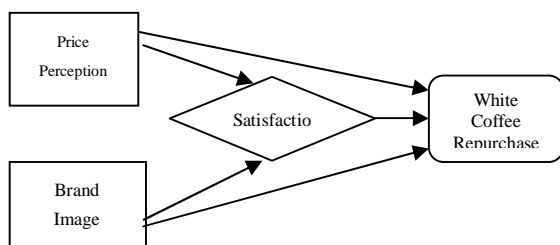


Figure 2.1 Conceptual Framework

1.4 Hypothesis

As explained in the conceptual framework figure above, there are some hypotheses to be tested by the researcher, as follows:

- Price perception have a significant positive effect on consumers repurchase decision
- Brand Image has a significant positive effect on consumers' purchase decision.
- Price perception has a significant positive effect on consumers' satisfaction.
- Brand Image has a significant positive effect on consumers' satisfaction.
- Satisfaction has a significant positive effect on consumers' repurchase decision mediated by consumers' satisfaction.
- Price perception has a significant positive effect on purchasing decision of Kapal Api White Coffee mediated by customers' satisfaction.
- Brand Image has an effect on repurchase decision of Kapal Api White Coffee mediated by customers' satisfaction.

2. RESEARCH METHOD

The population of this research is all of Kapal Api White Coffee consumer in Yogyakarta. The sample is few of Kapal Api White Coffee consumer in Yogyakarta. Sampling technique used is purposive sampling. The criteria are that consumer repeatedly purchase or in other words more than once. The samples are a hundred people.

Table 3.1 Descriptive Analysis of Price Variable

Source	Variable	Category
George (2006)	Price	Affordable Price
		Low price compete

		Price compliance with the quality
		Price standard

Table 3.2 Descriptive Analysis of Brand Image Variable

Source	Variabel	Category
Waqar Nisar (2014); Helen Ongkow idjoyo (2015)	Brand Image	Positivity producer brand image
		Positivity white coffee brand image
		Product has advantages

Table 3.3 Descriptive Analysis of Customer Satisfaction

Source	Variabel	Indikator
Aries Susanty and Eirene Kenny (2015)	Customer Satisfaction	The satisfaction of Kapal Api White Coffee taste
		The satisfaction of Kapal Api White Coffee flavor
		The satisfaction of Kapal Api White Coffee portion

Table 3.4 Descriptive Analysis of Repurchase Decision

Source	Variabel	Indikator
Aries Susanty and Eirene Kenny (2015); Shujaat Mubarik, et al. (2016)	Repurchase decision	Repurchase decision on Kapal Api White Coffee
		Long term repurchase decision on Kapal Api White Coffee.
		Speak positive about Kapal Api White Coffee
		Committed to do repurchase on Kapal Api White Coffee

2.1 Variable Measurement

Variable in this research are price variable, brand image variable, satisfaction variable, and repurchase decision as measured by Five Segment Likert Scale. All items in this research are valid because of the loading factor is more than 0,6. All of Alpha Cronbach score, price perception score, brand image, satisfaction, and repurchase

intention is more than 0,6, so it can be said that all of the variables are reliable.

3. RESEARCH RESULT AND DISCUSSION

Table 4.1 Description of Respondents Characteristic

Clarification Background	Sub Classification	Amount	Percentage
Gender	Male	57	57 %
	Female	43	43 %
Age	15 < 19	2	2 %
	19 < 23	6	6 %
	23 < 27	22	22 %
	27 < 31	21	21 %
	>31	49	49 %
Hobby	Adventure	14	14 %
	Travelling	34	34 %
	Sport	25	25 %
	Photo Hunting	9	9 %
	Other	18	18 %
Income	< 1.000.000	3	3 %
	Rp. 1.000.000,00 < Rp. 1.500.000	4	4 %
	Rp. 1.500.000,00 < Rp. 2.000.000,00	13	13 %
	Rp 2.000.000,00 < Rp 2.500.000,00	11	11 %
	Rp. 2.500.000,00 < Rp. 3.000.000,00	22	22 %
	>Rp. 3.000.000,00	47	47 %

Source : Processed primary data, 2017.

Based on the result above, the interval of average score can be stated as follow:

Table 4.2 Research Variable Consistency

Interval	Price	Brand Image	Satisfaction	Repurchase Decision
1,00 – 1,79	Expensive	Unknown	Very unsatisfying	Never repurchasing
1,80 – 2,59	Quite expensive	Quite known	Unsatisfying	No repurchasing
2,60 – 3,39	Standard	Pretty known	Standard	Consider to do repurchasing
3,40 – 4,19	Cheap	Known	Satisfying	Repurchase
4,20 – 5,00	Very cheap	Well-known	Very Satisfying	Continue to do repurchasing

Table 4.3 Descriptive Analysis of Price

Mean	Category
3,89	Cheap, Affordable price
3,69	Cheaper than other brand competitors
3,99	The price is according to quality
3,90	Standard price

Source : Processed primary data, 2017.

Table 4.4 Descriptive Analysis of Brand Image Variable

Mean	Category
3,86	Coorporate Image is known
4,00	Brand Image is known
4,12	The product is known

Source : Processed primary data, 2017

Table 4.5 Descriptive Analysis of Satisfaction Variable

Mean	Category
3,98	Satisfy with its taste
4,06	Satisfy with its aroma
4,03	Satisfy with its portion

Source : Processed primary data, 2017

Table 4.6 Descriptive Analysis of Repurchase Decision

Mean	Category
3,92	The consideration to do repurchasing
4,01	The consideration to do repurchasing immediately
3,94	Repurchasing
3,90	Commit to do repurchasing

Source : Processed primary data, 2017.

Table 4.7 Convergent Validity (Outer Loading)

Indicator	Price (X1)	Brand Image (X2)	Satisfaction (X3)	Repurchase Decision (X4)	Status
X1 ₁	0.642	X2 0.843	X3 0,891	X4 0,847	Valid
X1 ₂	0.769	X2 0.903	X3 0,916	X4 0,891	Valid
X1 ₃	0.677	X2 0.864	X3 0,862	X4 0,826	Valid
X1 ₄	0.856			X4 0,893	Valid

Source: Processed from Smart PLS output

Table 4.8 Average Variance Extracted (AVE)

Variable	AVE	Criteria	Composite Reliability	Result
Price (X1)	0.753	Valid	0,900	Reliable
Brand Image (X2)	0.547	Valid	0,824	Reliable
Satisfaction (X3)	0.790	Valid	0,928	Reliable

Determination Coefficient (R square)

Satisfaction (R^2_1) = 0,320

Repurchase Decision (R^2_2) = 0,422

$Q^2_{predictive\ relevance}$

$Q^2 = 1 - (1 - R^2_1)(1 - R^2_2)$

$$\begin{aligned}
 &= 1 - (1 - 0,320) (1 - 0,422) \\
 &= 1 - (0,68) (0,578) \\
 &= 60,6\%
 \end{aligned}$$

Categories	Coefficient	T-Statistic	P-Value
P->RD	0,158	2,038	0.000
BI-> RD	0,231	2,209	0.000
P-> S	0,198	2,211	0.000
BI-> S	0,456	4,377	0.000
S-> RD	0,406	4,611	0.000

P = Price (X1)

BI = Brand Image (X2)

RD = Repurchase Decision (Y)

S = Satisfaction (Z)

The following figures are PLS Algorithm and Bootstrapping result

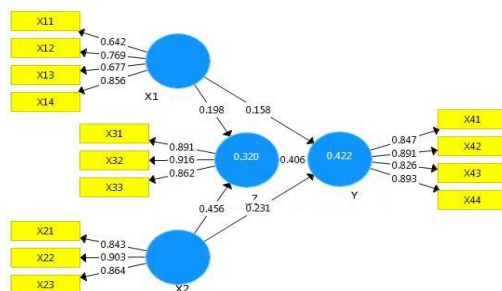


Figure 4.1 PLS Algorithm Result

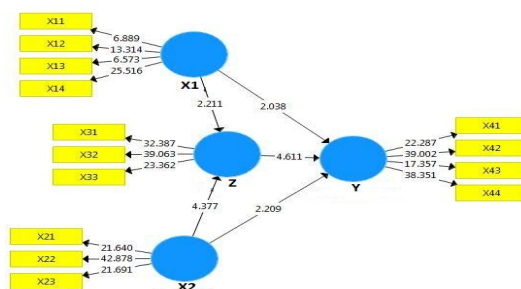


Figure 4.2 PLS Bootstrapping Result

Price has a positive effect on purchase decision (first hypothesis)

Based on figure 4.1 can be seen that the price effect directly to repurchase is 0,158 (P-value =0.000). It

is said that price has a positive effect to repurchase (H1 is proven).

In the other words, by paying attention to price related to affordable, compete price, price compliance with the quality, and standard price, so consumers tend to do repurchasing. This research result strengthen the prior research by George, et all (2006)

Brand Image has a positive effect on Purchase decision (Second Hypothesis)

Based on figure 4.1 can be seen that the Brand Image effect directly to repurchase is 0,231 (P-value =0.000). It is said that Brand Image has a positive effect to repurchase (H1 is proven). The better brand image the higher customers tendency to do repurchasing.

This research result strengthen the prior research by Waqar Nisar (2014); Helen Ongkowitz (2015).

Price has positive effect to customer Satisfaction (Third Hypothesis)

Based on figure 4.1 can be seen that the price effect directly to customer satisfaction 0,198 (P-value =0.000). It is said that price has a positive effect to customer satisfaction (H1 is proven).

In other words by paying attention on price, it improves customer satisfaction. This research result strengthen the prior research by Ani th 2018

Brand Image has positive effect on customer satisfaction (Fourth hypothesis)

Based on figure 4.1 can be seen that the Brand Image effect directly to customer satisfaction 0,456 (P-value =0.000). It is said that Brand Image has a positive effect to customer satisfaction (H1 is proven).

Brand Image directly influence on customer satisfaction of Kapal Api White Coffee. It means that if the

product has a positive brand image; well-known brand image; and advantageous; the customer be more satisfy.

Customer satisfaction has positive effect on repurchase decision (Fifth hypothesis)

Based on figure 4.1 can be seen that the **Customer satisfaction** effect directly to **repurchase** 0,406 (P-value =0.000). It is said that **Customer satisfaction** has a positive effect to repurchase (H1 is proven)

Customer satisfaction directly influence on purchase decision of Kapal Api White Coffee. It means that if the product has a positive repurchase; well-known brand image; and advantageous; the more customers satisfy the more it tends to do repurchasing.

The research result supports the previous research by Shujaat Mubarik, et al. (2016); Aries Susanty and Eirene Kenny (2015)

Price and Brand Image (Sarisfaction variable as the mediation) has positive effect to purchase decision (third hypothesis)

Price and Brand Image with satisfaction variable as mediation affect on repurchase decision of Kapal Api White Coffee. It supports Aries Susanty and Eirene Kenny (2015) that if consumers satisfied with the taste, flavours, and portion, so they tend to do repurchase. Satisfaction itself can be interpreted into various ways because satisfaction theory is a level when consumers are loyal to buy the product. In other words, satisfaction as a direct and indirect variable can affect consumers' decision on repurchasing the certain product.

In addition, these research results also support the previous studies, where satisfaction mostly become mediation

variable or even individual variable influence consumers' repurchase decision. It happens because of satisfaction enacts consumers to be loyal on the certain product even if they have a high loyalty on a product, they will choose it and buy it repeatedly although there are many similar competitors who rule the market. It can be a strategy for the company to lock the target goals and product positioning or consumers who have reached "loyal" level of a product while they satisfy.

4. CONCLUSION

Price perception has significant positive effect on cosumers' repurchase decision.

- a. Brand Image has significant positive effect on consumers' repurchase decision.
- b. Price perception has significant positive on consumers' satisfaction
- c. Brand Image as significant positive effect on consumers' satisfaction.
- d. Customer satisfaction has significant positive effect on cosumers' repurchase decision.
- e. Price perception has significant positive effect on cosumers' repurchase decision, mediated by customer satisfaction
- f. Brand Image has significant positive effect on consumers' repurchase decision, mediated by customer satisfaction

5. ACKNOWLEDGEMENT

Price directly influence on Kapal Api White Coffee repurchase decision. In addition if the price is affordable, compete price, price compliance with the quality, and standard price, so consumers tend to do repurchasing. The effort that should be done by the company is to

keep consumers' perception that the price is affordable and do not raise the price that make consumers perceive about the expensive price of product, so they will not do repurchasing.

Brand image influence directly on Kapal Api White Coffe purchase decision. It means that if brand image is positive, white coffee brand image is well known, and it has advantages, those will increase consumers tend to do repurchasing. The effort is by keeping White Coffee brand product, ABC company brand line, and Kapal Api Brand Company.

Satisfy variable as mediation on repurchasing decision on Kapal Api White Coffee. It shows if the consumers satisfy on the product taste, aroma, and portion will increase consumers tend to do repurchasing. The effort to increase consumers' satisfaction is by keeping the product taste, aroma and portion.

Theoretical benefits of this study is that it can develop consumer behavior theory in product of white coffee by creating the price, brand image, customer satisfaction, and repurchase decision. **The practical benefit** of this study is that the cooperate can strategize the price and brand image so it will improve customer satisfaction for the higher repurchasing. **The benefits for the next researcher** is as an opportunity to conduct research on the same or different object, dan variabel lain yang memengaruh repurchase

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