The Role of Price Promotion and Product Quality in Influencing the Intention to Repurchase Cok-Kis Cookies

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Abstract

Repurchase intention is crucial to the continuity of businesses especially snack businesses. Customer satisfaction is one of the dominant variables influencing repurchase intention. This purpose of this study was to determine the role of price promotion and product quality in affecting customer satisfaction, which in turn influences the repurchase intention of snack products. The sample consisted of 117 people (a minimum sample of 91 was calculated using the Yamane and Isaac and Michael formulas). A questionnaire was given to the participants and data were analyzed quantitatively using SmartPLS version 3.0 (Partial Least Square). The results showed that customer satisfaction had a significant influence on the repurchase interest of Cok-Kis customers. Price promotion and product quality had a significant effect on Cok-Kis customer satisfaction. Customer satisfaction could mediate the effect of price promotion and product quality on the repurchase interest of Cok-Kis customers,

Keywords: Price Promotion, Product Quality, Customer Satisfaction, and Repurchase Intention

1. Introduction

The competition in snack business is increasingly striking. This caused heightened competition by offering a variety and quality products. One of the interesting customer markets at the moment is tourism, based on the number either global or local that visits Surabaya, the opportunity to start a souvenir business in Surabaya is very large. Cok-Kis is a business in the dry cake souvenirs industry that was established in 2016. Cok-Kis products holds the “Suroboyoan” concept. The theme or concept of Suroboyoan is displayed by the Cok-Kis dry biscuits that contains cloverleaf mix as its base ingredient.

Cloverleaf is a one of the special features of Surabaya city. Typically, cloverleaf is made into a dish called pecel semanggi. In managing the distribution channel, Cok-Kis
partners with a souvenir store such as Bu Rudy, Belinda in the Juanda Airport, and it is also available in Depot Kupang Baru using a consignment system. Based on the organoleptic test of Cok-Kis products, the comparison of price and the excellence of Cok-Kis products with competitors at Bu Rudy showed that the quality and price of Cok-Kis products are competitive.

Currently, the sales of Cok-Kis is increasing however the sales target has not been reached. The sales report from January 2017 to August 2019 shows that sales of Cok-Kis has increased but there are fluctuations. The owner of Cok-Kis wants to constantly reach the sales target, however, the sales data showed instability from January 2017 to August 2019 with only 41% of sales target was reached (due to Cok-Kis products is sellable on certain months and during exhibitions where promotion price was given) and 59% did not reach the target. The unstable sales may be due to the product quality.

Cok-Kis has received complaints from customers who have ever bought Cok-Kis products, the complaints are based on product quality aspects. The complaints were made by 13 customers with several of whom have submitted the same complaints. Based on these complaints, it can be concluded that the quality of Cok-Kis dry cookies are not satisfactory in terms of their texture, taste, smell, and colour. Based on these aspects of product quality it can be concluded that Cok-Kis products still needs to be improved for higher quality products.

Cok-Kis's highest sales was in June 2019 with Rp. 4,934,000 revenue due to the increased demand of dry cookies during Idul Fitri. However, the sales in 2017 and 2018 did not reach the target due to the lack of promotions on social media. In second highest revenue was on November 2017 with a revenue of Rp. 4,084,000 because Cok-Kis participated in an exhibition at SIAL Interfood, and at the time promoted attractive prices. When the price promotion was done at SIAL, the sales of Cok-Kis increased. After participating at SIAL exhibition, the sales of Cok-Kis experienced a significant decline in December. The promotion offered at the time created losses for Cok-Kis because Cok-Kis only focused on increasing the revenue of sales.

Even though Cok-Kis has done promotions, the sales continue to be unstable. The price promotion was always done when participating in exhibitions as well as Cok-Kis's social media. Cok-Kis participated in 5 exhibitions in 2018, which are Lenmarc (Lomba Baking), Ciputra University, Lenmarc (Surabaya Yoga Festival), Mlaku-Mlaku Tunjungan dan Pakuwon Trade Centre (Bogasari Young Foodpreneur). In 2019, Cok-Kis participated in 3 exhibitions, which are Lenmarc (Cup Deco Competition), Ciputra University, and Lenmarc (Lomba Lari Tradisional). When participating in an exhibition, Cok-Kis always give promotional price and offers testers.
Based on customers who have bought Cok-Kis products, they showed that the number of customers purchasing twice make up the most with 63 customers, whilst the number of customers who purchased thrice was 32 and more than three times for more than 22 customers. More than 50% of Cok-Kis customers only purchased once, therefore Cok-Kis has to improve customers satisfaction so the interest for repurchase intention increase.

2. Methods and Equipment

2.1. Type of Study

This study used quantitative research method. [1] stated that quantitative research is used to help quite the researcher to find the research problem, research hypothesis, concepts, methodology and data analysis tools. By utilising quantitative research method, the researchers hope to gain data to identify the mediating relationship between customer satisfaction on influence of price promotion and product quality on the repeat purchasing interest of Cok-Kis.

2.2. Population dan Sample

The population in this study is the Cok-Kis customer that has purchased Cok-Kis products more than once before. Based on the data collected by Cok-Kis, there are 117 customers in total. It consists of 22 male university students, 79 female university students, and 16 housewives who has ever bought Cok-Kis products before. The sampling techniques used in this study is non-probability sampling. Another sampling method used is purposive sampling with the aim of getting samples of customers who have purchased Cok-Kis before. [2] stated that if the total population is known, so the sample size of respondents can be calculated with the formula by Yamane and Isaac and Michael.

\[
n = \frac{N}{1 + N(e^2)}
\]

Description:
- \(n\) = number of samples needed
- \(N\) = population size
- \(e\) = 5% sampling error

\[
n = \frac{117}{1 + 117(0.05^2)} = 90.52 \text{ respondent} = 91 \text{ respondent}
\]
2.3. Data Gathering Method

2.3.1. Primary

The primary data used in this study is questionnaire. The questionnaire given to the respondents contains questions related to promotion price, product quality, customer satisfaction, repeat buying interest from Cok-Kis. The questionnaire in this research used 5-point Likert scale (1-5; highly disagree, disagree, neutral, agree, highly agree).

2.3.2. Secondary

The secondary data used in this study is literature review, such as: books, journal, and other source of information related to the topics of this research.

2.4. Data Analysis Method

In this study, the data analysis method used is structural equation modelling. The analysis pathway that will be used is partial least square, using the Smart PLS 3.0.

2.4.1. Partial Least Square Analysis

Partial Least Square analysis (PLS) is used to know the relationship between variables, and predict the effect between variables. [3] the prediction model in PLS does not assume a certain distribution to estimate the parameters, hence the parameter technique is not needed to test parameter significance. Meanwhile, the evaluation method to test the prediction has non-parametric trait. The evaluation of PLS model analysis has steps as follows:

Outer Model

Three criteria used in the other model research are:

- Convergent Validity: The early stage of research in developing measurement scale of loading value greater than 0.7, the higher the value of loading factor the more important the role of loading in matrix factor [3]. According to Chin, the convergent validity can also be identified using the communality value measurement scale greater than 0.5, and average variance extracted (AVE) greater than 0.5.
• Discriminant Validity: Discriminant Validity is measured based on the cross-loading measurement, that has the measurement scale greater than 0.7 in one variable that has the greatest outer loading for the measured dependent variables and not on other variables [3]. The other parameter used beside cross loading is AVE root and latent correlation variable, where AVE root > latent correlation variable.

• Composite Reliability: The reliability test can be done with two methods, which are Cronbach's alpha and composite reliability. Cronbach's alpha is done to measure the minimum reliability of a construct, whilst composite reliability is done to measure the actual value of reliability of a construct. The testing criteria of Cronbach's alpha or composite reliability must be greater than 0.7 even though 0.6 value can still be accepted [3].

Inner Model

Inner model is a structural model that could connect variables, and is used as a significance parameter in hypothesis testing [3].

• R-Square: According to [3] structural model in PLS is measured with R2 for each dependent variable, R2 is used to measure the level of variance of the independent variable on the dependent variable.

• Q-Square: The assessment of goodness of fit is known by the Q-square value. The Q-square value has the same meaning as the R-Square coefficient determination in the regression analysis, where the greater the value of Q-Square, the model can be said to be better or fits the data. The Q-Square formula is as follows:

\[ f^2 = \frac{R^2_{\text{included}} - R^2_{\text{excluded}}}{1 - R^2_{\text{included}}} \]

2.4.2. Hypothesis Testing

The score of the coefficient path and other loading indicated by t-statistic must be greater than 1.96 for the two-tailed hypothesis and greater than 0.64 for one-tailed, therefore it can be concluded that the hypothesis can be accepted. Whilst the alpha hypothesis testing is 5% and 80% power [3].
2.4.3. SEM Analysis and Mediating Effect

Mediating variable analysis is measured using the Variance Accounted For (VAF). [5] stated that the measurement used to count VAF is based on the following formula:

\[ VAF = \frac{P_{12} \times P_{23}}{P_{12} \times P_{23} + P_{13}} \]

The mediation effect testing on PLS using the procedure based on [5] showed that VAF > 80% is considered full mediation, VAF between 20%-80% is considered partial mediation, and VAF < 20% is considered no mediation. Based on [5], if VAF > 80% is full mediation where the effect of independent variable on dependent variable is clearly explained by the variability of mediating variables through the indirect effect of independent variables through mediating variables on the dependent variables, whilst 20% ≤ VAF ≤ 80% is a partial mediation that shows the effect of independent variable on dependent variable is not clearly explained by the direct effect of the independent variables, but also the indirect effect of the mediating variables, and if VAF > 20% indicates that the effect of independent variables on the dependent variables is clearly related.

3. Results

3.1. Partial Least Square Analysis

3.1.1. The Evaluation of Outer Model

Convergent Validity

Based on Table 1, it is known that the value of the outer loading of each indicator of the four variables are all greater than 0.7, as well as the AVE of each variables greater than 0.5, the results show that the indicators that are used in this study satisfied the convergent validity. Each of the outer loading value

Discriminant Validity

Based on the cross-loading score, it can be identified that each indicator that measure each variable in this study have satisfied the discriminant validity because of the greatest value of outer loading for measured variable and not on other variables.
Based on Table 3, it shows that the value of AVE of each variable are greater than 0.6, furthermore, the composite variability is greater than 0.7, and hence it can be concluded that variables in this study have satisfied the discriminant validity.

**Reliability**

Table 4 showed that the value of Cronbach Alpha of each variable in this study are greater than 0.6, and the composite reliability value produced is greater than 0.7, therefore it can be concluded that each variable has satisfied reliability of the model.

**3.1.2. The Evaluation of the Inner Model**

**R-Square**

The R-Square value for the customer satisfaction variable is 0.232, which means that price promotion and product quality can explain 23.3% of Cök-Kis's customer satisfaction, whilst the 76.7% is explained by other factors not considered in this study.
TABLE 1: Outer Loading, AVE, and t-statistic

| Variable                  | Indicator | Outer Model | AVE   | T- statistic |
|---------------------------|-----------|-------------|-------|--------------|
| Price Promotion           | X1.1      | 0.724       | 0.590 | 9.827        |
|                           | X1.2      | 0.871       |       | 27.113       |
|                           | X1.3      | 0.758       |       | 10.679       |
|                           | X1.4      | 0.739       |       | 12.299       |
|                           | X1.5      | 0.739       |       | 14.841       |
| Product Quality           | X2.1      | 0.712       | 0.604 | 10.725       |
|                           | X2.2      | 0.825       |       | 21.811       |
|                           | X2.3      | 0.769       |       | 11.901       |
|                           | X2.4      | 0.844       |       | 18.213       |
|                           | X2.5      | 0.727       |       | 8.932        |
| Customer Satisfaction     | Y.1       | 0.792       | 0.650 | 19.394       |
|                           | Y.2       | 0.801       |       | 20.260       |
|                           | Y.3       | 0.829       |       | 21.699       |
|                           | Y.4       | 0.833       |       | 21.551       |
|                           | Y.5       | 0.774       |       | 13.173       |
| Repurchase Intention      | Z.1       | 0.705       | 0.613 | 13.070       |
|                           | Z.2       | 0.743       |       | 11.977       |
|                           | Z.3       | 0.822       |       | 19.987       |
|                           | Z.4       | 0.821       |       | 19.421       |
|                           | Z.5       | 0.818       |       | 17.193       |

The R-Square value of repeat buying variable is 0.667, which means that price promotion, product quality, and customer satisfaction can affect 66.7% of the repeat buying behaviour of Cok-Kis customers.

Q-Square

Based on R-Square in Table 5, the Q-Square value can be calculated as follows:

\[ Q\text{-}Square = 1 - (1 - 0.232) \times (1 - 0.667) \]

\[ = 0.744 \]

The calculation resulted in Q-Square value of 0.744 that shows that the study model has good reliability, where this the research model can predict 74.4% of the repeat buying interest of Cok-Kis customers.
### TABLE 2: Cross Loading

| Indicator | Price Promotion | Product Quality | Customer Satisfaction | Repurchase Intention |
|-----------|----------------|----------------|-----------------------|----------------------|
| Y.1       | 0.379          | 0.347          | 0.792                 | 0.628                |
| Y.2       | 0.302          | 0.361          | 0.801                 | 0.580                |
| Y.3       | 0.358          | 0.314          | 0.829                 | 0.595                |
| Y.4       | 0.310          | 0.273          | 0.833                 | 0.618                |
| Y.5       | 0.233          | 0.325          | 0.774                 | 0.489                |
| Z.1       | 0.470          | 0.376          | 0.684                 | 0.705                |
| Z.2       | 0.374          | 0.377          | 0.720                 | 0.743                |
| Z.3       | 0.467          | 0.408          | 0.500                 | 0.822                |
| Z.4       | 0.536          | 0.450          | 0.421                 | 0.821                |
| Z.5       | 0.469          | 0.440          | 0.440                 | 0.818                |

### TABLE 3: The Root of AVE and Correlation Between Variables

| Variable              | AVE  | Akar AVE | Customer Satisfaction | Product Quality | Repurchase Intention | Price Promotion |
|-----------------------|------|----------|-----------------------|----------------|----------------------|-----------------|
| Customer Satisfaction | 0.650| 0.806    | 1                     |                |                      |                 |
| Product Quality       | 0.604| 0.777    | 0.402                 | 1              |                      |                 |
| Repurchase Intention  | 0.613| 0.783    | 0.726                 | 0.524          | 1                    |                 |
| Price Promotion       | 0.590| 0.768    | 0.397                 | 0.376          | 0.592                | 1               |

### Effect Size

Table 6 shows that the analysis of effect size $f^2$ for price promotion variable and product quality on repeat buying variable, shows that the promotion price variable has an effect size value of 0.186 that is considered moderate, whilst product quality has an effect size of 0.069 and is considered in small.
### Table 4: Cronbach Alpha and Composite Reliability

| Variable            | Cronbachs Alpha | Composite Reliability |
|---------------------|-----------------|-----------------------|
| Price Promotion     | 0.829           | 0.877                 |
| Product Quality     | 0.838           | 0.884                 |
| Customer Satisfaction | 0.865         | 0.903                 |
| Repurchase Intention | 0.842           | 0.888                 |

### Table 5: R-Square

|                     | R-Square |
|---------------------|----------|
| Customer Satisfaction | 0.232    |
| Repurchase Intention | 0.667    |

### Table 6: Effect Size

| Variable                        | R Square (Included) | R Square (Excluded) | $f^2$   |
|---------------------------------|---------------------|---------------------|---------|
| Effect Size on Repurchase Interest variables |                     |                     |         |
| Price Promotion                 | 0.667               | 0.605               | 0.186   |
| Product Quality                 | 0.667               | 0.644               | 0.069   |

### 3.2. Hypothesis Testing

Based on Table 7, the p values are all below 0.05 that suggest that the hypothesis is accepted, the t-statistic results for outer loading are all greater than 1.96 so it can be concluded that all indicator can measure or explain the respective variables.

Based on the coefficient value of customer satisfaction on repeat buying interest (at 0.524), price promotion on customer satisfaction (at 0.287), product quality on customer satisfaction (at 0.294), each has a positive direction where the direction of customer satisfaction on repeat buying interest are going at the same direction, price promotion on customer satisfaction, product quality on customer satisfaction. The t-statistic value in Table 8 shows that the customer satisfaction significantly affects customers repeat buying interest, price promotion significantly affects customer satisfaction, product quality significantly affects customer satisfaction, because the t-statistics are greater than 1.96, and can be concluded that the third hypothesis can be accepted.
TABLE 7: Outer Loading and t-statistic

| Effect                                      | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O/STERR) | P Values |
|---------------------------------------------|---------------------|-----------------|-----------------------------|------------------------|----------|
| X1.1 - Price Promotion                      | 0.724               | 0.713           | 0.073                       | 9.894                  | 0.000    |
| X1.2 - Price Promotion                      | 0.871               | 0.862           | 0.037                       | 23.648                 | 0.000    |
| X1.3 - Price Promotion                      | 0.758               | 0.748           | 0.062                       | 12.237                 | 0.000    |
| X1.4 - Price Promotion                      | 0.739               | 0.728           | 0.063                       | 11.728                 | 0.000    |
| X1.5 - Price Promotion                      | 0.739               | 0.744           | 0.050                       | 14.734                 | 0.000    |
| X2.1 - Product Quality                      | 0.712               | 0.722           | 0.062                       | 11.406                 | 0.000    |
| X2.2 - Product Quality                      | 0.825               | 0.817           | 0.041                       | 20.003                 | 0.000    |
| X2.3 - Product Quality                      | 0.769               | 0.758           | 0.063                       | 12.245                 | 0.000    |
| X2.4 - Product Quality                      | 0.844               | 0.836           | 0.049                       | 17.148                 | 0.000    |
| X2.5 - Product Quality                      | 0.727               | 0.711           | 0.093                       | 7.830                  | 0.000    |
| Y1.1 - Customer Satisfaction               | 0.792               | 0.789           | 0.044                       | 17.853                 | 0.000    |
| Y1.2 - Customer Satisfaction               | 0.801               | 0.801           | 0.041                       | 19.406                 | 0.000    |
| Y1.3 - Customer Satisfaction               | 0.829               | 0.826           | 0.041                       | 20.196                 | 0.000    |
| Y1.4 - Customer Satisfaction               | 0.833               | 0.828           | 0.038                       | 21.645                 | 0.000    |
| Y1.5 - Customer Satisfaction               | 0.774               | 0.767           | 0.058                       | 13.313                 | 0.000    |
| Z1.1 - Repurchase Intention                | 0.705               | 0.699           | 0.053                       | 13.220                 | 0.000    |
| Z1.2 - Repurchase Intention                | 0.743               | 0.740           | 0.060                       | 12.491                 | 0.000    |
| Z1.3 - Repurchase Intention                | 0.822               | 0.820           | 0.043                       | 19.120                 | 0.000    |
| Z1.4 - Repurchase Intention                | 0.821               | 0.816           | 0.048                       | 17.281                 | 0.000    |
| Z1.5 - Repurchase Intention                | 0.818               | 0.815           | 0.048                       | 16.986                 | 0.000    |

TABLE 8: Path Coefficient and t-statistic

| No | Effect                                      | Coefficient | t-statistic | P Values |
|----|---------------------------------------------|-------------|-------------|----------|
| 1  | Customer Satisfaction → Repurchase Intention | 0.524       | 9.070       | 0.000    |
| 2  | Price Promotion → Customer Satisfaction     | 0.287       | 3.221       | 0.000    |
| 3  | Product Quality → Customer Satisfaction     | 0.294       | 3.077       | 0.000    |
| 4  | Price Promotion → Repurchase Intention      | 0.310       | 4.797       | 0.000    |
| 5  | Product Quality → Repurchase Intention      | 0.197       | 2.439       | 0.000    |

TABLE 9: VAF

| Effect                                      | Coefficient | VAF       | Mediation Type |
|---------------------------------------------|-------------|-----------|----------------|
| Px1y Price Promotion → Customer Satisfaction| 0.287       | = 0.327   | Partial        |
| Px1z Price Promotion → Repurchase Intention | 0.310       | = 32.7%   | Mediation      |
| Pyz Customer Satisfaction → Repurchase Intention | 0.524       |           |                |
| Px2y Product Quality → Customer Satisfaction| 0.294       | = 0.439   | Partial        |
| Px2z Product Quality → Repurchase Intention | 0.197       | = 43.9%   | Mediation      |
3.3. SEM Analysis with Mediating Effect

Based on the VAF value, it can be concluded that customer satisfaction significantly mediates price promotion and product quality on repeat buying interest. Partial mediation shows that there is a significant relationship between customer satisfaction and repeat buying interest, and the direct relationship between price promotion variable as well as product quality and repeat buying interest.

4. Discussion

4.1. Descriptive Analysis

4.1.1. Repurchase Intention (Z)

Repurchase intention indicates a high degree of satisfaction when customers choose to purchase a product. If the product fulfils their expectations, customers might repurchase, however if the product disappoints then customers will look for a better alternative. The highest perception from the respondents regarding repeat buying interest is the customers tendency to recommend Cok-Kis products to friends or family, is indicated with a mean of 4.01. The overall mean shows that customers are interested to repurchase Cok-Kis products because the mean score falls on the 4th scale (agree). Meanwhile, the lowest perception of repeat buying interest is felt by respondents tend to relate with the intention to continue purchasing Cok-Kis dry biscuits, which is shown with a mean of 3.78. Therefore, in the future Cok-Kis can pay attention about the price promotion, product quality, customer satisfaction so customers can become more interested to continually purchase Cok-Kis products.

4.1.2. Customers Satisfaction (Y)

Based on the result of customer satisfaction variable, it can be understood that the highest perspective from respondents regarding satisfaction, which refers to the satisfaction and benefit of Cok-Kis products, with a mean score of 3.98. The overall mean score indicates that customer satisfaction on Cok-Kis product because it falls to the 4th scale (agree), Customer satisfaction can be a determining factor in repurchase intention in the future [6]. Meanwhile the lowest perception regarding the satisfaction felt by the respondents relates to the Cok-Kis products able to fulfil or exceed their expectation, which is shown by the mean score of 3.80. Hence, in the future, Cok-Kis
should pay attention to other aspects that might influence customer satisfaction, such as price promotion and product quality of Cok-Kis products, so products fulfil customer expectation.

4.1.3. Price Promotion (X1)

According to [7] price promotion is a marketing communication tool that can affect purchasing behaviour, and price promotion is highly effect to entice customers, and customer satisfaction can be built through things related with marketing in social media and price promotion. The highest perception from the respondents regarding price promotion is perceived to satisfy customer which indicated with a mean score of 3.91. This indicates that customers have a positive response on the product quality of Cok-Kis, because the score is close to the 4th scale (agree). Meanwhile, the lowest perception regarding price promotion experienced by customers relate to the variation of price promotion offered by Cok-Kis, which is shown by the mean value of 3.52. In the future, Cok-Kis can offer a variety of price promotion that are more interesting, long-term, and more to draw in customers to purchase Cok-Kis products again.

4.1.4. Product Quality (X2)

Product quality is an action by a company to ensure they could win the competition in the market, and determine some differences on products and services that are offered so the products can be differentiated from competitor products, therefore customer can view or perceive that quality products has a additional value that is hoped by customers [8]. The highest perception from the respondents regarding the product quality relates to crispy and crunchy texture of Cok-Kis cookies texture, which is shown with a mean score 3.82. This score indicates that customer has a positive response about the product quality of Cok-Kis cookies, because the mean score is close to the 4th scale (agree). Meanwhile, the lowest perception regarding product quality relates to the taste of Cok-Kis products that fulfill their expectation with a mean score of 3.64. Hence, Cok-Kis can improve or increase the flavour or product varieties, so customers are satisfied and can fulfil customer expectation.
4.2. Hypothesis Testing

The process of interpreting the results from the hypothesis first require validity and reliability tests. Firstly, the convergent validity indicate each of the outer loading value of the four indicators of the research variables are all greater than 0.7, same with the AVE of each variables that have value greater than 0.5, the t-statistic value of each outer loading is greater than 1.96, these results shows that the indicators used in this research has satisfied the convergent validity. Secondly, the value of discriminant validity of outer loading is greater for the measured variables and not on other variables, can be known that the value of root AVE of each variables has a greater value when compared with the correlation value between variables and other variables in this model, hence it can be concluded that each variable in this study has satisfied the discriminant validity. Furthermore, the reliability test of a construct or variable is considered satisfying the reliability model if the Cronbach alpha is greater than 0.6 and the composite reliability is greater than 0.7. Meanwhile, the results shown by the Cronbach alpha value of each research variable are greater than 0.6, and composite reliability value is greater than 0.7, therefore, it can be concluded that each variable has satisfied the reliability model.

The inner model evaluation includes R-Square, Q-Square, dan F-Square (effect size). The R- Square value for customer satisfaction variable is 0.232, which means that price promotion and product quality of Cok-Kis can influence 23.3% of Cok-Kis's customer satisfaction, whilst the rest of 76.7% is explained by other factors not measured in this research. With the same interpretation, the R-Square value of repurchase intention variable is 0.667, which means that price promotion, product quality and customer satisfaction can affect 66.7% of customers repurchase intention.

The Q-Square value is 0.744 which indicate that this research model has a good prediction accuracy, where the research model can predict 74.4% of customer repurchase intention. The value of F-Square (effect size) shows that the price promotion variable and product quality on repurchase intention variable, shows that price promotion has an effect size of 0.186 which is considered as moderate, whilst product quality has an effect size of 0.069 which is considered small.

The research hypothesis can be accepted if the t-statistic value is greater than 1.96, and the p-value must be smaller than 0.05. The result of this research shows that all of the p-values are lower than 0.05 which indicate that the hypothesis is accepted, and the t-statistic value for outer loading are all greater than 1.96 hence it can be concluded that all indicators can measure and explain each respective variable. The coefficient value of customer satisfaction on repurchase intention is 0.524 with a positive direction, the
coefficient value of price promotion on the customer satisfaction is 0.287 with a positive
direction, the coefficient value of product quality on customer satisfaction has a same-
direction relationship with repurchase intention, and promotion price and product quality
has a same-direction relationship with customer satisfaction.

The mediating characteristic of customer satisfaction variable can be identified by
measuring VAF. Based on the VAF, it can be concluded that the customer satisfaction
significantly mediates price promotion and product quality on repurchase intention.
Some mediation indicates that there is a significant relationship between customer
satisfaction and repurchase intention, and direct relationship between price promotion
variable and product quality and repurchase intention.

4.3. The Effect of Customer Satisfaction on Repurchase Intention

The hypothesis testing shows coefficient value of customer satisfaction on repurchase
intention which is 0.52 with positive direction, which means customer satisfaction
has a relationship with the same direction as repurchase intention, in other words if
customer satisfaction increase customers repurchase intention would increase. The t-
statistic value is 9.070 that is greater than 1.96, this indicates that customer satisfaction
significantly affects the customers repurchase intention.

Based on the PLS analysis, it can be concluded that Hypothesis 1 (customer satis-
faction has a significant effect on repurchase intention of Cok-Kis customer) can be
accepted. The coefficient is positive which means that if customer satisfaction increase,
the repeat buying interest of customers will increase. Satisfied customer will repurchase
which means that the repurchase intention increased, moreover, satisfied customer will
tend to give good reference to other people [9]. In relation to this, Cok-Kis pays attention
to the need and request of customer who are looking at Surabaya souvenirs through the
“Suroboyoan” concept, the Suroboyoan concept is displayed by Cok-Kis’s dry cookies
products that at its base has clover leaf mix, while maintaining texture, aroma, taste
qualities and other organoleptic aspects that will ensure customer satisfaction. The
result of this research supports previous studies by [10] and [11] who concluded that
customer satisfaction has a significant impact on customers repurchase intention.

4.4. The Effect of Price Promotion on Customer Satisfaction

The hypothesis testing result shows that the coefficient value of price promotion on
customer satisfaction is 0.287 with positive direction, which means price promotion has
a relationship with the same direction as customer satisfaction, in other words if price promotion of Cok-Kis products are better the customer satisfaction will increase. The t-statistic value is 3.221 which is greater than 1.96, this indicates that price promotion significantly affects customer satisfaction.

According to the PLS analysis, it can be concluded that Hypothesis 2 (price promotion has a significant effect on Cok-Kis customer satisfaction) can be accepted. The coefficient is positive which means if the price promotion aspect offered by Cok-Kis is better/more interesting, the customer satisfaction will also increase. The result of this study supports previous study by [12], [7], and [9] who concluded that offering price promotion significantly increase customer satisfaction.

**The Effect of Product Quality on Customer Satisfaction**

The result of the hypothesis testing shows that the coefficient value of the effect of product quality on customer satisfaction is 0.294 with positive direction, which means product quality has the same direction relationship as customer satisfaction, in other words if product quality increase, the customer satisfaction will also increase. The t-statistic value is 3.077 which is greater than 1.96, this indicates that product quality significantly affects customer satisfaction.

The PLS analysis result shows that Hypothesis 3 (product quality has a significant effect on Cok-Kis's customer satisfaction) can be accepted. The coefficient is positive which means that if Cok-Kis product quality increase, customer satisfaction will also increase. According to [13] product quality reflects all product dimension that can offer benefits that satisfies customer expectation, hence can offer satisfaction to customer. Furthermore, quality products are considered able to give its functions that encompass durability, reliability, and other attributes.

In relation to product quality, Cok-Kis always pay attention to product preference that is an advantage compared to other competitor's products, which is through the concept of souvenir typical of Surabaya. The result of this research supports the research by [14], [12], and [11] that concluded that the higher the product quality, can significantly increase customer satisfaction.

**4.5. The Effect of Mediating Variable of Customer Satisfaction on the Relationship Between Price Promotion on Repurchase Intention**

Based on the VAF value of 0.327 or 32.7%, it indicates that the hypothesis can partially mediate. Partial mediation showed that there is a significant relationship between
customer satisfaction and repurchase intention. Therefore, it can be concluded that customer satisfaction is significant as a mediating variable on price promotion against repurchase intention.

Based on the PLS analysis, it can be concluded that Hypothesis 4 (customer satisfaction significantly mediate price promotion on repurchase intention of Cok-Kis’s customer) can be accepted. According to [6] factors that can affect customers repurchase intention comes from the evaluation of the first purchase or buying experience of customers. On the other hand, price promotion also has a role in increasing repurchase intention. This research supports the study by [9], and [15] that concluded that customer satisfaction can mediate the effect of price promotion on repurchase intention.

4.6. The Effect of Mediating Variable of Customer Satisfaction on the Relationship Between Product Quality on Repurchase Intention

According to the VAF value of 0.439 or 43.9%, it indicates that this hypothesis can partially mediate. Therefore, it can be concluded that customer satisfaction significant as a mediating variable for product quality on repurchase intention. The PLS analysis result concludes that Hypothesis 5 (customer satisfaction significantly mediates product quality on repurchase intention of Cok-Kis’s customers). This research supports studies by [12], [11], and [16] who in general concluded that product quality will affect on satisfaction and therefore directly affect on the push for customer to repurchase.

5. Conclusion

The PLS analysis result shows t-statistic value for customer satisfaction on repurchase intention that is greater than 1.96, hence it can be concluded that customer satisfaction has a significant effect on Cok-Kis customers repurchase intention. Higher customer satisfaction will impact on the increase of repurchase intention of Cok-Kis customers. The PLS analysis result shows t-statistic value for price promotion on customer satisfaction that is greater than 1.96, hence it can be concluded that price promotion has a significant effect on Cok-Kis customer satisfaction. If product price promotion is better, the customer satisfaction will also increase.

The PLS analysis result shows t-statistic value for product quality on customer satisfaction that is greater than 1.96, hence it can be concluded that product quality has a
significant effect on Cok-Kis’s customer satisfaction. The higher the product quality, the customer satisfaction will also increase.

Based on the PLS analysis and mediation principle, it can be concluded that customer satisfaction can mediate the effect of price promotion toward repurchase intention of Cok-Kis customer. When the company applied price promotion satisfies customers expectation, it can push satisfaction, and then increase the customer repurchase intention. Based on the PLS Analysis and mediation principle, it can be concluded that customer satisfaction can mediate the effect of product quality on customers repurchase intention. High quality product can affect customer satisfaction which then directly impacts customer interest to repurchase.

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