

# Analysis of Service Quality toward Repurchase Decisions on Natural Stone Products in CV. Indah Traso with Satisfaction as an Intervening Variable

<sup>1</sup> Sri Rahayu, <sup>2</sup> Ramadhan Harahap

<sup>1,2</sup> Management Study Program, Universitas Pembangunan Panca Budi, Medan, Indonesia  
Email - <sup>1</sup> ajacici0@gmail.com, <sup>2</sup> ramadhan.rahman41@yahoo.com

**Abstract:** This study aims to examine the analysis of service quality toward repurchase decision on natural stone products at CV. Indah Traso with satisfaction as an intervening variable. The type of research used is quantitative research through an associative approach by distributing questionnaires to 150 respondents. The analytical tool used is SEM with the help of AMOS-20. The results showed that service quality had a significant effect toward satisfaction, service quality and satisfaction had a significant effect toward repurchase decisions. And satisfaction mediates with full mediation the effect of service quality toward repurchase decisions natural new products at CV. Indah Traso.

**Key Words:** Service Quality, Satisfaction and Repurchase Decisions.

## 1. INTRODUCTION:

The current development of the property business is characterized by the many housing estates built, resulting in increased competition in the field of building materials. It also includes competition in the market for natural stone providers. The existence of a significant demand makes many new companies compete in controlling the market, so that various marketing strategies are made as well as possible by each company to create a repeat purchase of the products they produce.

Considering that repurchasing is very important for the company to dominate the market, it is not surprising that this factor is really considered to be continuously improved. To increase customer repurchases, there are many factors that must be considered, such as product quality, price, service quality, trust, customer satisfaction, and so forth. Service quality is an important factor that influences customer satisfaction which then with the experience they feel will shape the customer's future repeat decision.

CV. Indah Traso is a manufacturer of natural stones of all sizes with various types of natural stone materials of prime quality for the domestic market. In addition to producing cut natural stone, CV. Indah Traso also produces natural stone carvings and natural stone reliefs of various sizes. In order to dominate the natural stone market in Medan City in particular, and in North Sumatra in general, the CV. Indah Traso conducts various important policies relating to consumers. Where services provided by each customer, both to customers who only come to visit, as well as to customers who make purchases in large or small parties, are still served as much as possible. This is done by the company so that the customer's mind is embedded in the perception that CV. Indah Traso truly respects and respects customers by providing satisfying services.

But based on the data obtained by the author at CV. Indah Traso, it is known that there has been a decline in product sales figures from year to year. Even though there was an increase, the average decline was quite significant. This can be seen in the following sales data:

**Tabel 1. Jumlah Pelanggan CV. Indah Traso Tahun 2016 - 2018**

Years	Jumlah Pelanggan												
	Jan	Feb	March	April	May	June	July	Augt	Sep	Oct	Nov	Des	Total
2016	425	521	546	532	598	454	432	589	612	598	654	687	6648
2017	724	765	798	743	654	598	721	667	609	754	814	632	8479
2018	591	512	498	523	472	454	439	412	521	487	409	456	5774

Source: CV. Indah Traso, 2019.

Data in the table above can also be seen in the following graph:

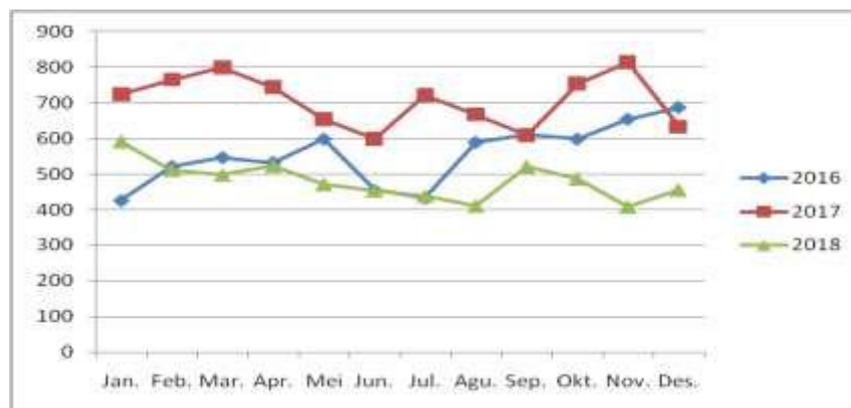


Figure 1. Total Customers CV. Indah Traso 2016 - 2018

Source: CV. Indah Traso, 2019

From Figure 1 above, it can be seen that in 2016 each month the graph shows the total customers experiencing an upward trend seen in August with a sharp increase to 589 to 687 customers at the close of 2016. In 2017 shows there is still a trend of an increase in total customers, where at the close of 2016 687 total customers became 724 at the opening in 2017. After that there was an increase and decrease until the end of the year, but in November 2017 the highest point of total customers was 814. The closing of 2017 total customers is at 632 and is still very good. As of the beginning of 2018 there has been a decrease in total customers from 632 customers to 591 customers at the end of January 2018. Until the end of 2018 there has been a trend of total subscriber decline which continues to decrease the total number of customers each month. So that it can be seen that 2018 is the worst year of CV. Indah Traso for the last 3 years, from 2016 to 2018.

Based on the total customer data that has been described, it can be seen that, currently at CV. Indah Traso is experiencing a downward trend in the number of customers. If left uninterrupted, a decrease in the number of customers can disrupt the health of the company. This decrease in the number of customers is thought to have occurred because of a declining buying interest of customers. So that the interest in repurchasing repeat customers from CV. Indah Traso resulted in CV. Indah Traso only expects from new customers who first shop at CV. Indah Traso. Of course the impact of the decline in interest in repurchasing will be very large later.

Based on the initial survey that the researchers did on the CV. Indah Traso, researchers found a problem related to the availability of goods and the speed at which goods were delivered. Where inventory is not always there to ensure there is no goods vacuum and researchers also find that there are still some deliveries that are not on time as requested by the customer. this is known from the complaints of customers who ask for items that have not arrived according to the order. So this is very disappointing for customers.

Related to customer satisfaction, researchers found that there were still products from CV. Indah Traso less strong and less durable to use, so customers are less satisfied using it. Besides that, CV. Indah Traso lacks a complete stock of products, it can be seen from the presence of several products ordered by customers that they must be ordered first. Plus the price is still relatively expensive when compared to other similar stores.

Based on the description above there is a unique phenomenon in which researchers feel it is important to carry out further research with the research title: " Analysis of Service Quality Toward Repurchase Decisions on Natural Stone Products in CV. Indah Traso with Satisfaction as an Intervening Variable ".

## 2. THEORICAL BASIS:

### Kualitas Pelayanan

Quality is an approach that focuses on efforts to meet the needs and desires of customers, as well as the accuracy of delivery to offset customer expectations (Tjiptono, 2012:259). The indicators used to measure service quality in this study include: Tangible, Reliability, Responsiveness, Assurance, Empathy (Tjiptono, 2012:95).

### Satisfaction

Customer satisfaction is the feeling of being happy or disappointed someone who appears after comparing the performance (results) of the product thought to expected performance (or results) (Kotler, 2015:177). The indicators are: Quality Conformity with Expectations, Price Compliance with Expectations, Customer Satisfaction with the Benefits of Products, Ease of Getting Products and Safety (Sidik, 2015:84).

### Keputusan Pembelian Ulang

Repurchase decisions are a customer commitment that is formed after the customer purchases a product or service repeatedly (Hicks et al, 2015: 6). The indicators are: Transactional Interest, Reference Interest, Preferential Interest and Exploratory Interest (Ferdinand, 2014: 75). The results of research conducted by Weliani (2015:6) show

that there are four factors that influence consumer repurchase decisions, namely: product quality, service quality, physical environment and customer satisfaction.

### 3. RESEARCH METHODOLOGY:

Objects in this study are all customers of natural stone products CV. Indah Traso, located on Jalan Setia Budi No.176 Tanjung Rejo, Medan. The population in this study were all customers totaling 2575 people. The used samples are also considered the research. The research model used is a model of Structural Equation Modeling (SEM) with the help of AMOS version 20.0, where in SEM the ideal sample number is between 100-200 (Hair et al, 2009) and also must consider the number of indicators in the model. Hair et al (2009) The determination of the number of samples can be 5-10 to the number of indicators. In this study there are 14 indicators that the number of samples can range from 70-140 respondents. The number of samples is determined by multiplying the indicators by 10, so that the total sample is  $14 \times 10 = 140$  respondents. To guard against the occurrence of outliers of data, 10 respondents were added. So that the number of samples is 150 respondents.

This research is distributed directly to CV. Indah Traso customers. Data collection techniques using a Likert scale of 5-1, where 5 represent statements strongly agree and 1 represent a statement strongly disagree (Sugiyono, 2012). Where the sampling techniques were carried out using probability sampling techniques with an accidental sampling approach.

To see the mediating effect of satisfaction with service quality with Sobel's repeat test decision researchers test with the Preacher's Tool.

### 4. RESEARCH RESULTS AND DISCUSSION:

#### 4.1 Research result

The suitability test of the model is carried out through a flow chart in the full model equation, which is carried out on all exogenous and endogenous variables that have been combined into one intact path through a variant or covariance. matrix and the full model is called the research model. The full model is carried out in two stages: full SEM before modification and full SEM model after modified:

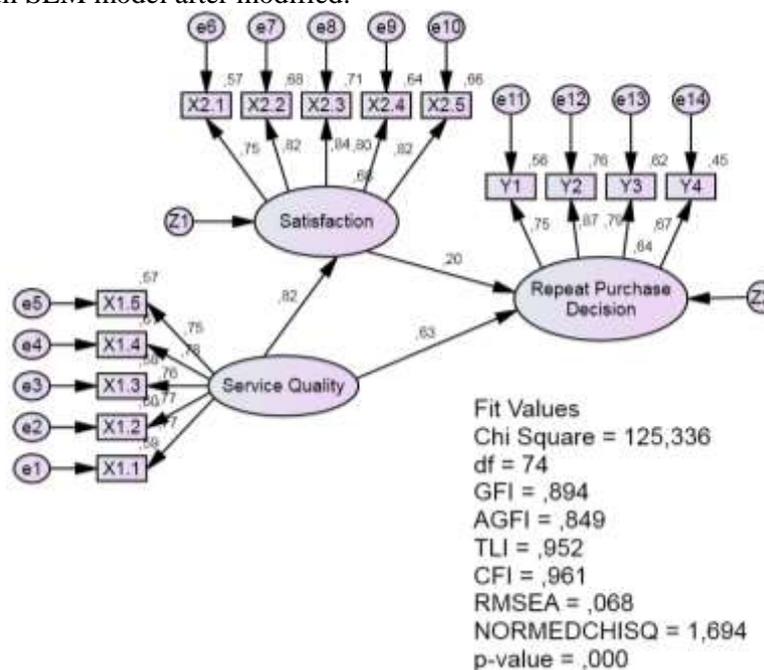


Figure 2. Full Research models Before Modified

Based on Figure 2 it is clear that not all Goodness of Fit (GOF) values meet the required criteria, such as the GFI value is still marginal ( $0.894 < 0.90$ ), AGFI value is still marginal ( $0.849 < 0.90$ ) and p-value is still poor. Thus the research model is not yet appropriate and has not been able to explain the research model appropriately and well, so that the model needs to be modified

The full model after modification is intended so that the model that is formed can meet GOF requirements. Modification is done by connecting each error term suggested by the system, with the aim of increasing the GOF value that does not meet the criteria. The following full image model will be presented after being modified:

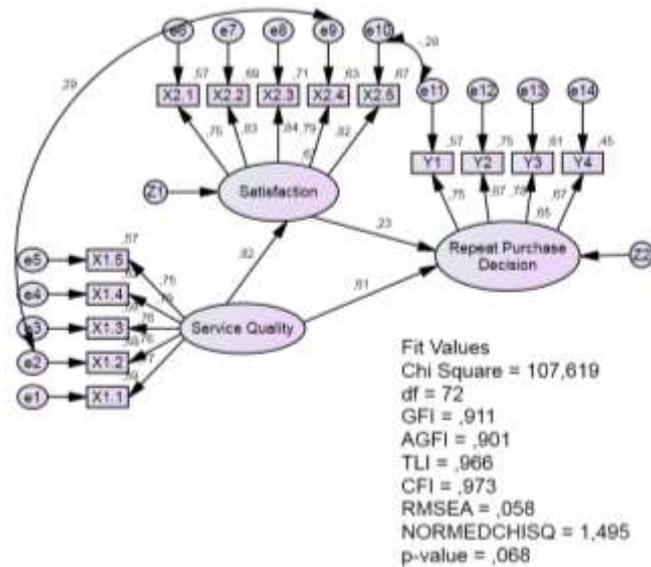


Figure 3. Full Model Research After Modification

Based on Figure 3 it is clear that all constructs used to form this research model have met GOF criteria. Like the chi-square value, TLI, CFI, RMSEA, CMIN / DF which have fulfilled the required criteria and are further emphasized with a p-value of 0.068 which is greater than 0.05 indicating that the model formed has been very significant.

#### 4.2 Discussion

Statistical test is done by observing the level of significance of the relationship between variables indicated by the value of C.R (Critical Ratio) which is identical to the t-test in the regression and the probability value (P). Significant relationships are characterized by a C.R value greater than 2.58 and a P value smaller than 0.05 (Ferdinand, 2014). To see how much influence the independent variable on the dependent variable is shown in Table 2 below:

Table 2. Effect of Independent Variables on Dependent Variables

			Std. Estimate	Estimate	S.E.	C.R.	P
Satisfaction	<---	ServiceQuality	,818	,841	,104	8,077	***
RepurchaseDecision	<---	Satisfaction	,230	,223	,131	2,704	,038
RepurchaseDecision	<---	ServiceQuality	,607	,605	,147	4,099	***

Source: output AMOS-20, 2019.

Based on Table 2 will be described in detail to be able to more clearly answer this research hypothesis as follows. Based on Table 2, the hypothesis as follows will be explained in detail.

- Effect of Service Quality toward Customer Satisfaction

Service quality has a positive and significant effect on customer satisfaction at CV. Indah Traso with a standardized regression value of weight estimate value of 0.818 (81.8%), a critical ratio of 8,077 and a probability value of 0,0001. This proves that the service quality of natural stone products at CV. Indah Traso has a strong influence on increasing customer satisfaction.

There are many factors that influence customer satisfaction which can be used as a benchmark for customer satisfaction. Product quality issues, prices, product benefits (value), convenience, and guarantees provide a strong benchmark in determining customer satisfaction. Quality agreement with customer expectations will provide satisfaction. Price conformity with the expectation of the customer will also provide satisfaction, the suitability of the benefits of the customer's purchase goals will also provide satisfaction, as well as the ease of transactions, processes, and convenience in obtaining products that will provide satisfaction to customers. With the satisfaction, the desire to re-purchase the product is formed due to perceived satisfaction. Indirectly the customer is worried that he will not feel the same satisfaction that the customer feels when buying and using the product.

- Effect of Service Quality toward Repurchase Decisions

Service quality has a positive and significant effect on the repurchase decisions natural stone products at CV. Indah Traso with a standardized regression value weight estimate value of 0.607 (60.7%), a critical ratio value of 4,099 and a probability value of 0,0001. This proves that the service quality of natural stone products at CV. Indah Traso has a big influence on customer repurchase decisions.

Services that are felt badly by the customer will leave negative perceptions and provide a bad experience to the customer, thus discarding the customer's desire to re-purchase again in the future. There are many indicators that can be

seen from the services performed by the company to determine whether the services provided are of good quality or not. Hospitality, speed, reliability, employee physical appearance and place, service guarantees, etc. can be a benchmark for customers to assess the quality of services provided. If all of that is felt satisfying and does not disappoint, then it forms the interest of the customer to return to making a purchase again.

- The Influence of Satisfaction toward Repurchase Decisions

Satisfaction has a positive and significant effect on the repurchase decision natural stone products at CV. Indah Traso with a standardized regression value of weight estimate value of 0.230 (23.7%), a critical ratio value of 2704 and a probability value of 0.038. This proves that the satisfaction of natural stone products at CV. Indah Traso has a big influence on customer repurchase decisions.

In addition to service quality problems, customer satisfaction is one of the important keys to the formation of customer repurchase interest. It is difficult to establish repurchase interest if the customer does not feel satisfied with the product, if possible to move to a place of purchase, the customer tends to think of changing places of purchase or switching products.

- Result for Satisfaction mediate the effect of the quality of service is toward Repurchase Decision.

To find out whether or not to mediate satisfaction with the influence of Service Quality with Repurchase Decision, can be seen in the following test results:

Input:		Test statistic:	Std. Error:	p-value:
a	0.818	Sobel test: 1.71355272	0.10979528	0.0866109
b	0.230	Aroian test: 1.70051117	0.11063732	0.08903482
s <sub>a</sub>	0.104	Goodman test: 1.72689901	0.10894673	0.0841858
s <sub>b</sub>	0.131	Reset all	Calculate	

Figure 4. Test of Sobel Test

Based on the calculation results found the significance of the -a path (0.0001) and the -c path (0.0001), while the -b path (0.038) and the -c pathway (0.087). It can be concluded that satisfaction satisfies the full quality of mediation against the decision to repurchase natural stone products at CV. Indah Traso.

5. CONCLUSION:

Conclusions from the results of this study: 1) Service quality has a positive and significant effect on customer satisfaction of natural stone products CV. Indah Traso. 2) Service quality has a positive and significant effect on the Repurchase Decision natural stone products CV. Indah Traso. 3) Satisfaction has a positive and significant effect on the Repurchase Decision natural stone products CV. Indah Traso. 4) Satisfaction fully mediates the influence of service quality on the Repurchase Decision natural stone products CV. Indah Traso.

6. SUGGESTION:

Suggestions that researchers submit to owners and managers and CV. Indah Traso include: 1) to improve service quality at CV. Indah Traso is advised that the management can maintain the availability of goods to ensure there is no vacancy, delivery of goods on time as requested by the customer. 2) to increase customer satisfaction, it is recommended to CV owners and managers. Indah Traso to sell strong and durable natural stone products, must have a complete product stock and offer a cheaper price compared to other similar stores. 3) To increase customer repurchase decision, it is recommended to the owner and manager of CV. Indah Traso to be able to improve service quality and reduce the level of complaints from customers.

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