

SMEs repurchase intention and customer satisfaction: Investigating the role of utilitarian value and service quality

Mochammad Jasin^{a*}, Yunia Silvia Sesunan^a, Muniaty Aisyah^a, Cut Erika Ananda Fatimah^a and Firman El Amny Azra^a

^aUniversitas Islam Negeri (UIN), Syarif Hidayatullah, Jakarta, Indonesia

ABSTRACT

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The purpose of this study was to determine the effect of utilitarian value and service quality on customer satisfaction to increase repurchase. The population in this study were SMEs consumers and the sampling technique used was non-probability sampling, while the non-probability sampling technique used was purposive sampling. The number of samples in this study were 128 respondents. The instrument used to obtain data was by using a questionnaire. The research method was quantitative, the data obtained were based on answers from respondents to the questionnaire, analyzed by statistical techniques of multiple linear regression analysis, the regression model was tested with classical assumptions in order to meet the requirements and was feasible to use to predict the effect of independent variables on the dependent variable. The results of the regression calculations were tested by t-test and coefficient of determination, while the results of mediation calculations were tested by path analysis and Sobel tests with the help of the SPSS for Windows version 25.0 program. After analyzing the data, the following results and conclusions were obtained: (1) Utilitarian Value has a positive and significant effect on Customer Satisfaction (2) Service Quality has a positive and significant effect on Customer Satisfaction (3) Utilitarian Value has no effect on Repurchase Intention (4) Service Quality has no positive and significant effect on Repurchase Intention, (5) Customer Satisfaction has a positive and significant effect on Repurchase Intention, (6) Utilitarian Value through Customer Satisfaction has a significant effect on Repurchase Intention. (7) Service Quality through Customer Satisfaction has a significant effect to Repurchase Intention.

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1. Introduction

Small and Medium Enterprises (SMEs) play an important role in Indonesia's economic growth. SMEs have the largest number compared to other business units. Based on data from the Investment Coordinating Board, SMEs contribute to gross domestic product (GDP), which was 61.97% of the total national GDP or equivalent to IDR 8,500 trillion in 2020. SMEs also absorb 97% of the workforce in the same year. The role of SMEs is so vital that governments in various regions always try to accommodate and provide support for the progress of SMEs. The increasing intensity of competition is what causes the level of consumer repurchase in SMEs to be reduced. Therefore, SMEs need to attract and retain customers so that they continue to make purchases by always paying attention to the needs and desires of consumers (Van et al., 2012). To increase repurchase SMEs must be able to optimally understand consumer behavior and gain a good understanding of how consumers think, consumer buying habits and factors that influence them in making repeat purchases so that with this knowledge and understanding companies can know the needs and expectations of consumers (Juwaeni et al., 2022). Based on BPS e-commerce statistics for June 2021, of the 8.2 million business units surveyed including SMEs, only 29% have integrated their business into e-commerce. According to data, as of August 2022, as many as 20.24 million SMEs have entered the

* Corresponding author

E-mail address moch.jasin@uinjkt.ac.id (M. Jasin)

digitalization ecosystem. Meanwhile, in 2023, the government is targeting a minimum of 30 million SMEs to enter marketplaces or digital platforms. To what extent this set target will be successfully realized, of course time will tell. It must be admitted that expecting SMEs to take part in the digital market is not an easy thing. According to Singh et al. (2023) and Syahril et al. (2022), the number of obstacles that hinder are as follows. First, the limited skills and digital literacy capabilities of SMEs. More than just developing online marketing to expand market share, what is meant by digitizing SMEs actually does not only concern marketing aspects. However, it is also necessary to pay attention to the operational aspects of the business, such as financial management, procurement of goods, and order management.

Repurchase intention is defined as an individual's judgment about repurchasing a service and a decision to engage in future activities with a service provider and the form it will take (Cahyati & Seminar, 2020) and they thought in advance and the performance they expected. Whether or not consumers are satisfied is known after making a transaction, it depends on the performance of the offer in meeting consumer expectations (Santoso & Aprianingsih, 2017). Consumer satisfaction is the result of the accumulation of consumers in using products and services (Huang et al., 2019). Consumers are satisfied after buying the product and every new transaction or experience will have an influence on consumer satisfaction. Satisfied consumers are consumers who will share their tastes and experiences with other consumers (Sari et al., 2020). Consumer satisfaction is a feeling that arises after comparing the expected results of the product or service work with the actual perceived product or service work (Phuong & Dai Trang, 2018). Consumer behavior that is oriented towards utilitarian values will choose products efficiently based on rational reasons or purchases made by consumers on consideration of the benefits provided by the product (Ong et al., 2022).

Utilitarian consumption is goal-oriented consumption which is particularly driven by the desire to meet basic needs or to complete functional tasks (Ebrahimi & Tootoonkavan, 2014). Shopper's assessment of the quality of goods and services and convenience in supermarkets causes an increasing utilitarian motive (Fauzi et al., 2022).

Utilitarian value has a positive influence on customer satisfaction. Fulfillment of utilitarian value to consumers is to meet consumer needs related to the services provided, speed in serving consumers, as well as the suitability between what is paid for and what is received by consumers (Dlačić et al., 2014). Fulfillment of utilitarian values can create its own satisfaction for each customer (Feinberg et al., 1990). If customers feel good satisfaction when they are in SMEs as well as after leaving SMEs, in the future this satisfaction can make customers return to SMEs and recommend to others (He & Song, 2009). Giving satisfaction to consumers can be done to improve the quality of service (Huang & Yu, 2019). Service quality can be interpreted as an effort to fulfill consumer needs and desires and the accuracy of delivery in balancing consumer expectations (Desara et al., 2021). In addition, services are also defined as actions or activities offered by one party to another, which are essentially intangible and do not result in any ownership (Novitasari et al., 2022). The implementation or quality of service by SMEs may fail in providing satisfaction to customers if the company does not know the form of service that customers actually want (Haudi et al., 2022). The customer's perception of the service quality of a SMEs may give satisfaction to customers which then creates an intention for customers to make repeat purchases at the SMEs (Tandon et al., 2017). If the service provided is lacking or even disappoints the customer, the customer will move to another SMEs (Van et al., 2012). It is different if the service provided is sufficient or very satisfying, the customer will feel happy so that the customer will continue to shop at the SMEs, it is also possible that the customer will recommend to others to shop at the SMEs (Wilson et al., 2019; Juwaini et al., 2022). Fauzi et al. (2022) concluded that service quality and satisfaction stimulants have a significant influence on the direction of repurchase intention.

2. Literature review

2.1 Repurchase Intention

Purchase intention is often used to analyze behavior consumer. Before making a purchase, consumers will usually collect product information based on personal experience and information from their environment. After the information is collected, the consumer will begin to evaluate the product, evaluate and make purchasing decisions after comparing products and considering them. Purchase intention is closely related to consumer purchasing decisions, intention is used to predict a person's tendency to do or not to do buying behavior. According to Tandon et al. (2017) intention is a strong tendency or desire for individuals to perform certain behaviors. Intention is an indication of how strong an individual's desire is to manifest a behavior, in other words, to abuse The stronger the individual's desire, the more likely a behavior is realized. According to Wilson et al. (2019) purchase intention is a consumer's desire to behave in a certain way with the aim of owning, disposing of, and using goods or services.

According to Van Vaerenbergh et al. (2012) purchase intention is often referred to as the cognitive component of attitudes related to the possibility of consumers buying certain products. According to Wilson et al. (2019) purchase intention is a behavior that appears in response to objects that indicate a consumer's desire to make a purchase. Repurchase intention is the result of a purchase decision that has been made previously, so that customers who have a purchase decision will have the intention to repurchase (Feinberg et al., 1990). After being modified with the research location, the indicators that can be used are the intention of consumers who wish to make repeat purchases at SMEs and the intention of consumers who tend to refer

to their experiences shopping at SMEs to others (He et al., 2009; Huarng et al., 2019). According to Huarng and Yu (2019), purchase intention can be identified through indicators. a. Transactional, namely the desire or tendency of a person to buy a product. In particular, this means that consumers already have the intention to purchase a particular product that they want. b. Referential is a person's tendency to refer products to people. On the other hand, this means a consumer who has the intention to buy will suggest or recommend the people closest to them to also purchase the same product. c. Preferential, namely the intention that describes the behavior of someone who has a primary preference (choice) for the product. d. Explorative, namely this intention describes the behavior of someone who is always looking for information about the product he is interested in and looking for information to support positive features of the product.

2.2 Customer Satisfaction

Customer satisfaction is the perception of a product or service that has met its expectations (Feinberg et al., 1990). Indicators of measuring customer satisfaction are the satisfied customer with fulfilled customer expectations who recommends to other parties with overall service satisfaction. The company's ability to recognize, meet and satisfy customer needs properly is a strategy for every company. Customer satisfaction has become a central concept in business discourse. Customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing his/her perception or impression of performance (Huarng & Yu, 2019). However, if the performance exceeds expectations, the customer is very satisfied and happy. If the perceived performance is below expectations, the customer will feel disappointed, if the performance meets customer expectations, the customer will be satisfied, whereas if the performance exceeds expectations, the customer will feel very satisfied. This satisfaction will certainly be felt after the customer concerned consumes the product. According to Feinberg et al. (1990), overall customer satisfaction denotes an attitude towards a service provider, or an emotional reaction to a difference between what customers expect and what they receive. Customer satisfaction is the customer's evaluation of a product or service in terms of whether the product or service meets customer needs and expectations (He & Song, 2009). Customer satisfaction is used to measure company performance both internally to compensate for human resources, observe performance and assign funds, for external customer satisfaction as well as a source of information for all stakeholders (customers, public policies made by competitors and investors).

2.3 Utilitarian Value

Utilitarian value is an instrument that reflects the value of benefits, such as in obtaining certain goods Utilitarian value is an instrument that reflects the extrinsic value of the benefits of shopping. The utilitarian point of view assumes that consumers are rational problem solvers. Thus, the utilitarian point of view emphasizes the functional aspects and workings of the product so that the investigation is focused on the consumer decision-making process. The nature of buyers who lead to utilitarian value will buy goods as needed based on logical reasons. Desara et al. (2021) utilitarian value is a person's opinion about the benefits of a product. Ebrahimi and Tootoonkavan (2014) if utilitarian value is the desire for each individual to provide an assessment in obtaining goods or services with high quality and saving time and effort. There are two dimensions of utilitarian value, namely efficiency and achievement. Efficiency, namely saving time by someone and the source of funds. According to Feinberg et al. (1990) indicators that can be used in measuring the dimensions of efficiency are as follows:

a. It is important to achieve what is planned when shopping. b. In shopping activities, it is very important to find what consumers are looking for. c. Consumers feel comfortable when they know that their shopping activities are successful. d. Consumers like to feel careful when they shop. Utilitarian value is a form of attitude from consumers where they shop by making purchases or not making purchases of goods or services that they have determined according to their needs. Value can be seen primarily as a combination of quality, service, and price, which is called the customer value triad. Value increases following quality and service and decreases following price. Utilitarian value is a motive that encourages consumers to buy products because of the functional benefits and object characteristics of these products and is also called rational motives. Score utilitarian reflects tangible and intangible benefits and costs to customers. Utilitarian value can be considered as the ratio between the amount that is obtained by the customer and the amount that is given by the customer, the customer gets benefits and incurs costs. Utilitarian value is shopping activities carried out by consumers rationally, which is related to the benefits provided.

2.4 Service Quality

Service Quality can be interpreted as focusing on meeting needs and requirements, as well as on timeliness to meet customer expectations (Brahimi & Tootoonkavan, 2014; Su et al., 2016). Quality of Service applies to all types of services provided by the company while the client is in the company. According to Huarng and Yu (2019), quality is the completeness of the features of a product or service that has the ability to satisfy a need. Service Quality can also be defined as the actions or actions of a person or organization aiming to provide satisfaction to customers or employees. Meanwhile, according to Fauzi and Rini (2022), service quality is an important component that must be considered in providing excellent service quality. Service quality is a central point for the company because it affects customer satisfaction and customer satisfaction will arise if the quality of service quality is provided properly. Based on the definitions above it can be concluded that Service Quality is an action taken by the company in the form of things that are intangible but can be felt by consumers. Measurement of Service Quality can be seen from a service that has been received by consumers to meet their needs Service quality is an effort to fulfill customer needs and desires and the accuracy of delivery to balance customer expectations. According to Mulyandi and Tjandra (2022), Service Quality indicators are Tangible, Reliability, Responsiveness, Assurance, and Empathy.

Quality Service Quality is a very important factor especially for companies engaged in the service sector. The quality application of Service Quality as a characteristic of product appearance or performance is part of the company's strategy in order to achieve sustainable excellence, both as a market leader and a strategy to continue to grow. Quality has eight measurement dimensions consisting of the following aspects: 1. Performance. Performance here refers to the characteristics of the core product which includes the brand, measurable attributes, and aspects of individual work. The performance of some products is usually based on subjective preferences general customer base. 2. Product features can be in the form of additional products from a core product that can add value to a product. Product diversity is usually measured subjectively by each individual (in this case customers) which shows the difference in the quality of a product (service). Thus, the development of the quality of a service product requires the character of flexibility in order to adapt to market demand. 3. Reliability/reliability. This dimension relates to the emergence of the possibility of a product experiencing a malfunction in a period. The reliability of a product which indicates the level of quality is very meaningful for consumers in choosing products (services). This is all the more important given the high cost of replacement and maintenance that must be issued if a product that is considered unreliable is damaged. 4. Conformance: Another dimension related to the quality of an item is the conformity of the product with the standards in the industry. The suitability of a product in the service industry is measured by the level of accuracy and Completion time includes calculation of errors that occur, unanticipated delays, and several other errors. 5. Resistance or durability (durability): The measure of the durability of a product includes both economic and technical aspects. Technically, the durability of a product is defined as the number of uses a person gets before experiencing a decline in quality. Economically, resilience is defined as the economic age of a product as seen from the number of uses that can be obtained before damage occurs and the decision to replace the product. 6. Serviceability: Service capability can also be referred to as speed, competition, usability, and product convenience repaired. This dimension shows that consumers are not only paying attention to a decrease in product quality but also the time before it is stored, service scheduling, communication processes with staff, frequency of product damage repair services, and other services. These variables can reflect differences in individual standards regarding the services received, where the ability of a service the product produces a conclusion about product quality that is subjectively assessed by consumers. 7. Aesthetics: Aesthetics is the most subjective measurement dimension. The aesthetics of a product is seen from how a product is heard by customers. Thus, aesthetics is clearly an assessment and reflection that is felt by consumers.

3. Method

The population in this study were SMEs consumers and the sampling technique used was non-probability sampling, while the non-probability sampling technique used was purposive sampling. The number of samples in this study were 128 respondents. The instrument used to obtain data is by using a questionnaire. The research method is quantitative, the data obtained are based on answers from respondents to the questionnaire, analyzed by statistical techniques of multiple linear regression analysis, the regression model is tested with classical assumptions to meet the requirements and is feasible to use to predict the effect of independent variables on the dependent variable. The results of the regression calculations were tested by t-test and coefficient of determination, while the results of mediation calculations were tested by path analysis and Sobel tests with the help of the SPSS for Windows version 25.0 program.

The objects in this study are utilitarian value and service quality variables as independent variables, customer satisfaction variables as intervening variables and repurchase intentions as dependent variables. The subjects in this study were SMEs consumers who had made purchases at least 2 times in the last six months. The sampling technique in this research is purposive sampling. Purposive is a sampling technique with certain considerations. The characteristics that will be used in this study are consumers who shop at SMEs more than 2 times in the last six months. Data analysis techniques include data quality test (validity test & reliability test), classical assumption test (multicollinearity test, heteroscedasticity test, & normality test) hypothesis test (partial t test), coefficient of determination, correlation analysis, Sobel test and path analysis using SPSS 25.0

The empirical model in this study is as follows,

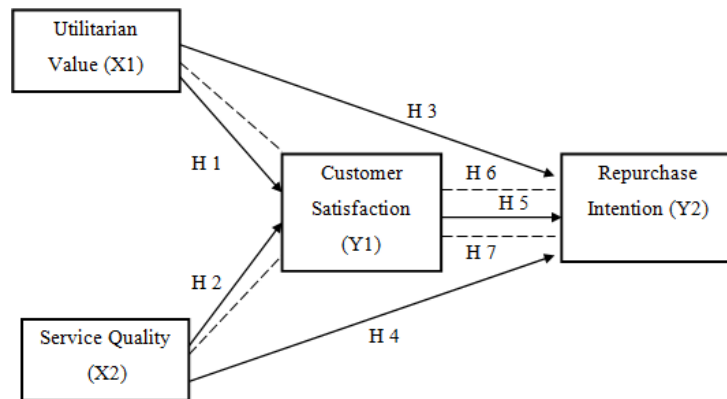


Fig. 1. The proposed model

The hypotheses of this study are as follows:

- H₁:** Utilitarian value influences on consumer customer satisfaction.
H₂: Service quality influences on customer satisfaction.
H₃: Utilitarian value influences on the repurchase intention.
H₄: Service quality influences on the repurchase intention.
H₅: Customer satisfaction influences on repurchase intention.
H₆: Utilitarian value influences on the repurchase intention through customer satisfaction.
H₇: Service quality influences on the repurchase intention through customer satisfaction.

4. Result and Discussion

4.1 Hypothesis Testing

Hypothesis testing is a procedure that will result in a decision to accept or reject the hypothesis. Hypothesis testing was carried out to determine the effect of the independent variable on the dependent variable. The results of this research hypothesis test are as follows,

Table 1

Partial t test

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	4.321	1.098	3.631	.001	
	Utilitarian Value	.512	.109	.312	3.120	.001
	Service Quality	.314	.132	.413	3.721	.001

a. Dependent Variable: Customer Satisfaction

Correlation of Utilitarian Value and Customer Satisfaction

Based on Table 1, the tcount value is 3.120 > ttable is 1.96 (3.120 > 1.96). Judging from the significance value, it has a value of 0.001 < 0.05. So, it can be concluded that the Utilitarian Value is proven to have a positive and significant influence on Customer Satisfaction.

Correlation of service Quality and Customer Satisfaction

Based on Table 1, it can be seen that the tcount value is 3.721 > ttable is 1.96 (3.721 > 1.96) and the Service Quality significance value is 0.001 < 0.05. So, it can be concluded that Service Quality has a positive and significant influence on Customer Satisfaction

Table 2

Partial t test

Model		Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	1.921	.612	2.912	.001		
	Utilitarian Value	.120	.087	.143	1.422	.123	
	Service Quality	.010	.054	.043	.367	.743	
	Customer Satisfaction	.191	.065	.421	3.556	.001	

a. Dependent Variable: Repurchase Intention

Correlation of Utilitarian Value and Repurchase Intention

Based on table 2, it can be seen that the value of tcount is 1.422 < ttable of 1.96 (1.422 < 1.96). Judging from the significance value, the Utilitarian value has a value of 0.123 > 0.05. So it can be concluded that Utilitarian Value has no effect on Repurchase Intention.

Correlation of Service Quality and Repurchase Intention

Based on table 2, it can be seen that the value of tcount is 0.367 < ttable of 1.96 (0.367 < 1.96). Judging from the significance value, Service Quality has a value of 0.743 > 0.05. So, it can be concluded that Service Quality does not have a positive and significant effect on Repurchase Intention.

Correlation of Customer Satisfaction and Repurchase Intention

Based on Table 2, the tcount value is $3.556 > t_{table}$ is 1.96 ($3.556 > 1.96$). Judging from the significance value, Customer Satisfaction has a value of $0.001 < 0.005$. So, it can be concluded that Customer Satisfaction has a positive and significant effect on Repurchase Intention. Determination Coefficient Measurement of the coefficient of determination (Adjusted R^2) was carried out to determine the percentage of independent variable influence on dependent variable changes. In this study, researchers used the determination test (R^2) to determine the percentage of the relationship between the independent variable and the dependent variable in study. Adjusted determination calculation results (R^2) for determining the percentage of the relationship between the independent variables and dependent variables in research. Result of determination calculation. Adjusted (R^2) can be seen in Table 3.

Table 3
Determination Coefficient

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.692 ^a	.477	.467	1.3432

a. Predictors: (Constant), Service Quality, Utilitarian Value

Based on the output above, the Adjusted R Square value obtained is 0.477 or it can be interpreted that 47.7% Customer Satisfaction on SMEs consumers is influenced by Utilitarian Value and Service Quality while the remaining 52.3% is influenced by other variables.

Table 4
Determination Coefficient 2

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.596 ^a	.343	.347	.6887

a. Predictors: (Constant), Customer Satisfaction, Service Quality, Utilitarian Value

b. Dependent Variable: Repurchase Intention

Based on the output above, the coefficient of determination of Adjusted R Square is 0.347 or can be interpreted as 34.7%. Repurchase Intention for SMEs consumers is influenced by Utilitarian Value, Service Quality and Customer Satisfaction, while the remaining 65.3% is caused by other variables not included in the results. this research.

Correlation Analysis

Table 5
Correlation Analysis

Correlations			
		Utilitarian Value	Service Quality
Utilitarian Value	Pearson Correlation	1	.776 ^{**}
	Sig. (2-tailed)		.000
	N	100	100
Service Quality	Pearson Correlation	.776 ^{**}	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Based on Table 4, it can be concluded that the correlation between Utilitarian Value and Service Quality is 0.776 with a significance level of 0.000, which means that there is a strong relationship or correlation between Utilitarian Value and Service Quality.

5. Discussion

5.1 The Influence of Utilitarian Value on Customer Satisfaction

Based on Table 1, it can be seen that the tcount value is $3.120 > t_{table}$ is 1.96 ($3.120 > 1.96$). Judging from the significance value, it has a value of $0.001 < 0.05$. So it can be concluded that the Utilitarian Value is proven to have a positive and significant influence on Customer Satisfaction. The respondents' answers obtained from the questionnaire results indicate that most respondents give a fairly high assessment of the Utilitarian Value variable. Utilitarian Value is the thing that can affect the Customer Satisfaction of SMEs consumers. This means that the greater the value, the higher the utilitarian feeling, the

results of this study are supported by previous research conducted by Fauzi and Rini (2022), He and Song (2009) and Huarng and Yu (2019) which showed that utilitarianism had a significant effect on consumer satisfaction.

5.2 Effect of Service Quality on Customer Satisfaction

Based on Table 1, it can be seen that the t_{count} value is $3.721 > t_{table}$ is 1.96 ($3.721 > 1.96$) and the Service Quality significance value is $0.001 < 0.05$. So it can be concluded that Service Quality has a positive and significant influence on Customer Satisfaction. The results showed that Service Quality had an influence on Customer Satisfaction. So it can be concluded that Service Quality has a positive and significant influence on Customer Satisfaction. The better the quality of services provided to SMEs consumers, the more consumers feel satisfaction when shopping at SMEs. The results of this study are supported by research conducted by Phuong and Dai Trang (2018), Saleem et al. (2017), Sari et al. (2020) and Santoso and Aprianingsih (2017). The study states that service quality has a positive effect on customer satisfaction.

5.3 The Influence of Utilitarian Value on Repurchase Intention

Based on Table 2, it can be seen that the value of t_{count} is $1.422 < t_{table}$ of 1.96 ($1.422 < 1.96$). Judging from the significance value, the Utilitarian value has a value of $0.123 > 0.05$. So it can be concluded that Utilitarian Value has no effect on Repurchase Intention. The repurchase intention of SMEs consumers needs to be built and improved by increasing efficiency, variety of services, and more competitive prices in order to attract consumers' intention to re-purchase. The results of this study are supported by previous research conducted by Ismoyo et al. (2017), Kim and Lough (2007) and Kitapci et al. (2014). The study stated that Utilitarian Value had no significant effect on Repurchase Intention.

5.3 Effect of Service Quality on Repurchase Intention

Based on Table 2, it can be seen that the value of t_{count} is $0.367 < t_{table}$ of 1.96 ($0.367 < 1.96$). Judging from the significance value, Service Quality has a value of $0.743 > 0.05$. So it can be concluded that Service Quality does not have a positive and significant effect on Repurchase Intention. Based on the results of the study, Service Quality has no significant effect on Repurchase Intention. SMEs consumer repurchase intention needs to be built and improved by improving service quality. The results of this study are not in accordance with the research conducted by Kitapci et al. (2014); Lestari and Ellyawati (2019); Mensah and Mensah (2018).

5.4 The Influence of Customer Satisfaction on Repurchase Intention

Based on Table 2, it can be seen that the t_{count} value is $3.556 > t_{table}$ of 1.96 ($3,556 > 1.96$). Judging from the significance value, Customer Satisfaction has a value of $0.001 < 0.005$. So it can be concluded that Customer Satisfaction has a positive and significant effect on Repurchase Intention. The results of this study are supported by research conducted by Ismoyo et al. (2017).

5.5 The Influence of Utilitarian Value on Repurchase Intention through Customer Satisfaction

The Utilitarian Value parameter is significant as an intervening variable. Thus, the indirect influence model of the Utilitarian Value variable on Repurchase Intention with Customer Satisfaction as the intervening variable is accepted. Shopping activities are carried out by consumers rationally, in the sense that purchases are made based on the consideration of the benefits provided by the product, which is called utilitarian value. The higher the utilitarian value, the higher the consumer satisfaction and when the consumer can get the value of the benefits (utilitarian value), the consumer will feel satisfied with a product contained in the minimarket. The results of this study are supported by research conducted by Qalati et al. (2021) and Kim and Lough (2007) and Soebandhi et al. (2020).

5.6 The Influence of Service Quality on Repurchase Intention through Customer Satisfaction

The Customer Satisfaction parameter is significant as an intervention variable. Thus, the indirect influence model of the Service Quality variable on Repurchase Intention with Customer Satisfaction as the intervening variable is accepted. The relationship between Service Quality and Repurchase Intention is driven by the existence of Customer Satisfaction. This shows that service quality can affect the level of customer satisfaction and finally can increase the repurchase intention of SMEs consumers. The results of this study are supported by previous research conducted by Phuong and Dai Trang (2018), Saleem et al. (2017) and Sari et al. (2020). The study states that Customer Satisfaction mediates the effect of Service Quality with Repurchase Intention.

For companies, satisfaction is a very profitable thing. Satisfaction is obtained from the comparison between the service received and what is expected. The way to achieve customer satisfaction is to improve the quality of existing services with a focus on what consumers want and need. Satisfaction will arise if the service provided is good, if consumers feel satisfied, they will be encouraged to buy and consume the product or service again. The feeling of satisfaction obtained from services

that consumers think is good and reliable will foster interest in reusing. Consumer experience moderates among performance expectations, satisfaction and repurchase intentions. Repurchase intention is an individual evaluation based on repurchasing the exclusive services of the same business, taking into account its current and possible future position. Quality of service with dimensions of tangibility, responsiveness, and empathy plays an important role in predicting consumers to make repeat buyers. Service quality has a positive and significant effect on intention to repeat purchase. Service quality concept is the difference between hope and the reality that customers feel about services provided by the company. Another important thing in satisfying customers is quality service. Satisfied customers who are good with goods and/or services are likely to be repurchased from a provider or bidder of the goods and/or services. Effect of satisfaction customers to repurchase interest that there is a positive effect of customer satisfaction on repurchase intention is acceptable. Satisfaction significantly affects purchase intention. service quality ensures customer satisfaction.

Based on this phenomenon, according to research, it explains the direct impact on consumer satisfaction which affects repurchase intention with indicators of repurchase intention, and intention to buy as often as possible and recommend to others. For example, consumers feel a satisfaction with one of the services then indirectly the buyer will make a repeat purchase. With the existence of a sense of satisfaction that every consumer has on one service, it will have a good impact, namely consumers will repurchase, when satisfaction has a high increase in consumer satisfaction, it will increase consumer repurchase interest. Satisfaction will arise if the results of the products purchased are in accordance with consumer expectations. Satisfaction will arise when consumers feel that they match the products they buy so that they will encourage consumers to consume and buy them again and vice versa if they feel disappointed, consumers will not make purchases on the same product.

6. Practical Implications

Based on the results of the study, it shows that utilitarian value and service quality had an effect on customer satisfaction for SMEs consumers. This means that utilitarian value and service quality factors in SMEs consumers have an important role in increasing repurchase intentions. Therefore, it is expected that companies can maintain or even increase these variables so that more consumers have repurchase intentions at SMEs' repurchase intention, meaning that the level of service quality at SMEs cannot affect repurchase intention. Therefore, companies should be more focused on improving service quality so that customers will continue to make repurchase intentions at SMEs. SMEs are expected to continue to improve service quality and reliability in services in order to further increase repurchase intentions in SMEs. To increase repurchase intentions, SMEs need to publish a special member card for the people that can be used to get discounts, shopping points, or merchant discounts. The use of membership cards can provide convenience and convenience to consumers in doing shopping activities at SMEs. SMEs need to create a new target market, namely the owners of grocery stores. By having a role as a wholesale store, it will increase the repurchase intention of the owners of these grocery stores.

7. Theoretical Implications

Repurchase intention is formed based on past purchase experiences. Repurchase intention is created since customers feel that the service quality and utilitarian value provided are in accordance with what is expected so that customers will intend to buy the same product in the future. Utilitarian value is a form of attitude from consumers where they shop by making a purchase or not making a purchase. The perception of utilitarian value can depend on what consumers want to achieve from these shopping activities. Consumers will feel satisfied if they get the product that suits their needs in an efficient way, especially in terms of time spent. This is characterized by intentional purchases made by consumers to meet their needs in a short time. Repurchase intention is a purchase intention based on past buying experiences. Repurchase intention is created because customers feel that the quality of service and utilitarian value provided is in accordance with what is expected so that customers will intend to buy the same product in the future.

8. Conclusion

Based on the results of the analysis we can conclude that Utilitarian Value has a positive and significant effect on Customer Satisfaction, meaning that the higher the level of Utilitarian Value, the higher the level of Customer Satisfaction. Service Quality has a positive and significant effect on Customer Satisfaction, meaning that the higher the Service Quality level, the higher the Customer Satisfaction level. Utilitarian Value has no effect on Repurchase Intention, meaning that the high or low level of Utilitarian Value has no effect on Repurchase Intention. Service Quality has no positive and significant effect on Repurchase Intention, meaning that the level of Service Quality has no effect on Repurchase Intention. Customer Satisfaction has a positive and significant effect on Repurchase Intention, meaning that the higher the level of Customer Satisfaction, the higher the level of Repurchase Intention. Utilitarian Value through Customer Satisfaction has a significant effect on Repurchase Intention. This means that Customer Satisfaction is significant as a mediating or intervening variable. Utilitarian Value of Repurchase Intention through customer satisfaction is accepted.

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