The influence of store image on repurchase intention: The mediation role of perceived value and customer satisfaction

Angelia Asri Ananda (a) Mugiono (b) Ananda Sabil Hussein (c)

(a) Management Department, Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia
(b) Associate Professor in Management, Management Department, Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia
(c) Associate Professor in Management, Management Department, Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia

ARTICLE INFO

Article history:
Received 15 May 2021
Received in rev. form 27 May 2021
Accepted 29 May 2021

Keywords:
Store Image, Repurchase Intention, Perceived Value, Customer Satisfaction

JEL Classification:
M30

ABSTRACT

This study aims to examine and analyze the effect of store image on the repurchase intention of Matahari Department Store Mojokerto, Indonesia either directly or indirectly, by involving perceived value and customer satisfaction as mediating variables. This research is a quantitative study with data collection methods using a questionnaire. This study uses non-probability sampling with a purposive sampling type. This research was conducted on 175 respondents. The data analysis technique used SEM (Structural Equation Modeling) PLS with the help of SmartPLS 3.2.7 software. The results of the study provide empirical evidence that store images have not been able to affect the repurchase intention. Meanwhile, the perceived value and customer satisfaction can positively affect the repurchase intention significantly. Perceived value and customer satisfaction as mediating variables were able to strengthen the effect of store image on repurchase intention. Based on the results of mediation testing, shows that perceived value and customer satisfaction provide a full mediation on the effect of store image on repurchase intention.

© 2021 by the authors. Licensee SSBFNET, Istanbul, Turkey. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (http://creativecommons.org/licenses/by/4.0/)

Introduction

The growth of the fashion industry in Indonesia is influenced by several factors, including the increasing demand for middle-level consumers for high quality fashion products, the trend of fulfilling the needs for fashion products has encouraged several producers to meet market demand and the increasing number of local and foreign department stores as well to contribute on the growth of the fashion industry in Indonesia. One of the well-known local department stores is Matahari Department Store. Matahari Department Store is a retail company in Indonesia which is the central of the Matahari department store business chain. As the last quarter of 2020, Matahari already has 153 outlets in 76 cities in Indonesia. During its 61 years of operation, Matahari has been able to respond consumer demands for the latest fashion trends, as well as beauty products and household appliances that are arranged in such a way in modern and comfortable outlets. In 2017, Matahari closed its four outlets. The closure was caused by the inadequate performance in boosting sales. The company's Same Store Sales Growth was recorded at minus 1.2% at that time. In order to survive, the company carried out efficiency in 2018 by closing three less productive outlets but still expanding by opening seven new outlets with details of four large format outlets and three special outlets. In 2019, the company closed two less productive outlets and opened three new large format outlets and eight special format outlets. According to the chairman of the Indonesian Shopping Center Renters Association, store closings are likely to occur because retailers, especially the department store segment, are adjusting to market conditions. In addition, the pressure on conventional retail businesses also comes from online traders. Currently, more and more consumers are shopping online because the prices offered are cheaper and more practical than offline shopping. Consumers also consider that online stores are more competitive than conventional stores...
One strategy for a retail or store to be able to compete and survive in today's market conditions is to build a good store image for consumers and the public. It is an obligation because the store image can affect the process of purchasing a product. According to Yulianti, Suprapti, & Yasa (2014) store image is the mirror of a store because consumers tend to shop in stores according to the image it builds. The previous statement is reinforced by research which states that store image is an important part of marketing communication and the delivery of corporate identity, because store image is able to influence consumer perceptions. By having a good store image, retailers hope that consumer repurchase intention will be formed. Repurchase intention is an intention to repurchase a product more than once, both for the same product and the same kind in a store Ibzan, Balarabe, & Jakada (2016). Repetition of purchases is made when consumers feel all expectations are met. This expectation causes consumers to have a tendency to make the next purchase of a product or service (Choi & Kim, 2013). The success of retail can be characterized by the repurchase behavior of its customers and the retail's ability to survive in the face of its competitors. Thus, raising the intention to repurchase from consumers becomes the main focus when customer satisfaction has been felt.

Sugito, Lubis, Rini, & Absah (2018) in their research stated that store image has a significant effect on repurchase intention. The results of this study are supported by Yulianti et al. (2014) and Santikayasa & Santika (2019) which shows that store image can significantly influence repurchase intention. The results of these studies indicate that the better the image of the shop, the higher the repurchase intention of the product. Some of these research results need to be reexamined, because the results of research by Akter & Ashraf (2016) found that there was no significant effect of store image on purchase intention. They explain that these results are because customers are more focused on the quality of the goods purchased as the main factor that makes them repurchase. There are other studies that have the same opinion shows that there is no relationship between store perceptions and the desire to return to the store (Sabrina, 2014). In this study, it is stated that store perceptions only affect how long customers do activities in the store at that time and do not make them have the desire to return to the store.

The inconsistency of the results of the previous research is interesting to conduct further research, on other variables that are predicted to further explain the relationship between store images and repurchase intention. Based on the facts above, there are several factors that consumers feel that then play a key role in repurchase intention at Matahari Department Store outlets. The key factor in question can be in the form of perceived value or customer satisfaction (Akter & Ashraf, 2016). That is, it seems plausible that the variables that affect repurchase intention can differ between consumers with high perceived value and those with low perceived value. Calvo-Porral & Levy-Mangin (2017) proposes that retailer-based image factors, such as store image and customer-based factors, such as perceived value and customer satisfaction are determining factors in repurchase intention.

Value is a set of benefits that consumers are expected to receive from a particular product or service, while perceived value is the difference between evaluating perceptions of the benefits and sacrifices of an offer and its alternatives (Kotler, 2003). If the company wants to provide great value to consumers, the company must provide greater benefits than consumer sacrifices. The total value for these consumers can be in the form of product value, service value, employee value, and image value. When the greater perceived value, the greater likelihood that consumers will buy the product. Some researchers have studied that there is a significant relationship between perceived value and repurchase intention (Chaudhuri & Holbrook, 2001). If the benefits expected by consumers are met, consumers will buy back products at the store.

Apart from perceived value, another determining factor for repurchase intentions is customer satisfaction. Customer satisfaction is one of the most essential goals that company considers for a long-term relationship with customers as top priority. One of the main elements that determine customer satisfaction is the customer's perception of service quality. Customer satisfaction is described as the result of a comparison between customer expectations and the perceived service quality performance subsequently (Herington & Weaven, 2009).

Based on the description above, perceived value and customer satisfaction can be a solution to the inconsistencies of previous studies so that it is expected to clarify the relationship between store images and repurchase intention. Matahari Department Store with a marketing strategy to increase repurchase intention is a suitable object in this study. It was noted that Matahari Same Store Sales Growth was minus 1.2 percent at the end of 2017 and continued to decline until 2019 and the suitability of the variables that will be examined in this study, so that it can explain how the relationship between store image, perceived value, customer satisfaction, and repurchase intention.

**Literature Review**

**Theoretical and Conceptual Background**

**Consumer Behavior Theory**

Consumer behavior is related to what consumers do before buying goods or services to their behavior after consuming them, according to the statement of Hawkins & Mothersbaugh (2010) which states that consumer behavior is an action that takes place in obtaining, consuming, and spending goods and services including the decision process done before and follows that action. Kotler & Keller (2016) also reveals that consumer behavior is essentially to understand why consumers do what they do, so that consumer behavior is all activities, actions, and psychological processes that drive these actions before buying, when buying, using, spending the product and services then evaluate it.
The consistency of consumer orientation towards a product or brand is based on past experiences which are projected into the future. Consumers develop a positive or negative orientation towards a product or brand as a result of accumulated previous experiences with product or brand (Brakus, Schmitt, & Zarantonello, 2009). Many retailers combine the customer experience as a component of their offering. Dealing with increasing competition from online retailing, retailers are upgrading the in-store experience to something more engaging, entertaining and educational to attract more shoppers. Stores are no longer just activities to transfer items and carry out sales transactions. More than that, the shop is also functioned as a showroom, museum and warehouse. Stores routinely practice one-upmanship in encouraging more store visits by making shopping fun and entertaining (Poulsson & Kale, 2004).

**Attitude**

According to Hawkins & Mothersbaugh (2010) attitude is a combination of motivational, perspective and cognitive processes by paying attention to environmental aspects. Factors that affect attitudes consist of 3 components: the first component is the cognitive which is the consumer's belief in certain attributes and the product as a whole. The second component is affection. The affection component is an emotional and feeling reaction to a product. The last component is the behavioral component, which is the tendency of the consumer's intention to give a particular response to a product. These three components are formed from a stimulus that affects consumers in the form, product, stimulus, retail stores, sales assistants, advertisements and other attitude objects.

**Consumer Behavior Model**

Kotler & Keller (2016) describe consumer behavior is formed from the relationship between stimulus and consumer response in the purchase consideration process. The job of the company is to understand how the stimuli received by consumers then affect consumer awareness. Stimuli that affect consumer perceptions will influence consumer purchasing decisions. Consumers' perceptions to quality and the risks will become the consideration process which influence product purchases. Marketing activities which influence consumer perceptions need to be considered carefully in order to lead consumers to purchase products.

**Retailer Theory**

Retailers can be defined as traders whose main activity is to sell directly to end consumers. Retail sales are one of the distribution channel chains that play an important role in the delivery of goods and services to end consumers (Foster, 2008). Kotler & Keller (2016) states that retail sales include activities involve selling goods or services directly to end consumers for personal and non-business use. Meanwhile, Foster (2008) argues that retailing is business activities that sell goods and services to end consumers. Meanwhile, retail sales are the steps required to provide goods and services to end consumers. So, conclude the above opinion it can be concluded that the essence of retail trade is all trading activities of goods and services to end consumers for their own use, not trading again.

**Store Image Theory**

According to Gronroos (2005), store image can affect perceptions of store operations. Furthermore, he defines store image as a representation of what customer’s asses, either potential or disappointed. Their assessments of the store’s image are varying, both between individuals and groups. Wu, Yeh, & Hsiao (2011) introduce the concept of store image as a way of thinking how buyers describe the shop, some see the function of quality and some see the shop atmosphere as a psychological attribute. The image wanted by a store (store image) and the perception of the quality of the products sold must be balanced. The more similar the store image to the perceived product quality, the more confident buyers will be with their purchasing decisions as a result they will chose the right product selection.

**Perceived value theory**

Customer perceived value is the difference between a prospective customer assessment to all the benefits and costs of an offering against the alternative. So, a product is categorized into a high value if it is in accordance with the needs, wants, and demands of customers (Kotler & Keller, 2016). Meanwhile, according to McDougall & Levesque (2000) perceived value is defined as the result of a comparison between the perceived benefits and the sacrifices made by the customer. Perceived value is understood as a construct consisting two parts, the benefits received (economic, social and relationship) and the sacrifices made (price, time, effort, risk, and convenience) by the customer. Perceived value construct has been identified as one of the most important steps to gain competitiveness and repurchase intention (Parasuraman & Grewal, 2000).

**Customer Satisfaction theory**

Customer Satisfaction is an emotional response to an evaluation of the experience of consuming a product or service. Kotler defines customer satisfaction as the level of a person's feelings after comparing the performance (or results) he feels compared to his expectations (Kotler & Keller, 2016). Basically, customer satisfaction includes the difference between expectations and performance or the results obtained. Customer satisfaction is one of the main goals that companies and entrepreneurs should consider in order to maintain long-term relationships with their customers, customer satisfaction is the key to success for the sustainability of the business (Belas & Gabeova, 2016).
Repurchase Intention

Hellier, Geursen, Carr, & Rickard (2003) define repurchase intention as an individual decision after assessing purchases made before, and intending to repurchase at the same service or company and are based on possible considerations and circumstances. Repurchase intention is a positive assessment of activities that have been carried out previously so that an intention arises the willing of customers to repurchase. Hawkins & Mothersbaugh (2010) show that people who are motivated by intention will have a willing to repurchase and fulfill their needs or increase their purchases, and produce a commitment to reuse a brand where the desire is related to customer psychology; therefore the repurchase intention variable can be measured by three indicators such as purchase frequency, customer commitment, and positive recommendations.

Research Framework and Hypothesis Formation

This research observed four main constructs consisting of one exogenous (store image) and one endogenous (repurchase intention). Besides, the researcher also observed two constructs of mediation (perceived value and customer satisfaction). For clearer view, it could be seen in Figure 1 below.

The hypotheses of this study are:

H1: Store Image has a significant effect on Repurchase Intention
H2: Store Image has a significant effect on Perceived Value
H3: Store Image has a significant effect on Customer Satisfaction
H4: Perceived Value has a significant effect on Repurchase Intention
H5: Customer Satisfaction has a significant effect on Repurchase Intention
H6: Perceived Value has a mediating effect on the relationship between Store Image and Repurchase intention.
H7: Customer Satisfaction has a mediating effect on the relationship between Store Image and Repurchase intention.

Research and Methodology

Data Collection

The number of the population in this study is not known. According to Malhotra, Nunan, & Birks (2017) in a marketing research book, this is stated that the numbers of sample is at least four or five times the number of question items. So, this study using 175 samples obtained from 5 x 35 (number of question items).

The data collection technique used in this study is a questionnaire. Sekaran & Bougie (2016) states that questionnaire is an efficient data collection mechanism when the study is explanatory descriptive. This questionnaire is arranged in the form of a questionnaire given to Matahari Department Store consumers in Mojokerto.

Data Analysis

The method of data analysis uses SEM (Structural Equation Modeling) based on Partial Least Square (PLS) that using SmartPLS 3.2.7 software application.

Measurements

All indicators to measure the four variables were adopted from several previous studies. Indicators of store image variables were adapted from Chze, Thang, Lin, & Tan (2003) and Diallo (2012) study which consisted of 7 indicators. Perceived value variables
were measured through 2 indicators from Chang & Tseng (2013). Customer satisfaction variables were measured through 3 indicators from (Espinosa, Ortinau, Krey, & Monahan, 2018). Repurchase Intention variables were measured through 2 indicators from (Alan & Kabadayi, 2012).

**Variable Indicators**

Sekaran & Bougie (2016) explains that the Likert scale is a measurement scale that provides operational arithmetic in the data collected from respondents. Respondents will be asked to indicate the level of agreement or disagreement using numbers then add up and become a measure of the respondent's behavior. Based on this theory, this study was prepared using a Likert's Scale Model. This scale interacts 1-5 with the following answer choices, 1 as strongly disagree, 2 as disagree, 3 as neutral, 4 as agree, and 5 as strongly agree.

**Result and Discussion**

**Demographic of respondents**

Based on the results of the data processing, it is known that from 175 respondents (100%), there were 89 respondents (50.9%) aged 21-30 years old and 51 respondents (29.1%) aged 31-40 years old. Based on gender, 65 respondents (37.1%) were male and 110 respondents were female (62.9%). Based on the latest education, most of the respondents which are 108 people (61.7%) had a bachelor degree. Besides that, based on occupation, most of the respondents which are 62 people (35.4%) work as civil servant. Furthermore, based on income, there were 75 respondents (42.9%) who got 2-5 Million Rupiah and 45 respondents (25.7%) who got more than 5 Million Rupiah.

**Outer Model Test Results**

**Convergent Validity Test Results**

The individual reflexive size is said to be high if it is correlated> 0.7 with the construct to be measured, whereas according to Chin & Marcoulides (1998), the value of outer loading between 0.5 - 0.6 is considered sufficient. The result is found as follows,

**Table 1: Convergent Validity Test Results**

| Variable            | Indicators | Loading Factor | T Statistics | P Values | Information |
|---------------------|------------|----------------|--------------|----------|-------------|
| **Store Image (X)** | X.1        | 0.699          | 14.161       | 0.000    | Valid       |
|                     | X.2        | 0.597          | 9.714        | 0.000    | Valid       |
|                     | X.3        | 0.710          | 17.054       | 0.000    | Valid       |
|                     | X.4        | 0.772          | 20.420       | 0.000    | Valid       |
|                     | X.5        | 0.752          | 18.344       | 0.000    | Valid       |
|                     | X.6        | 0.789          | 25.987       | 0.000    | Valid       |
|                     | X.7        | 0.704          | 16.905       | 0.000    | Valid       |
| **Perceived Value (Z1)** | Z1.1 | 0.881          | 46.523       | 0.000    | Valid       |
|                     | Z1.2 | 0.860          | 32.776       | 0.000    | Valid       |
| **Customer Satisfaction (Z2)** | Z2.1 | 0.871          | 34.097       | 0.000    | Valid       |
|                     | Z2.2 | 0.863          | 38.311       | 0.000    | Valid       |
|                     | Z2.3 | 0.927          | 82.493       | 0.000    | Valid       |
| **Repurchase Intention (Y)** | Y.1 | 0.937          | 103.343      | 0.000    | Valid       |
|                     | Y.2 | 0.935          | 89.231       | 0.000    | Valid       |

**Source:** Processed Primary Data (2021)

The results of the convergent validity test for store image (X), perceived value (Z1), customer satisfaction (Z2), and repurchase intention (Y) variables with a reflective measurement model obtained that the loading factor value of the indicator is more than 0.50 so that the indicator of the variable has meet convergent validity.

**Discriminant Validity Test Results**

If the construct correlation with the measurement item is greater than the size of the other constructs, it shows their block size is better than the other blocks. Meanwhile, according to another method to assess discriminant validity, namely by comparing the value of the AVE square root coefficient (square root of average variance extracted). The result is found as the followings table,
Table 2: Discriminant Validity Using Cross Loading

| Variable               | Indicators | X   | Z₁   | Z₂   | Y      |
|------------------------|------------|-----|------|------|--------|
| Store Image (X)        | X.1        | 0.699 | 0.444 | 0.586 | 0.472  |
|                        | X.2        | 0.597 | 0.529 | 0.454 | 0.423  |
|                        | X.3        | 0.710 | 0.437 | 0.551 | 0.525  |
|                        | X.4        | 0.772 | 0.523 | 0.567 | 0.485  |
|                        | X.5        | 0.752 | 0.437 | 0.499 | 0.370  |
|                        | X.6        | 0.789 | 0.600 | 0.656 | 0.571  |
|                        | X.7        | 0.704 | 0.351 | 0.554 | 0.427  |
| Perceived Value (Z₁)   | Z₁.1       | 0.610 | 0.881 | 0.710 | 0.621  |
|                        | Z₁.2       | 0.549 | 0.860 | 0.656 | 0.591  |
| Customer Satisfaction  | Z₂.1       | 0.655 | 0.759 | 0.871 | 0.689  |
| (Z₂)                   | Z₂.2       | 0.693 | 0.596 | 0.863 | 0.618  |
|                        | Z₂.3       | 0.711 | 0.731 | 0.927 | 0.760  |
| Repurchase Intention   | Y.1        | 0.634 | 0.632 | 0.743 | 0.937  |
| (Y)                    | Y.2        | 0.596 | 0.672 | 0.715 | 0.935  |

Source: Processed Research Data (2021)

The results of the discriminant validity test using the cross-loading value obtained that the loading factor in the column of each variable (bold print) is the highest value compared to the cross loading value of other variables so that the indicator of each store image variable (X), perceived value (Z₁), customer satisfaction (Z₂), and repurchase intention (Y) have met discriminant validity.

Table 3: Discriminant Validity Test Using AVE Roots

| Variables               | X   | Z₁   | Z₂   | Y      |
|-------------------------|-----|------|------|--------|
| X                       | 0.820 | 0.667 | 0.773 | 0.657  |
| Z₁                      | 0.667 | 0.871 | 0.785 | 0.696  |
| Z₂                      | 0.773 | 0.785 | 0.887 | 0.779  |
| Y                       | 0.657 | 0.696 | 0.779 | 0.936  |

Source: Processed Primary Data (2021)

The results of the discriminant validity test using the AVE square root value. It obtained that the AVE square root value was greater than the correlation value between latent variables, so the store image (X), perceived value (Z₁), customer satisfaction (Z₂), and repurchase intention variables (Y) has met the discriminant validity.

Construct Reliability Test

Cronbach's Alpha is a reliability test that strengthens the results of composite reliability. A variable can be declared reliable if it has a Cronbach's alpha value > 0.70

Table 4. Construct Reliability Test

| Variable               | Composite Reliability | Cronbach's Alpha | Information |
|------------------------|-----------------------|------------------|-------------|
| Store Image (X)        | 0.882                 | 0.844            | Fulfilled    |
| Perceived Value (Z₁)   | 0.862                 | 0.681            | Fulfilled    |
| Customer Satisfaction  | 0.917                 | 0.864            | Fulfilled    |
| (Z₂)                   |                       |                  |             |
| Repurchase Intention   | 0.934                 | 0.858            | Fulfilled    |
| (Y)                    |                       |                  |             |

Source: Processed Primary Data (2021)

The results of the reliability test using the Composite Reliability value and the Cronbach's Alpha value obtained the test results met the test criteria of more than 0.70 (>0.70). Therefore, each store image variable (X), perceived value (Z₁), customer satisfaction (Z₂), and repurchase intention (Y) has met the reliability of the construct.
Inner Model Test Results

The inner model test results include the coefficient of determination (R-square). The PLS (Partial Least Square) model is also evaluated by looking at the predictive relevance Q-square value for the constructive model. Q-square measures how well the observed value is generated by the model and its parameter estimates. Q-square value greater than zero indicates that the model has a predictive relevance value, whereas if the Q-square value is less than zero, it indicates that the model lacks predictive relevance.

Table 5: Results of the Coefficient of Determination

| Variables                  | R Square | Adjusted R Square | Q Square |
|----------------------------|----------|-------------------|----------|
| Perceived Value (Z1)       | 0.444    | 0.441             |          |
| Customer Satisfaction (Z2) | 0.598    | 0.596             |          |
| Repurchase Intention (Y)   | 0.630    | 0.623             |          |

Source: Processed Primary Data (2021)

The results of the coefficient of determination of the influence between store image (X) on perceived value (Z1) obtained an r square value of 0.444, which means that the effect on perceived value (Z1) can be explained by 44.4 percent by store image (X), while the rest is explained by other variables.

The results of the calculation of the Q square value obtained by 0.917, which indicates that this research model is categorized as a strong model, meaning that 91.7 percent of endogenous variables can be explained by exogenous variables, and the rest is explained by other variables not listed in this study.

Table 6: Evaluation of Goodness of Fit

| Variabel | R Square | AVE  |
|----------|----------|------|
| X        | 0.518    |      |
| Z1       | 0.876    |      |
| Z2       | 0.758    |      |
| Y        | 0.787    |      |
| Rata-rata| 0.557    | 0.735|

Source: Processed Primary Data (2021)

The results of the calculation of Goodness of Fit (GoF) obtained a value of 0.640 which can be concluded that the structural model in this study has a large predictive nature, meaning that the model has a good ability to explain empirical data.

Hypothesis Testing Results

In testing the hypothesis, it can be seen from the t-statistic value and the probability value. To test the hypothesis that is by using statistical values, for alpha 5% the t-statistic value used is 1.96. So that the criteria for acceptance or rejection of the hypothesis is that Ha is accepted and H0 is rejected when the t-statistic is >1.96. To reject/accept the hypothesis using probability, Ha is accepted if the p value is <0.05. Based on the empirical data used in this study, it can be tested against the proposed hypothesis. The following shows the results of hypothesis testing based on the path coefficient value and T-Statistics / P-value.

Table 7: Hypothesis Testing Results

| Hypothesis | Effect | Path Coefficient | T Statistic | P Value | Notes       |
|------------|--------|------------------|-------------|---------|-------------|
| H1         | X -> Y | 0.106            | 1.270       | 0.205   | Not significant |
| H2         | X -> Z1| 0.667            | 14,545      | 0.000   | Significant  |
| H3         | X -> Z2| 0.773            | 19,918      | 0.000   | Significant  |
| H4         | Z1 -> Y| 0.205            | 2,244       | 0.025   | Significant  |
| H5         | Z2 -> Y| 0.536            | 5,403       | 0.000   | Significant  |
| H6         | X -> Z1 | 0.137           | 2,139       | 0.033   | Significant  |
| H7         | X -> Z2 | 0.414            | 4,969       | 0.000   | Significant  |

Source: Processed Primary Data (2021)

Based on the table above, it can be seen that H1 was rejected, while H2, H3, H4, H5, H6, H7 were accepted.
Discussion

The Influence of Store Image on Repurchase Intention

The results of research showed that the store image does not have a significant effect on repurchase intention. In this study, the store image variable has several assessment indicators as follows: sales assistants, promotion, products, facilities, comfort, atmosphere, and services. One of the reasons that store image does not affect repurchase intention is the low assessment of the shop atmosphere that is given to customers.

The atmosphere of a store has an important role in the assessment of the store image because the atmosphere can give visitors a good store image. Besides, a good experience will be felt by customers so that they feel a willing to visit again which then ends in an intention to buy fashion products at Matahari Department Store again.

The results of this study are in line with research conducted by Akter & Ashraf (2016) and Sabrina (2014) which found that store image does not have a significant effect on repurchase intention.

The Influence of Store Image on Perceived Value

The results showed that the store image had a significant effect on perceived value. Nowadays, the existence of a department store is not only selling products but also must be able to entertain its customers and for some customers, shopping is a form of recreation. Therefore, the store must also consider the emotional value that customers will get from shopping by building a good store image.

One indicator of a good store image is interaction with a shopkeeper. Matahari Department Store has the advantage of having friendly and neat-looking shopkeeper. The shopkeepers are ready to serve customers in terms of selecting and recommending fashion product models at Matahari Department Store. Thus, a good store image contributes to fulfilling the emotional needs of customers.

The results of this study are in line with research conducted by Konuk (2018) and Chang & Tseng (2013) which found that store image has a positive and significant effect on repurchase intention.

The Influence of Store Image on Customer Satisfaction

The results showed that store image has a significant effect on customer satisfaction. It means that the store's image has succeeded in providing satisfaction to Matahari Department Store customers. Based on six indicators, service indicators get the highest ratings from customers. This indicates that service is the main attraction for fashion product customers at Matahari Department Store of Mojokerto.

The results of this study are in line with research conducted by Bloemer & Schroder (2002) that customer satisfaction has a positive impact on trust which in turn leads to commitment and ultimately to increased word of mouth and repurchase intention and Beneke, Adams, Demetriou, & Solomons (2011) states that store image has a positive and significant effect on customer satisfaction.

Effect of Perceived Value on Repurchase Intention

The results showed that perceived value had a significant effect on repurchase intention. This means that the higher positive value obtained by customers, the higher their intention to make repeat purchases at Matahari Department Store. Customers consider that the quality of the fashion products available at Matahari Department Store is very good and worth to the price. In addition, their opinion shows that the purchased fashion product has high economic value because it has high quality as well as the ease of payment methods. Not only that, customers considered that the fashion products they purchased were very useful. These sides can be the reasons why customers finally have the intention to repurchase at Matahari Department Store.

The results of this study are in line with research conducted by Wu, Chen, Chen, & Cheng (2014) who found that perceived value has a positive and significant effect on customer satisfaction.

The Influence of Customer Satisfaction on Repurchase Intention

The results showed that customer satisfaction has a significant effect on repurchase intention. This means that the higher level of customer satisfaction, the higher the intention to shop back at Matahari Department Store. When customers are satisfied, they will not hesitate to come back because what they had expectations was suit with the reality in Matahari Department Store. The satisfaction felt by customers is the key that Matahari Department Store must maintain in order to retain existing or new customers in the future. This satisfaction will lead to the desire to repurchase fashion products at Matahari.

Several studies like conducted by Hellier et al. (2003) obtained significant results based on the relationship between customer satisfaction and repurchase intention. The same results were also shown by several other researchers from Liang, Choi, & Joppe (2018), Yang (2009), and Bou-Llusar, Camisón-Zornoza, & Escrig-Tena (2001) which states that there is a positive and significant relationship between customer satisfactions and repurchase intention.
**The Influence of Store Image on Repurchase Intention Mediated by Variable Perceived Value**

The results showed that store image had a significant effect on repurchase intention through perceived value. The impact of customer satisfaction mediation is known to be full mediation; thus it can be interpreted that customer satisfaction can bridge the effect of store image on repurchase intention, without perceived value, basically Matahari Department Store’s store image is unable to increase customer interest in repurchasing. It is known that the coefficient value on indirect is greater than the direct effect coefficient (0.137> 0.106). Baron & Kenny (1986) stated that if the coefficient value on the indirect effect is greater than the direct effect, it is said to be full mediation.

This shows that a good store image has no influence on customer intentions to repurchase. Therefore, as a mediating variable, the value felt by customers has a role to play in increasing this intention, so that the possibility of visitors to repurchase will be greater. The value felt by customers comes from the quality of the fashion product purchased, the benefit, proportional to the price and has a high economic value. These things are the basis for customers to make repeat purchases at Matahari Department Store.

**The Influence of Store Image on Repurchase Intention Mediated by Customer Satisfaction Variables**

The results show that store image has an important impact on repurchase intention through customer satisfaction. The impact of customer satisfaction mediation is known to be full mediation; thus it can be interpreted that customer satisfaction can bridge the influence of store image on repurchase intention, without customer satisfaction, basically the Matahari Department Store’s image is unable to increase the interest of its customers to repurchase. It is known that the coefficient value on indirect is greater than the direct effect coefficient (0.414> 0.106). Baron & Kenny (1986) stated that if the coefficient value on the indirect effect is greater than the direct effect, it is said to be full mediation.

This shows that a good store image has no influence on customer intentions to repurchase. Therefore, as a mediating variable, customer satisfaction has a role in increasing this intention, so that the possibility of visitors to repurchase will be greater. The satisfaction felt by customers comes from the fashion products purchased and the services provided by the shopkeeper. These things are the basis for customers to want to make repeat purchases at Matahari Department Store.

**Implications**

**Theoretical Implication**

The results of this study provide an empirical contribution to the concept of factors affecting repurchase intention, especially perceived value and customer satisfaction. In accordance with the findings, store image is an important factor that needs to be maintained and developed to increase repurchase intention by considering perceived value and customer satisfaction.

**Practical Implication**

This research is expected to be taken into consideration for marketers or even companies in making policies related to increasing the number of purchasing activities.

**Conclusions**

The results of this study indicated that store image have not been able to effect on the repurchase intention. One of the factors that does not affect store image on repurchase intention is the low assessment of the shop atmosphere that is given to customers. Meanwhile, the perceived value and customer satisfaction can positively effect on the repurchase intention. Perceived value and customer satisfaction as mediating variables are able to strengthen the effect of store image on repurchase intention. The role of perceived value as a mediation can be a link between store image and repurchase intention. Without a high perceived value, the store’s image is unable to boost customer interest in repurchasing. This shows that customers will come back because they feel the quality of the products purchased is very useful and have high economic value. Meanwhile, the role of customer satisfaction as a mediation can be a link between store image and repurchase intention. Without high customer satisfaction, basically the store's image is not able to promote the interest of its customers to repurchase. The sense of satisfaction felt by customers comes from the products purchased and the services provided by the sales assistants. In addition, customers have a very pleasant and satisfying experience that results in positive feelings after shopping. These things are the reasons for customers to repurchase.

This research has some limitations. Thus, there are some suggestion that could be considered for future research: First, further research needs to consider a wider scope of research objects, both on the same research object (Department Store) and on a larger scale as in other fast-moving fashion industries in order to enrich the results and research findings. Moreover, this study only uses a few indicators to reflect the existing variables, so that further research can expand and integrate the research model by including several other indicators that are considered appropriate to the object being taken.
References

Akter, S., & Ashraf, E. (2016). Factors Affecting Repurchase Intention of Customers: In the Context of Retail Chain Store Industry in Bangladesh. European Journal of Business and Management, 8(32), 40–47. https://doi.org/10.5901/mjs.2015.v6n3p429

Alan, A. K., & Kabadayi, E. T. (2012). Brand Trust and Brand Affect: Their Strategic Importance on Brand Loyalty. Journal of Global Strategic Management, 1(6), 80–80. https://doi.org/10.20460/JGSM.2012615788

Baron, R. M., & Kenny, D. A. (1986). The Moderator-Mediator Variable Distinction in Social Psychological Research. Conceptual, Strategic, and Statistical Considerations. Journal of Personality and Social Psychology, 51(6), 1173–1182. https://doi.org/10.1037/0022-3514.51.6.1173

Belas, J., & Gabcova, L. (2016). The relationship among customer satisfaction, loyalty and financial performance of commercial banks. Ekonomie a management, 19(1), 132–147. https://doi.org/10.15240/tul/001/2016-1-010

Beneke, J., Adams, E., Demetriou, O., & Solomons, R. (2011). An exploratory study of the relationship between store image, trust, satisfaction and loyalty in a franchise setting. Southern African Business Review, 15(2), 59–74.

Bloemer, J., & Schroder, G. (2002). Store Satisfaction and Store Loyalty Explained by Customer-and Store Related Factor. Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 15, 68–80.

Bou-Llusar, J. C., Camisón-Zornoza, C., & Escrig-Tena, A. B. (2001). Measuring the relationship between firm perceived quality and customer satisfaction and its influence on purchase intentions. Total Quality Management, 12(6), 719–734. https://doi.org/10.1080/09544120120075334

Brakus, J. J., Schmitt, B. H., & Zaranontello, L. (2009). Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty? Journal of Marketing, 73(3), 52–68. https://doi.org/10.1509/jmkg.73.3.52

Calvo-Porral, C., & Levy-Mangin, J.-P. (2017). Store brands’ purchase intention: Examining the role of perceived quality. European Research on Management and Business Economics, 23(2), 90–95. https://doi.org/10.1016/j.jireme.2016.10.001

Chang, E. C., & Tseng, Y. F. (2013). Research note: E-store image, perceived value and perceived risk. Journal of Business Research, 66(7), 864–872. https://doi.org/10.1016/j.jbusres.2011.06.012

Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty. Journal of Marketing, 65(2), 81–93. https://doi.org/10.1509/jmkg.65.2.81.18255

Chin, W. W., & Marcoulides, G. (1998). The Partial Least Squares Approach to Structural Equation Modeling. Advances in Hospitality and Leisure, 8(2), 295–336.

Choi, E. J., & Kim, S. H. (2013). The study of the impact of perceived quality and value of social enterprises on customer satisfaction and loyalty in a franchise setting. Journal of Marketing, 67(4), 1220–1231. https://doi.org/10.1016/s0969-6989(02)00006-1

Diallo, M. F. (2012). Effects of store image and store brand price-image on store brand purchase intention: Application to an emerging market. Journal of Retailing and Consumer Services, 19(3), 360–367. https://doi.org/10.1016/j.jretconserv.2012.03.010

Espinosa, J. A., Ortinau, D. J., Krey, N., & Monahan, L. (2018). I’ll have the usual: how restaurant brand image, loyalty, and satisfaction keep customers coming back. Journal of Retailing and Consumer Services, 41, 80–90. https://doi.org/10.1016/j.jretconserv.2018.04.011

Foster, B. (2008). Retail Management. Bandung: Alfabeta.

Gronroos, C. (2005). Perceived Service Quality Model. Ohio: Ohio University Press.

Hill, C. W. J., & Jones, G. (2010). Strategic Management and Business Policy. New York: McGraw-Hill.

Hellier, P. K., Geursen, G. M., Carr, R. A., & Rickard, J. A. (2003). Customer repurchase intention. European Journal of Marketing, 37(11/12), 1762–1800. https://doi.org/10.1108/03090560310495456

Herington, C., & Weaven, S. (2009). E-retailing by banks: E-service quality and its importance to customer satisfaction. European Journal of Marketing, 43(9), 1220–1231. https://doi.org/10.1108/03090560910976456

Ibnaz, E., Balarabe, F., & Jakada, B. (2016). Consumer Satisfaction and Repurchase Intentions. Developing Country Studies, 6(2), 96–100.

Komuk, F. A. (2018). The role of store image, perceived quality, trust and perceived value in predicting consumers’ purchase intentions towards organic private label food. Journal of Retailing and Consumer Services, 43, 304–310. https://doi.org/10.1016/j.jretconserv.2018.04.011

Kotler, P. (2003). Marketing Insights From A to Z 80 Concepts Every Manager Needs to Know. Hoboken: John Wiley & Sons, Inc.

Kotler, P., & Keller, K. L. (2016). Marketing Magemont (Global Ed). Harlow: Pearson Education Limited.

Liang, L. J., Choi, H. C., & Joppe, M. (2018). Exploring the relationship between satisfaction, trust and switching intention, repurchase intention in the context of Airbnb. International Journal of Hospitality Management, 69, 41–48. https://doi.org/10.1016/j.ijhm.2017.10.015

Malhotra, N. K., Nunan, D., & Birks, D. F. (2017). Marketing Research - An Applied Approach. Harlow: Pearson Education Limited.

McDougall, G., & Levesque, T. (2000). Customer satisfaction with services: putting perceived value into the equation. Journal of Services Marketing, 14(5), 392–410. https://doi.org/10.1108/08876040010340937
Parasuraman, A., & Grewal, D. (2000). The impact of technology on the quality-value-loyalty chain: A research agenda. *Journal of the Academy of Marketing Science, 28*(1), 168–174. https://doi.org/10.1177/0092070300281015

Poulsson, S., & Kale, S. (2004). The Experience Economy and Commercial Experiences. *The Marketing Review, 4*, 267–277.

Sabrina, E. B. (2014). The influence of the store atmosphere on the consumer behavior. *Mediterranean Journal of Social Sciences, 5*(8), 229–235. https://doi.org/10.5901/mjss.2014.v5n8p229

Santikayasa, I. W., & Santika, I. W. (2019). The influence of service quality on repurchase intention: the mediation role store image. *E-Journal Management, 8*(2), 8104–8134. https://doi.org/10.24843/EJMUNUD.2019.v8.i2.p20

Sekaran, U., & Bougie, R. (2016). *Research Methods For Business*. Chichester: John Wiley & Sons, Inc.

Sugito, Lubis, A. N., Rini, E. S., & Absah, Y. (2018). The Determinant Analysis that Affects the Modern Retail Image and its Implications for Consumers Repurchase Intention in Medan, Indonesia. *International Journal of Civil Engineering and Technology, 9*(13), 1330–1354.

Syafina, D. C. (2019). Matahari Department Store is Fading. Retrieved March 14, 2021, from https://tirto.id/matahari-department-store-kian-meredup-diQU

Wu, L. Y., Chen, K. Y., Chen, P. Y., & Cheng, S. L. (2014). Perceived value, transaction cost, and repurchase-intention in online shopping: A relational exchange perspective. *Journal of Business Research, 67*(1), 2768–2776. https://doi.org/10.1016/j.jbusres.2012.09.007

Wu, P. C. S., Yeh, G. Y. Y., & Hsiao, C. R. (2011). The effect of store image and service quality on brand image and purchase intention for private label brands. *Australasian Marketing Journal, 19*(1), 30–39. https://doi.org/10.1016/j.ausmj.2010.11.001

Yang, C. Y. (2009). The Study of Repurchase Intentions in Experiential Marketing - An Empirical Study of the Franchise Restaurant. *International Journal of Organizational Innovation, 2*(2), 245–261.

Yulianti, N., Suprapti, N., & Yasa, N. (2014). The influence of store image on customer satisfaction and repurchase intention: the case of Circle K in Denpasar. *Journal of Management, Business Strategy and Entrepreneurship, 8*(1), 36–44.

**Publisher’s Note:** SSBFNET stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.