



The effect of availability product, service quality and brand image Bimoli cooking oil products in creating repurchase intention through customer Satisfactions a mediation variable in small medium micro enterprises (MSMEs)

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Abstract

The purpose of this study was to analyze the effect of product availability, service quality, brand image of Bimoli cooking oil products in creating repurchase intention through customer satisfaction as a mediating variable in Micro, Small and Medium Enterprises (MSMEs) in Banda Aceh. The population in this study were all SME buyers in Banda Aceh, totaling 200. Sampling was carried out using a census technique on all consumers in SMEs, hotels, restaurants and cafes totaling 200 people. Of the 7 direct influence hypotheses tested, there is one that is not significant, namely the influence of Brand Image on customer satisfaction so that it can be said that Brand Image on Bimoli, specifically for the Banda Aceh market, does not play a role in leveraging community satisfaction, especially cooking oil consumers in Banda Aceh. When viewed from the 5 dimensions that exist in the service quality variable, the empathy dimension has the greatest influence value compared to other dimensions. After that, the tangible and assurance dimensions will follow. The results of the indirect influence test, customer satisfaction acts as a partial mediating on the effect of product availability on repurchase intention and also on the effect of service quality on repurchase intention. Meanwhile, on the influence of brand image on repurchase intention, there is no indirect effect. customer satisfaction plays a role as partial mediating on the effect of product availability on repurchase intention and also on the effect of service quality on repurchase intention. Meanwhile, on the influence of brand image on repurchase intention, there is no indirect effect. customer satisfaction plays a role as partial mediating on the effect of product availability on repurchase intention and also on the effect of service quality on repurchase intention. Meanwhile, on the influence of brand image on repurchase intention, there is no indirect effect.

Keywords: Product Availability, Service Quality, Brand Image, Repurchase Intention, Customer Satisfaction, Micro, Small and Medium Enterprises (MSMEs), Banda Aceh

1. Introduction

Bimoli cooking oil has for many years been the leader in the market share of branded packaged palm cooking oil (Bimoli Distribution Office, Banda Aceh, 2021). The Bimoli brand has a very high level of brand awareness and brand recall. Of the 10 (ten) people whom the writer asked about what fried brands they know, 9 (nine) of them answered Bimoli and only 1 (one) person answered Sunco. The above statement is supported by the facts of sales in the field. Bimoli's market share in the Banda Aceh market in 2020 was recorded at 48.7%. Its main competitor, Sunco, only has a 26.8% market share. Sania's cooking oil only has a market share of 12.0%.

However, when compared to the previous year, Bimoli cooking oil sales in Banda Aceh were not as expected. In the last 3 (three) years the sales target of Bimoli cooking oil in Banda Aceh has not been met. Even though in terms of increasing sales, it still shows a positive trend, for example before there was Covid 19 from 2018 to 2019, but the increase was still below the target.

On the other hand, its main competitor in the Banda Aceh market, namely Sunco, from year to year its sales are also getting bigger. In the same period, Sunco's increase in sales both in terms of presentation and rupiah value has outperformed Bimoli, from Rp 16,980,761,820 in 2018 to Rp 18,102,401,200 in 2019 (6.6%). Meanwhile, Bimoli increased from Rp. 36,907,884,291 to Rp. 37,287,773,171 in 2019 (1.02%). Likewise with the development of market share which has continued to decline in the last 3 (three) years. In 2018 the market share was 54.9%, then in 2019 it was 52.7% and in 2020 it decreased again to 48.2%. In the same period, its competitor Sunco, market share continued to show a graph of an increase of 25.2% in 2018, increased to 25.6% in 2019 and increased again in 2020 to 26.8%.

Meanwhile, from the aspect of price growth, it can be seen that all of Bimoli's competitors also raised prices in the period 2018 to 2020. The highest increase was carried out by Sania (10%) and Fortune (9%). Bimoli is in 3rd place (6%). However, the price level of Bimoli per liter is still the highest compared to 5 (five) other competitors.

From the above phenomenon, it can be seen that the marketing performance of Bimoli has not been as expected. From the sales aspect, the increase was relatively smaller than its competitors. From the aspect of market share, there has even been a decline, compared to other competitors. Even Sunco, its main competitor, even though the COVID-19 pandemic has hit Banda Aceh in the 2020 period, Sunco's market share in 2020 continues to increase compared to the previous year. One aspect that can be seen as the cause of Bimoli's unfulfilled expectations for its marketing performance in the Banda Aceh area is the existence of existing customers who are reluctant to repurchase as much as before and start substituting them with competing products such as Sunco for example.

In making a purchase decision, consumers must consider the brand, product quality and price to suit the needs of these consumers. One of the causes of reluctance to repurchase at the previous level is due to low customer satisfaction (He, Y., Chan, LK, & Tse, SK 2008; Elbeltagi, I., & Agag, G. 2016) [8, 5]. From the results of preliminary research involving 30 respondents, it turns out that the initial phenomenon is supported by empirical data, confirmed by the results of preliminary research involving indicators of consumer satisfaction. As a result, the mean value shown is only $3.22 < 3.40$. This shows that there are still problems with Bimoli's customer satisfaction in this industrial sector. In addition, referring to the existing literature, the reluctance of customers to repurchase consumer goods such as Bimoli is also caused by the Product Availability factor, (Fikri, M., & Lisdayanti, A. 2020; Wang, EST, & Yu, JR (2016) [6, 15], Brand Image (Filiari, R., & Lin, Z, 2017; Bojei, J., & Hoo, WC 2012) [7, 3] and Service Quality (Tandon, U., Kiran, R., & Sah, AN 2017; Wilson, N., Keni, K., & Tan, PHP 2019) [16] which have not met customer expectations.

In contrast to many previous studies that have not included aspects of the COVID-19 pandemic, in this study the authors include considerations of future COVID-19, namely the next normal for distributing consumer goods as initiated by the McKinsey Consultant Firm (Steven Begley, 2020) [13]. The author includes direct marketing aspects in the product availability component to meet the many expectations of consumers who are reluctant to physically shop at retail stores to get cooking oil during this pandemic. This research also includes moderation to encourage consumers to get cooking

oil, especially through direct marketing channels that have not been implemented directly by Bimoli distributors in Banda Aceh. This study discusses the marketing aspects of the business to business (B to B) marketing model.

Formulation of the problem

The main problem in this study is an indication of consumer reluctance to repurchase this Bimoli brand of cooking oil. This is confirmed by the slowing growth of Bimoli cooking oil sales compared to its competitors such as Sunco in the same period. In addition, the market share has continued to decline in the last 3 (three) years, namely the period from 2018 to 2020.

Research purposes

The purpose of this study was due to the declining marketing performance of this Bimoli cooking oil product.

- To analyze the current Product Availability, Service Quality Brand Image, Customer satisfaction and Repurchase Intention
- To find out whether there is an effect of Product Availability, Service Quality Brand Image on Customer satisfaction
- To find out whether there is an effect of Product Availability, Service Quality Brand Image on Repurchase Intention
- To find out whether there is an effect of Customer satisfaction on Repurchase Intention

2. Literature Review

Product Availability

Product Availability is a distribution function which is the process of distributing goods made from producers to consumers. The people who do this are usually referred to as distributors. The easier the product is accessed by the customer, the better the distribution function has been. The impact is that it is easier for customers to determine their purchases. Research related to this has been done by Lassk, FG (2000) [12]. He found a significant effect between service quality and satisfaction

Product Availability and Distribution refers to the process of selling and delivering a product or service from the manufacturer to the customer. Depending on its network of distribution channels, there may be many people and strategies involved in distributing a company's products. Research related to this has been carried out by Fikri, M., & Lisdayanti, A. (2020) [6] and Wang, EST, & Yu, JR (2016) [15]. They found a significant effect between Product Availability and repurchase intention.

H2: Product availability has an effect on customer satisfaction

H5: Product Availability has an effect on Repurchase Intention

Service Quality

Quality of service is the actions and abilities of employees in a company that is carried out with full commitment to provide the best and quality service to consumers, fellow employees, and company leaders. The high level of service quality will have an impact on increasing customer satisfaction. Research related to this has been carried out by Kaura, V., & Datta, SK (2012) [11]. He found a significant influence between service quality and satisfaction.

The measure of the success of a service to consumers is the level of satisfaction felt by consumers who receive the service. Consumer satisfaction will have an impact on consumer desire to make repeat purchases. Research related to this has been carried out by Wilson, N., Keni, K., & Tan, PHP (2019) ^[16]. He found a significant effect between service quality and repurchase intention.

H3: Service Quality has an effect on customer satisfaction

H6: Service Quality has an effect on Repurchase Intention

Brand Image on Consumer Satisfaction

Brand Image is the uniqueness of the brand which can be in the form of a (certain) status of a brand that is highly valued and the product quality of that brand. Brand Prestige is also a level of brand exclusivity that allows consumers to fulfill their self-improvement needs. Brand prestige is always associated with consumer satisfaction, such as a sense of not regretting having bought a product because it is believed that the choice is the right choice. Research related to this has been carried out by Jin, N., Line, ND, & Merkebu, J. (2016) ^[9] and Casidy, R., & Wymer, W. (2015) ^[4].

Brand Image is always related to product exclusivity, especially when it is associated with similar products at the same level. s that is balanced with product quality will make consumers not regret buying the product and tend to make repurchases. Research related to this has been carried out by Filieri, R., & Lin, Z. (2017) ^[7] and Bojei, J., & Hoo, WC (2012) ^[3]. They found a significant effect between and repurchase intention.

H4: Brand Image has an effect on customer satisfaction

H7: Brand Image has an effect on Repurchase Intention

Customer satisfaction with Repurchase Intention

The more satisfied a person is with the services provided by a product, the greater the chance that the consumer will repurchase. Research related to this has been carried out by He, Y., Chan, LK, & Tse, SK (2008) ^[8] and Elbeltagi, I., & Agag, G. (2016) ^[5]. They found a significant effect between service qualities and repurchase intention.

H8: Customer satisfaction has an effect on Repurchase Intention

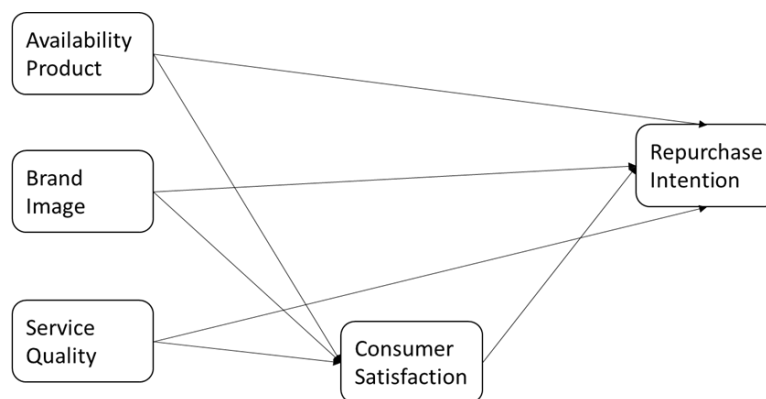


Fig 1: Research Model

3. Research Methods

Research Instruments

All measurement items were taken from previous studies to ensure validity; however, slight changes to the statement were made to suit the current analysis. The four-item Product availability questionnaire was adapted from Heru Sucianto Tjia, Suharno, (2018). Then 5 dimensions consisting of twenty-one items adopted from Parasuraman (1986) are used to measure Service Quality, while Brand Image is operationalized using four indicator items proposed by Keller, (2012). Then Customer satisfaction is operationalized using six indicators adopted from Tjiptono (2004). Then the Repurchase Intention variable was measured using four items adopted from Jerome McCarthy (2011). A questionnaire with a 5-point Likert scale was used to collect data.

Sample Design and Data Collection

In this study, the population in question is all 200 SME buyers in Banda Aceh. Sampling was carried out using a census technique on all consumers in SMEs, hotels, restaurants and cafes totaling 200 people. Determination of the number of samples is based on the opinion (Hair, JF, et

al. (1998) which states that the sample size in research needs to have a minimum number of five times the number of questions analyzed. The sample size for the SEM model is 100-200 (Ferdinand, Augusty 2014) Therefore, the sample size taken is 200 respondents

Data analysis

Descriptive hypothesis testing was carried out using the average value of the respondents' perceptions of each variable. While testing the causalities hypothesis was carried out using a structural equation model with criteria $CR > 1.960$ and $P < 0.05$

4. Results and Discussion

In terms of age, the majority of respondents came from the 26-30 year age group, namely 52 (26.0%). From gender, there are more women than men, namely 121 (60.5%). Then from the education group the most are those with undergraduate education, namely 140 (70%). In terms of occupation, the most are those who work as entrepreneurs, namely 113 (56.5%).

Table 1: Characteristics of Respondents

No	Description	Percentage	Frequency
1	Gender :		
	Man	39.50%	79
	Woman	60.50%	121
2	Respondent's age:		
	< 25 years old	16%	32
	26 - 30 years old	26%	52
	31 - 35 years	20%	40
	36 - 40 years	24%	48
	> 40 years	14%	28
3	Marital status		
	Single	27.50%	55
	Marry	70.50%	141
	Widow	2%	4
4	Last education		
	Senior HS	13%	26
	Diploma	6%	12
	Bachelor	70%	140
	Postgraduate	11%	22
5	Profession		
	College student	11.50%	23
	Civil servant	16.50%	33
	Entrepreneur	56.50%	113
	Etc	15.50%	31
Amount		100%	200

The following sections will be presented hypothesis testing at the validity of each items to each respective variables. using unstandardized regression weight. The goal is to look

Table 2: Convergent Validity Results using Unstandardized Regression Weight

Ind.		Var.	Estimate	SE	CR	P
a2	<---	PA	1.418	0.098	14,453	***
a3	<---	PA	1,274	0.095	13.42	***
a4	<---	PA	1.275	0.097	13.091	***
a6	<---	BI	1.039	0.042	24,94	***
a7	<---	BI	0.747	0.047	15,97	***
a8	<---	BI	0.29	0.06	4.8	***
a9	<---	BI	0.332	0.06	5.571	***
a11	<---	Reliable	1.393	0.315	4.417	***
a12	<---	Reliable	2,752	0.517	5.324	***
a13	<---	Reliable	3.079	0.574	5.362	***
a14	<---	Reliable	2,575	0.481	5.357	***
a15	<---	Respo	1			
a16	<---	Respon	0.913	0.077	11.85	***
a17	<---	Respon	0.236	0.048	4.925	***
a18	<---	Respon	0.261	0.047	5.523	***
a20	<---	AS	0.996	0.03	33.12	***
a21	<---	AS	0.879	0.038	23,41	***
a22	<---	AS	0.785	0.042	18,86	***
a24	<---	Empathy	2,245	0.251	8.948	***
a25	<---	Empathy	2,547	0.273	9.338	***
a26	<---	Empathy	2.469	0.265	9.312	***
a27	<---	Empathy	2.318	0.247	9,391	***
a29	<---	Tangible	0.945	0.043	22.00	***
a30	<---	Tangible	0.967	0.043	22,57	***
a31	<---	Tangible	0.327	0.041	8022	***
a33	<---	CS	0.923	0.08	11,53	***
a34	<---	CS	1,211	0.097	12,52	***
a35	<---	CS	1.132	0.105	10,78	***
a36	<---	CS	1.306	0.104	12,52	***
a37	<---	CS	1,273	0.1	12.76	***
a38	<---	RI	1			
a39	<---	RI	0.97	0.054	17,97	***
a40	<---	RI	0.97	0.049	19,65	***
a41	<---	RI	0.842	0.062	13,58	***

Measurement Model

Based on CFA calculation it is known that the measurement of the construct model has met the criteria for the Goodness of Fit Test. The construct measurement model of this study has values as shown in table 2. All indicators in the model are valid because they have a loading P value <0.05.

The results as described in Table 2 shows that the instrument

in this study is reliable since its meet the criteria of P vale less than 0,05

Verification of Hypothesis Testing

Hypothesis test verification in this study was conducted to test and analyze the effect of variables involved in this study.

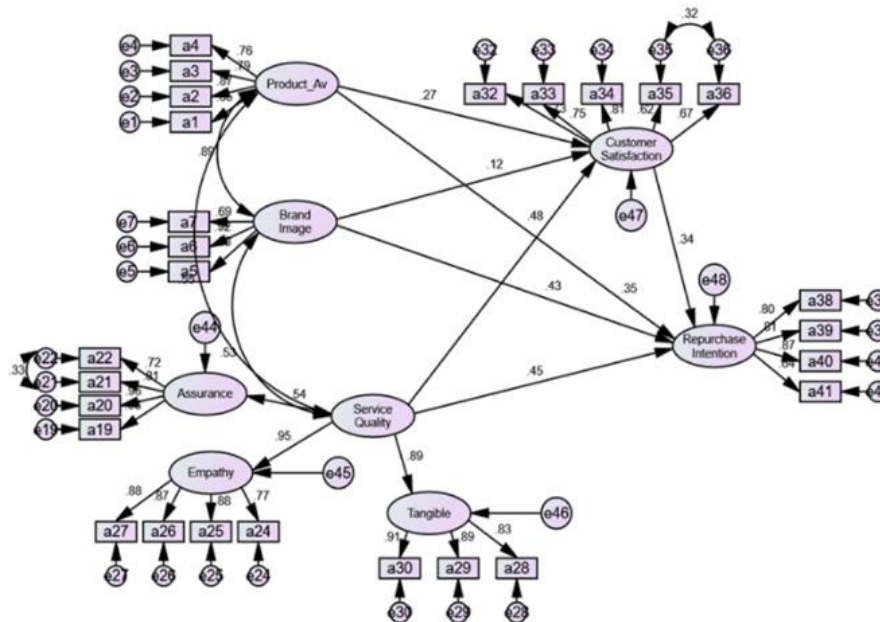


Fig 2: Magnitude of Influence between Variables

The verification hypothesis testing consists of testing the direct influence hypothesis and testing the indirect effect hypothesis. The results of testing the direct influence hypothesis can be seen in the following table:

Table 4: Direct Effect Hypothesis Testing Results

DEP		IND	Estimate	SE	CR	P	Beta
CS	<-	PA	0.36	0.15	0.196	0.04	0.268
CS	<-	BI	0.075	0.09	0.813	0.41	0.12
CS	<-	SQ	0.37	0.05	6.843	***	0.484
RI	<-	PA	0.388	0.03	11.45	***	0.353
RI	<-	BI	0.302	0.05	5.717	***	0.425
RI	<-	SQ	0.39	0.03	11.44	***	0.449
RI	<-	CS	0.389	0.03	11.44	***	0.343

Source: Primary data processed, 2022

Based on Table 4, it is known that the influence between SQ, company image, CS, customer trust and word of mouth is

- PA has a positive and significant effect on CS. This can be seen from the path coefficient value obtained by 0.268 with a significant value of 0.043
- BI has no effect on CS. This can be seen from the path coefficient value obtained by 0.2120 with a significant value greater than 0.05, namely 0.416.
- SQ has a positive and significant effect on CS. This can be seen from the path coefficient value obtained at 0.484 with a significant value, namely ****
- PA has a positive and significant effect on RI. This can be seen from the path coefficient value obtained by 0.353 with a significant value, namely *** (0.00)
- BI has a significant effect on RI. This can be seen from the path coefficient value obtained at 0.2425 with a significant value that is ***

- SQ has a positive and significant effect on RI. This can be seen from the path coefficient value obtained at 0.449 n with a significant value, namely ****
- CS has a positive and significant effect on RI. This can be seen from the path coefficient value obtained by 0.343 n with a significant value, namely ****

The indirect effect hypothesis testing is carried out with the Sobel test where the test results are processed using online software via web: <http://quantpsy.org/sobel/sobel.htm>. For indirect test results can be seen in the following table:

Table 5: Indirect Effect Hypothesis Testing Results

Indirect Influence	T Sobel	Estimate	P Sobel	Information
RI CS← PA	2.3488	0.091	0.018	Sig
RI CS SQ	5.8783	0.166	***	Sig
RI CS← BI	0.8131	0.041	0.416	Not Sig

Source: Primary data processed, 2021

Based on Table 5. it is known that the indirect effects are as follows:

- PA has a positive and significant effect on RI through CS. This can be seen from the path coefficient value obtained by 0.091 with a significant value of 0.018.
- PA positive and significant effect on RI through CS. This can be seen from the path coefficient value obtained at 0.091 with a significant value, namely ***
- SQ has a positive and significant effect on RI through CS. This can be seen from the path coefficient value obtained at 0.166 with a significant value, namely ***
- BI has no positive and significant effect on RI through CS. This can be seen from the path coefficient value obtained only at 0.041 with a significant value of 0.416.

5. Discussion

In principle, the model built is based on a literature review and preliminary research based on references related to the field being researched, in this case related to RI of BIMOLI cooking oil products in the Banda Aceh market and its surroundings.

Of the 7 direct influence hypotheses tested, namely the Effect of PA on CS, Effect of SQ on CS, Effect of BI on CS, Effect of PA on RI, Effect of SQ on RI, Effect of BI on RI, the influence of CS on RI, there is one that is not significant, namely the effect of BI on consumer satisfaction. So that it can be said that Bimoli's BI, specifically for the Banda Aceh market, has contributed to increasing community satisfaction, especially cooking oil consumers in Banda Aceh.

If it is seen which variable has the greatest dominance in moving customers to repurchase, then SQ turns out to have the highest coefficient of influence compared to other variables. When viewed more closely from the 5 dimensions that exist in this variable, it turns out that after going through a series of tests, it is the empathy dimension that has the greatest influence value compared to other dimensions. After that, the tangible and assurance dimensions will follow.

Meanwhile for the indirect effect, CS acts as a partial mediating on the effect of PA on RI and also on the effect of SQ on RI. Meanwhile, on the influence of BI on RI, there is no indirect effect.

6. Conclusion

The CS variable is the variable that has the largest coefficient, so Bimoli management must pay extra attention to all components in this variable to maintain the momentum of Bimoli consumers' desire in making repeat purchases.

If it is seen which variable has the greatest dominance in moving customers to repurchase, then SQ turns out to have the highest coefficient of influence compared to other variables. When viewed more closely from the 5 dimensions that exist in this variable, it turns out that after going through a series of tests, it is the empathy dimension that has the greatest influence value compared to other dimensions. After that, the tangible and assurance dimensions will follow. Thus, it can be said that increasing the contribution of SQ in increasing RI can be done through increasing the contribution of this assurance dimension.

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