



THE EFFECT OF SERVICE QUALITY AND SALES PROMOTION ON REPURCHASE INTENTION THROUGH CUSTOMER SATISFACTION (Study on GrabFood Customer Students in Malang City)

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Abstract

In service-based e-commerce companies, customer satisfaction is very important to achieve the goals of these services. This is because if the customer is not satisfied with the service that has been provided, it is possible that the customer will not be loyal and make repeated purchases of the company. With this statement, the company can measure customer satisfaction to know in detail what variables affect customer satisfaction, including service quality and sales promotion. This study aims to determine the direct or indirect effect of service quality and sales promotion on repurchase intention through customer satisfaction. This research was conducted on students at 4 different campuses in the city of Malang. The sample of this study amounted to 100 obtained by purposive sampling technique. The analysis used in the analysis using PLS (Partial Least Square). The results of this research show that the direct effect is positive and significant, while the indirect effect is also positive and significant. It is proven that service quality and sales promotion can make customers feel satisfied and make repeat purchases.

Keywords: Service Quality, Sales Promotion, Customer Satisfaction, Repurchase Intention

INTRODUCTION

In the current era of information and the use of technology in the online world is increasing with the existence of various models and advances that occur in various kinds of modern internet-based businesses and businesses. The phenomenon of the last few years in Indonesia is that there are e-commerce companies based on smartphone mobile applications that are starting to emerge and are growing quite rapidly. Applications are devices that are used or utilized in marketing activities and building brands online. Grab is an application-based company that has users who are quite widely used in various countries.

Malang City is one of the cities that is famous for being a student city. There are many universities, both public and private campuses, so it is a city that has the potential in developing online application-based transportation services. Malang city also has another nickname, namely as a tourist city which has many tourist attractions so that it can attract tourists and newcomers that it has high social mobility. The presence of Grab can help and make it easy to get transportation services quickly and services can come to the places desired by the service users.

Service quality is a determining factor for customer satisfaction after making a purchase and use of a product. service quality in providing services to consumers for service quality following consumer expectations (Lupiyoadi, 2013). Good service quality can make a company a competitive advantage. Whether or not the service is seen by the producer as meeting consumer needs.

In addition, sales promotion is also an important factor that is considered by customers in determining purchasing decisions and also affects customer satisfaction. Tjiptono (2008), is a form of persuasion used to encourage consumers to buy products.

Customer satisfaction will be felt when after feeling the product purchased is in line with expectations (Kotler, 2014). Satisfaction and dissatisfaction are the customer's response to the perceived conformity and discrepancy between previous expectations and perceived product performance.

Repurchase Intention is the impact of buying a product to make repeated purchases of the product. Repurchase Intention is a person's decision to repurchase a product or reuse a service that has been purchased or used, this is usually based on the satisfaction obtained after using the product or service (Kotler and Keller, 2009).

This research was conducted to become a reference for companies to find out what customers or consumers want. With this, it is necessary to measure to find out the findings or solutions to problems in customer satisfaction.

LITERATURE REVIEW

Service Quality

Service quality is how far the difference between reality and customer expectations for the services received by consumers and the company's success in providing quality services to its consumers (Lupiyoadi, 2013)

Sales Promotion

Kotler dan Keller (2016), sales promotion juga merupakan peranan penting dalam pemasaran yang bersifat jangka pendek. Sedangkan menurut Saladin (2011), menyatakan bahwa kegiatan jangka pendek yang digunakan untuk mendorong lebih cepat respon pasar. Berdasarkan definisi tersebut sales promotion merupakan faktor penting dalam memengaruhi konsumen terhadap pembelian atau pemakaian jasa karena dengan adanya sales promotion akan mendorong konsumen untuk membeli produk tersebut.

Customer Satisfaction

Kotler (2014), customer satisfaction is a feeling of pleasure or disappointment felt by customers after the results of perceptions about the product and the expected results of the product.

Repurchase Intention

According to Schiffman-Kanuk in Suwandi (2007), purchases made by consumers consist of two types, namely trial purchases and repeat purchases. If a consumer buys a product with a certain brand for the first time, it is called a trial purchase. So, the trial purchase is an investigative stage of buying behaviour in which consumers try to evaluate the product by directly trying it.

HYPOTHESIS

- H₁: Service Quality Has a Positive and Significant Direct Effect on GrabFood Customer Satisfaction
- H₂: Sales Promotion Has a Positive and Significant Direct Effect on GrabFood Customer Satisfaction
- H₃: Customer Satisfaction has a Positive and Significant Direct Effect on GrabFood's Repurchase Intention
- H₄: Service Quality Has a Positive and Significant Direct Effect on GrabFood's Repurchase Intention
- H₅: Sales Promotion Has a Positive and Significant Direct Effect on GrabFood's Repurchase Intention
- H₆: Service Quality Indirectly Positive Indirectly And Significantly Affects Repurchase Intention through GrabFood Customer Satisfaction

H7: Sales Promotion Indirect Positive And Significant Influence on Repurchase Intention through GrabFood Customer Satisfaction

METHOD

Population

In this study, the population was all students from 4 state campuses in the city of Malang, namely Malang State University, Brawijaya University, Malang State Islamic University and Malang State Polytechnic were all students who had ordered or bought food using GrabFood.

Sample

The sampling technique in this study used a non-probability sampling technique, namely using purposive sampling, sampling with considerations with certain criteria. The considerations in the study are respondents who have used GrabFood services at least 5 times. Because the number of student populations in 4 state campuses in the city of Malang is unknown, the formula used is to use the Daniel and Terrell formula (1893). Based on the calculations above, the sample obtained is 72.9 and rounded up to 73 respondents. So that the minimum sample size is 73, so that it is more representative, the number of samples is increased by 10% to 80 respondents. For a more valid research result, the researcher fulfils 100 respondents.

Measurement

The instrument in this study was a questionnaire. The questionnaire used in this study was closed which came from variable indicators. Measurements were made using a Likert scale number 1 to 5.

Data Analysis

This study uses quantitative methods with descriptive statistical analysis and uses PLS (Partial Least Square)

RESULT AND DISCUSSION

Descriptive Statistical Analysis

1. Quality of Service

Table 1 Quality of Service

		Service Quality					Average
		SS	S	CTS	TS	STS	
X _{1.1.1}	F	55	45	0	0	0	4.55
	%	55.0%	45.0%	0.0%	0.0%	0.0%	
X _{1.1.2}	F	47	51	2	0	0	4.45
	%	47.0%	51.0%	2.0%	0.0%	0.0%	
X _{1.2.1}	F	51	49	0	0	0	4.51
	%	51.0%	49.0%	0.0%	0.0%	0.0%	
X _{1.2.2}	F	37	63	0	0	0	4.37
	%	37.0%	63.0%	0.0%	0.0%	0.0%	
X _{1.3.1}	F	32	65	3	0	0	4.29
	%	32.0%	65.0%	3.0%	0.0%	0.0%	

X _{1.3.2}	F	37	57	6	0	0	4.31
	%	37.0%	57.0%	6.0%	0.0%	0.0%	
X _{1.4.1}	F	26	64	6	4	0	4.12
	%	26.0%	64.0%	6.0%	4.0%	0.0%	
X _{1.4.2}	F	20	69	11	0	0	4.09
	%	20.0%	69.0%	11.0%	0.0%	0.0%	
X _{1.5.1}	F	26	63	11	0	0	4.15
	%	26.0%	63.0%	11.0%	0.0%	0.0%	
X _{1.5.2}	F	21	63	12	4	0	4.01
	%	21.0%	63.0%	12.0%	4.0%	0.0%	
X _{1.5.3}	F	26	68	5	1	0	4.19
	%	26.0%	68.0%	5.0%	1.0%	0.0%	
Total Overall Average							4.32

Based on the results of the descriptive analysis in the table above, the variable X1 (Quality of Service) has an average answer score of 4.32 which means that the service quality is perceived to be good and appropriate by the respondents.

2. Sales Promotion

Table 2 Sales Promotion

		Respondent's Answer					Average
		SS	S	CTS	TS	STS	
X _{2.1.1}	f	24	64	12	0	0	4.12
	%	24.0%	64.0%	12.0%	0.0%	0.0%	
X _{2.1.2}	f	32	56	12	0	0	4.20
	%	32.0%	56.0%	12.0%	0.0%	0.0%	
X _{2.2.1}	f	25	64	11	0	0	4.14
	%	25.0%	64.0%	11.0%	0.0%	0.0%	
X _{2.2.2}	f	29	64	7	0	0	4.22
	%	29.0%	64.0%	7.0%	0.0%	0.0%	
X _{2.3.1}	f	33	55	12	0	0	4.21
	%	33.0%	55.0%	12.0%	0.0%	0.0%	
X _{2.3.2}	f	31	52	17	0	0	4.14
	%	31.0%	52.0%	17.0%	0.0%	0.0%	
Total Overall Average							2.15

Based on the results of the descriptive analysis in the table above, Variable X2 (Sales Promotion) has an average score of 2.15 which means that sales promotion is not following the respondents.

3. Customer satisfaction

Table 3 Customer Satisfaction

	Respondent's Answer	Average
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		SS	S	CTS	TS	STS	
Z _{1.1.1}	f	32	66	2	0	0	4.30
	%	32.0%	66.0%	2.0%	0.0%	0.0%	
Z _{1.1.2}	f	32	66	2	0	0	4.30
	%	32.0%	66.0%	2.0%	0.0%	0.0%	
Z _{1.1.3}	f	31	51	17	1	0	4.12
	%	31.0%	51.0%	17.0%	1.0%	0.0%	
Z _{1.2.1}	f	33	63	3	1	0	4.28
	%	33.0%	63.0%	3.0%	1.0%	0.0%	
Z _{1.2.2}	f	39	60	1	0	0	4.38
	%	39.0%	60.0%	1.0%	0.0%	0.0%	
Z _{1.2.3}	f	41	53	5	1	0	4.34
	%	41.0%	53.0%	5.0%	1.0%	0.0%	
Z _{1.3.1}	f	33	57	10	0	0	4.23
	%	33.0%	57.0%	10.0%	0.0%	0.0%	
Z _{1.3.2}	f	28	69	3	0	0	4.25
	%	28.0%	69.0%	3.0%	0.0%	0.0%	
Z _{1.3.3}	f	32	67	1	0	0	4.31
	%	32.0%	67.0%	1.0%	0.0%	0.0%	
Total rata-rata keseluruhan							3.46

Based on the results of the descriptive analysis in the table above, the variable Z1 (Customer Satisfaction) obtained an average score of 3.46 which means that respondents are satisfied with getting a positive impression.

4. Repurchase Intention

Table 4 Repurchase Intention

		Respondent's Answer					Average
		SS	S	CTS	TS	STS	
Y _{1.1.1}	f	51	48	1	0	0	4.50
	%	51.0%	48.0%	1.0%	0.0%	0.0%	
Y _{1.1.2}	f	31	65	4	0	0	4.27
	%	31.0%	65.0%	4.0%	0.0%	0.0%	
Y _{1.1.3}	f	37	57	6	0	0	4.31
	%	37.0%	57.0%	6.0%	0.0%	0.0%	
Y _{1.1.4}	F	44	55	1	0	0	4.43
	%	44.0%	55.0%	1.0%	0.0%	0.0%	
Total rata-rata keseluruhan							1.41

Based on the results of the descriptive analysis in the table above, the Y1 (Repurchase Intention) variable obtained an average score of 1.41 which means that respondents do not wish to make repeat purchases.

Analysis PLS

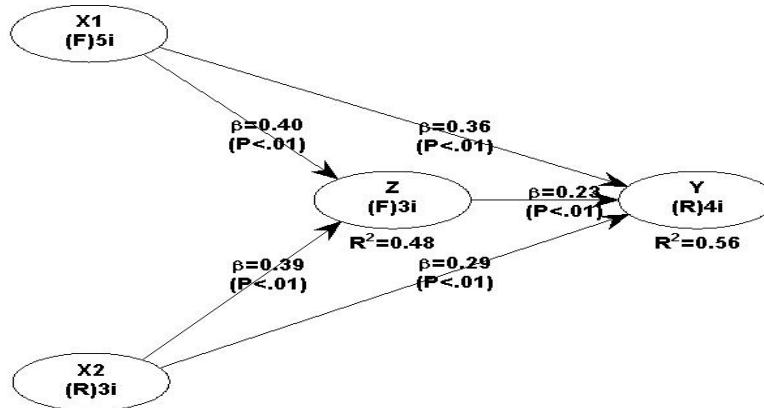


Figure 1 PLS Warp Analysis path output

Table. 5 Reflective Validity Test

Variable	Items	Loading	Explanation
X ₂	X _{2.1}	0.877	Valid
	X _{2.2}	0.806	Valid
	X _{2.3}	0.870	Valid
Y ₁	Y _{1.1}	0.634	Valid
	Y _{1.2}	0.671	Valid
	Y _{1.3}	0.708	Valid
	Y _{1.4}	0.700	Valid

Based on the analysis of the measurement model, it can be seen that all indicators measuring sales promotion and repurchase intention variables produce a loading factor greater than 0.6. Thus the indicators that measure these variables are declared valid.

Table 6 Formative Validity Test

Variable	Item	P-Value	Explanation
X ₁	X _{1.1}	< 0.001	Valid
	X _{1.2}	< 0.001	Valid
	X _{1.3}	0.001	Valid
	X _{1.4}	0.012	Valid
	X _{1.5}	0.001	Valid
Z ₁	Z _{1.1}	< 0.001	Valid
	Z _{1.2}	< 0.001	Valid
	Z _{1.3}	< 0.001	Valid

Based on the results of the analysis of the measurement model, it can be seen that all indicators measuring service quality and customer satisfaction variables produce a p-value that is smaller than alpha (<0.05). Thus the indicators that measure these variables are declared valid.

Table 7 Reliability Test

Variable	Composite Reliability	Cronbach Alpha
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<i>Sales Promotion</i>	0.888	0.810
<i>Repurchase Intention</i>	0.773	0.609

Based on the table above, it can be seen that the composite reliability value on the sales promotion and repurchase intention variables is greater than 0.7. Thus, based on the calculation of composite reliability, all indicators measuring these variables are declared reliable.

Furthermore, the value of Cronbach's Alpha on the variables of sales promotion and repurchase intention is greater than 0.6. Thus, based on the calculation of Cronbach's Alpha all indicators measuring these variables are declared reliable.

Table 8 The Goodness of the Fit Model

Variable Endogen	R Square	Q Square
Customer Satisfaction	0.484	0.482
<i>Repurchase Intention</i>	0.560	0.565

(Source: Data Processed by Researchers, 2020)

The R-square of the customer satisfaction variable is 0.484 (48.4%). This can indicate that the diversity of customer satisfaction variables is explained by the quality of service and sales promotion of 48.4%, or in other words, the contribution of service quality and sales promotion to customer satisfaction is 48.4%, while the remaining 51.6% is the contribution of other variables not discussed in this section. This research. Then the Q-square variable of customer satisfaction is worth 0.484. This shows that service quality and sales promotion have strong predictive power on customer satisfaction.

The R-square of the repurchase intention variable is 0.560 (56%). This can show that the diversity of repurchase intention variables can be explained by service quality, sales promotion and customer satisfaction by 56%, or in other words the contribution of service quality, sales promotion and customer satisfaction to repurchase intention is 56%, while the remaining 44% is the contribution of other variables not discussed in this study. Then the Q-square of the repurchase intention variable is 0.565. This shows that service quality, sales promotion and customer satisfaction have strong predictive power on repurchase intention.

Table 9 Hypothesis Test Results Direct and Indirect Effects

Endogenous	Exogenous	Coefficient	SE	P-Value	Explanation
X ₁	Z	0.402	0.090	<0.001	Significant
X ₂	Z	0.390	0.090	<0.001	Significant
X ₁	Y	0.363	0.091	<0.001	Significant
X ₂	Y	0.288	0.092	0.001	Signifikan
Z	Y	0.230	0.094	0.008	Significant

H₁: Service Quality Has a Positive and Significant Direct Effect on GrabFood Customer Satisfaction

The effect of service quality on customer satisfaction produces a path coefficient of 0.402 with a probability value of <0.001. The test results show that the path coefficient is positive and

the probability is < level of significance ($\alpha = 5\%$). This means that service quality has a positive and significant effect on customer satisfaction.

H2: Sales Promotion Has a Positive and Significant Direct Effect on GrabFood Customer Satisfaction

The influence of sales promotion on customer satisfaction produces a path coefficient of 0.390 with a probability value of <0.001. The test results show that the path coefficient is positive and the probability is < level of significance ($\alpha = 5\%$). This means that sales promotion has a positive and significant effect on customer satisfaction.

H3: Customer Satisfaction has a Positive and Significant Direct Effect on GrabFood's Repurchase Intention

The effect of customer satisfaction on repurchase intention produces a path coefficient of 0.230 with a probability value of <0.008. The test results show that the path coefficient is positive and the probability is < level of significance ($\alpha = 5\%$). This means that customer satisfaction has a positive and significant effect on repurchase intention.

H4: Service Quality Has a Positive and Significant Direct Effect on GrabFood's Repurchase Intention

The effect of service quality on repurchase intention produces a path coefficient of 0.363 with a probability value of <0.001. The test results show that the path coefficient is positive and the probability is < level of significance ($\alpha = 5\%$). This means that service quality has a positive and significant effect on repurchase intention.

H5: Sales Promotion Has a Positive and Significant Direct Effect on GrabFood's Repurchase Intention

The effect of sales promotion on repurchase intention resulted in a path coefficient of 0.288 with a probability value of <0.001. The test results show that the path coefficient is positive and the probability is < level of significance ($\alpha = 5\%$). This means that sales promotion has a positive and significant effect on repurchase intention.

Indirect Effect Hypothesis Testing (Indirect Variable)

The indirect effect hypothesis test is intended to test whether there is an indirect effect of exogenous variables on endogenous variables through mediating variables. The test criteria state that if the p-value level of significance ($\alpha = 5\%$) then it is stated that there is a significant effect of exogenous variables on endogenous variables through mediating variables. The results of the analysis can be seen through the summary in the following table:

Table 10. Indirect Effect Hypothesis Test Results

Exogenous	Mediation	Endogenous	Indirect Effect	SE	P value	Explanation
Service Quality	Customer Satisfaction	Repurchase Intention	0.092	0.043	0.040	Significance

<i>Sales Promotion</i>	Customer Satisfaction	<i>Repurchase Intention</i>	0.090	0.043	0.046	Significance
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(Source: Data Processed by Researchers, 2020)

H6: Service Quality Indirectly Positive Indirectly And Significantly Affects Repurchase Intention through Grab Food Customer Satisfaction

The effect of service quality on repurchase intentions through customer satisfaction produces a p-value of 0.040. This shows that the p-value < level of significance (Alpha (α) = 5%). Therefore, it can be interpreted that there is a significant effect of service quality on repurchase intentions through customer satisfaction.

H7: Sales Promotion Indirect Positive And Significant Influence on Repurchase Intention through GrabFood Customer Satisfaction

The influence of Sales Promotion on repurchase intentions through customer satisfaction produces a p-value of 0.046. This shows that the p-value < level of significance (Alpha (α) = 5%). Therefore, it can be interpreted that there is a significant effect of sales promotion on repurchase intentions through customer satisfaction.

CONCLUSION

Respondents considered that the quality of Grabfood services in the city of Malang with frequency results was very good. respondents' involvement in Sales Promotion and making purchase frequency results according to respondents is not good. According to respondents, customer satisfaction after making a purchase is good. However, the respondent's interest in repurchase intention or repeated purchases is not good. Service quality has a positive and significant direct effect on customer satisfaction. The effect of service quality on customer satisfaction produces a path coefficient of 0.402 with a probability value of <0.001. This means that good and fast service quality can make customers feel satisfied. This means that good service quality will affect Grabfood's customer satisfaction in the city of Malang. Sales promotion has a positive and significant direct effect on customer satisfaction. The influence of sales promotion on customer satisfaction produces a path coefficient of 0.390 with a probability value of <0.001. This means that sales promotion can make customers interested in buying products and purchasing Grab food in the city of Malang.

Customer satisfaction has a positive and significant direct effect on repurchase intention. The effect of customer satisfaction on repurchase intention produces a path coefficient of 0.230 with a probability value of <0.008. this shows that customers have been satisfied and made repeated purchases of Grab food in the city of Malang. Service quality has a positive and significant direct effect on repurchase intention. The effect of service quality on repurchase intention produces a path coefficient of 0.363 with a probability value of <0.001. this shows that customers feel that the quality of service provided is satisfactory and they make repeat purchases of Grab food in Malang city. Sales promotion has a positive and significant direct effect on repurchase intention. The influence of sales promotion on repurchase intention produces a path coefficient of 0.288 with a probability value of <0.001. this shows that customers have experienced purchases using discounted promos until they are finally loyal and make repeat purchases of Grab food in the city of Malang. Service quality has a positive and significant indirect effect on repurchase intention through customer satisfaction. The effect of service quality on repurchase intention through

customer satisfaction produces a p-value of 0.040. This shows that good service quality can provide an indirect effect on repeated purchases through Grabfood customer satisfaction in the city of Malang.

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