The effects of product and service quality on repurchase decisions

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Abstract. This study aims to find out several aspects concerning Jogja Paradise Food Court, including (1) product quality, (2) service quality, (3) customers’ tendency in repurchase decisions, (4) the effects of product quality on customers’ tendency in repurchase decisions, (5) the effects of services on the tendency for customers’ repurchase decisions, and (6) the effects of product and service quality on customers’ tendency for repurchase decisions. This was a descriptive quantitative study. The research population was approximately 750 customers who purchased items there in a month. The research samples were chosen using incidental sampling technique, while the number of samples was determined using Slovin’s formula with a margin of error of 10%, resulting in as many as 90 customers as the research samples. The findings show that (1) the quality of products sold at Jogja Paradise Food Court is in the medium category with a percentage of 71%; (2) the quality of service is in the medium category with 76%; (3) customers’ tendency in repurchase decisions is in the medium category with 86%; (4) there is a positive and significant effect of product quality on customers’ repurchase decisions as shown in the t value of 2.345 at the 0.021 significance level; (5) there is a positive and significant effect of service quality on customers’ repurchase decisions as shown in the t value of 4.247 at the 0.000 significance level; and (6) there is an effect of both product and service quality on customers’ repurchase decisions as shown in the results of Adjusted R² of 32.7%.

1. Introduction

The development of the fast-food business is often associated with the increasing busyness of the community so that workers and people who are busy doing activities all day will prefer something instant to meet their daily needs. The increasing number of students from outside the city of Yogyakarta who live independently and prefer to buy instant food rather than cooking is one of the culinary business opportunities. Moreover, students who are in Yogyakarta are not entirely native to Yogyakarta, so they are subjected to culinary business opportunities. In addition, the development of the tourism sector also requires support from the culinary sector to increase tourism attraction so that more entrepreneurs are interested in investing in the culinary business.

Nowadays, the food industry or the culinary world is growing fast, as exemplified by the numerous records of fast-food restaurants in big cities. Developments in the culinary world are also characterized by the increasing knowledge of customers about the culinary world that not only manufactures products but also provides services from the products they make.

The quality of products and services becomes a fundamental thing that must be met in the culinary business. In addition, practicality in the culinary field is also a major demand of urban society today. The city of Yogyakarta whose people have high mobility, needs this practicality, i.e., practicality in
meeting the needs. This opportunity is seized by many businessmen, creating the concept of a food court [1].

A food court is a place that is usually found in a building with counter facilities that provide various kinds of food and drinks. Customers order food by self-serving. Food courts are usually in one place with shopping centers and educational institutions. Today's food court business has mushroomed and has good prospects along with the increasing market demand for comfortable eating places that provide not only delicious and inexpensive food but also are comfortable and close to shopping locations. Competition in the food court business is relatively intense considering the nearly identical types of menu they offer. This triggers food court entrepreneurs to provide a better presentation that can compete with other products.

Jogja Paradise Food Court is one of the largest food courts in Yogyakarta. It is located on Street Magelang Km. 6, Kutu Tegal, Sinduadi, Mlati, Sleman Regency, close to Jombor bus station which is one of the entrances to the city of Yogyakarta. Its location that is on the main route of Semarang - Magelang makes Jogja Paradise Food Court very easy to find. Jogja Paradise Food Court was found in 2012 and occupies a land area of approximately 5,450 m² with a building area of 1,309 m² with a beautiful green park in the middle. This food court has approximately 20 culinary tenants consisting of two tenant areas. There is a shared area consisting of 14 small tenants and 6 independent tenants who have their own areas. The menus served are varied, such as foreign menus (western, Chinese, Thai, Korean, and Japanese) and local menus that suit the customers' characteristics. However, not all tenants are in business as some tenants are closed so that the menu offered on the menu list is not all available.

Food courts are generally in one place with shopping centers and educational institutions so that they already have customers who can directly visit their food court. It is possible for these customers to make repeat purchases. Jogja Paradise Food Court is one of the independent food courts that is not in one place with shopping centers or institutions so that the customers are those who incidentally visit the place, and thus the number is still uncertain.

The success of a food court business is greatly influenced by the quality of the food and services provided. This becomes important because the core of this business is a hybrid between goods and services [2]. Goods are the food and beverages offered, while services refer to the services provided. However, the services provided at Jogja Paradise Food Court are still not optimal, as evidenced when customers come, the waiter does not directly come to customers to help them in the ordering process. In addition, there is one facility that does not function properly, i.e., the Internet network (Wi-Fi). Therefore, integrated food and service management is needed so that the food court can be successful. In addition, product and service quality form the basis of consumer ratings of a business and determine consumer repurchase decisions.

Therefore, the writer wants to know some aspects vis a vis Jogja Paradise Food Court: (1) product quality, (2) service quality, (3) customers' tendency in repurchase decisions, (4) the effects of product quality on customers' tendency in repurchase decisions, (5) the effects of services on the tendency for customers' repurchase decisions, and (6) the effects of product and service quality on customers' tendency for repurchase decisions.

2. Methods

2.1. Research Design
This was a descriptive quantitative study.

2.2. Research Setting
This study was carried out in April 2020 at Jogja Paradise Food Court.

2.3. Research Subjects
The research subjects were 90 customers of Jogja Paradise Food Court.
2.4. **Data Collection Technique**
The data were collected using a close-ended questionnaire with a 4-point Likert scale.

2.5. **Data Analysis Technique**
The data analysis techniques used in this study were descriptive analysis, multiple regression analysis, and hypothesis testing. Descriptive analysis was used to analyze the characteristics of respondents and categories of variables. Multiple regression analysis was used to analyze the hypotheses. Furthermore, to find out whether the proposed hypothesis was accepted or rejected, it was tested using the t-test and F test.

3. **Results and Discussion**

3.1. **Result**

3.1.1. **Analysis of Respondents’ Characteristics**
Respondents’ characteristics are one general description of respondents or customers who come to Jogja Paradise Food Court. These characteristics, including information concerning the sex, age, occupation, and income of the 90 respondents, are presented in the following tables.

| Table 1. Respondents’ Sex |
|--------------------------|
| Sex          | Number of Respondents | Percentage (%) |
| Male         | 29                     | 32%            |
| Female       | 61                     | 68%            |
| Total        | 90                     | 100%           |

| Table 2. Respondents’ Age |
|---------------------------|
| Age (Year Old)            | Number of Respondents | Percentage (%) |
| 17 – 25                   | 56                     | 62%            |
| 26 – 34                   | 17                     | 19%            |
| 35 – 42                   | 9                      | 10%            |
| > 43                      | 8                      | 9%             |
| Total                     | 90                     | 100%           |

| Table 3. Respondents’ Occupation |
|----------------------------------|
| Occupation                      | Number of Respondents | Percentage (%) |
| Student                         | 48                    | 53%            |
| Civil Servant                   | 6                     | 7%             |
| Non-Civil Servant               | 22                    | 24%            |
| Others                          | 14                    | 16%            |
| Total                           | 90                    | 100%           |

| Table 4. Respondents’ Income |
|------------------------------|
| Income                      | Number of Respondents | Percentage (%) |
| < 1.000.000                 | 12                    | 13%            |
| 1.000.000 - 2.000.000       | 42                    | 47%            |
3.2. Analysis of Categories of Variables

3.2.1. Product Quality Variable

The data in Table 5 shows the variable categories of Jogja Paradise Food Court product quality obtained from the responses of 90 customers who filled 16 statements in the product quality variable.

| No. | Score Category | Frequency | Percentage (%) | Category |
|-----|----------------|-----------|----------------|----------|
| 1.  | X > 52         | 26        | 29             | High     |
| 2.  | 28 < X ≤ 52   | 64        | 71             | Medium   |
| 3.  | X ≤ 28        | 0         | 0              | Low      |
| Total|                | 90        | 100            |          |

The table above shows that the product quality variable was in the medium category, with a percentage of 71%. There were several indicators used to measure product quality variables by calculating the mean to find out which product quality indicators had the highest mean scores based on the responses of 90 respondents. Figure 1 depicts the mean indicators for product quality.

![Figure 1. The mean scores for service quality indicators](image)

Figure 1 shows that the freshness indicator had the highest mean score of 3.18 with sub-indicators in aroma, color, taste, and texture.

3.2.2. Service Quality Variable

The data in Table 6 show the categories of service quality variables at Jogja Paradise Food Court obtained from the responses of 90 customers who filled 17 statements on service quality variables.

| No. | Score Category | Frequency | Percentage (%) | Category |
|-----|----------------|-----------|----------------|----------|
| 1.  | X > 58.5       | 22        | 24             | High     |
| 2.  | 31.5 < X ≤ 58.5| 68        | 76             | Medium   |
| 3.  | X ≤ 31.5       | 0         | 0              | Low      |
| Total|                | 90        | 100            |          |
Based on the table above, it can be seen that the service quality variable was in the medium category, with a percentage of 76%. There were several indicators used to measure service quality variables by calculating the mean to find out which service quality indicators had the highest mean values based on the responses of 90 respondents. Figure 2 shows the mean score of service quality indicators.

![Product Quality Indicator](image)

**Figure 2.** The mean scores for service quality indicators

Figure 2 shows that the reliability indicator had the highest mean score of 3.06 with sub-indicators in the form of service readiness, accuracy, and complaint handling.

### 3.2.3. Repurchase Decision Variable

The data in Table 7 shows the variable categories of repurchase decisions at Jogja Paradise Food Court obtained from the responses of 90 customers who filled 17 statements on repurchase decision variables.

| No. | Score Category | Frequency | Percentage (%) | Category |
|-----|----------------|-----------|----------------|----------|
| 1.  | $X > 19.5$     | 11        | 12%            | High     |
| 2.  | $10.5 < X \leq 19.5$ | 77        | 86%            | Medium   |
| 3.  | $X \leq 10.5$  | 2         | 2%             | Low      |
| **Total** |         | **90**   | **100%**       |          |

Based on the data in Table 7, it can be seen that the repurchase decision variables were in the medium category, with a percentage of 86%. There were several indicators used to measure repurchase decision variables by calculating the mean to find out which repurchase decision indicators had the highest mean score based on the responses of 90 respondents. Figure 3 shows the mean score of repurchase decision indicators.

![The mean scores for repurchase decision indicators](image)

**Figure 3.** The mean scores for repurchase decision indicators
Figure 3 shows that the indicator of the number of purchases had the highest mean score of 2.92 with a sub-indicator, namely refusing to buy the product elsewhere. The indicator of repurchasing the same product in the future had a mean score of 2.7 with sub-indicators in the form of recommending to other customers and showing intensity in product purchases.

3.3. Multiple Regression Analysis

Multiple regression analysis was chosen to analyze the submission of hypotheses, one of which was to determine the effect of product quality and service quality variables on the tendency of consumer repurchase decisions at Jogja Paradise Food Court. Table 8 presents the results of multiple regression analysis carried out using SPSS 16.0 for Windows program.

| Variable          | Regression Coefficient (b) | t value | Sig.  | Result     |
|-------------------|----------------------------|---------|-------|------------|
| Product quality   | 0.118                      | 2.345   | 0.021 | Significant|
| Service quality   | 0.157                      | 4.247   | 0.000 | Significant|
| Constant = 2.541  |                            |         |       |            |
| Adjusted R² = 0.327|                            |         |       |            |
| F = 22.573        |                            |         |       |            |
| Sig. = 0.000      |                            |         |       |            |

The data presented in Table 8 generate a multiple regression equation as follows:

\[ Y = 2.541 + 0.118 X_1 + 0.157 X_2 + e \]  (1)

Based on the multiple regression equation above, a constant value of 2.541 implied that if the product quality and service quality were equal to zero, the customers' repurchase decision was 2.541. The beta coefficient values on the product and service quality variables were 0.118 and 0.157 respectively. It shows that each variable (X1 and X2) can positively predict the repurchase decision variable (Y).

3.4. Hypothesis Testing

Hypothesis testing was carried out using a t-test and F test. The results of the hypothesis testing are as follows.

3.4.1. T-Test (Partial)

As shown in Table 23, the t-value for the product quality variable was 2.345 with a significance value of 0.021, smaller than 0.05 (0.021 <0.05). The regression coefficient had a positive value of 0.236, and thus the hypothesis stating that "product quality has a positive impact on the tendency of customers' repurchase decisions at Jogja Paradise Food Court" was accepted.

The t-test for service quality variables resulted in a t-value of 4.247 with a significance value of 0.000, smaller than 0.05 (0.000 <0.05). The regression coefficient had a positive value of 0.428, and thus the hypothesis stating that "service quality has a positive impact on the tendency of customers' repurchase decisions at Jogja Paradise Food Court" was accepted.

3.4.2. F Test (Simultaneous)

From the test results in Table 23, an F value of 22.573 was obtained with a significance value of 0.000, smaller than 0.05 (0.000 <0.05). Then it can be concluded that the hypothesis stating that "product quality and service quality has a positive impact on the tendency of customers' repurchase decisions at Jogja Paradise Food Court" was accepted.
3.4.3. Coefficient of Determination Test (Adjusted $R^2$)

The test results of Adjusted $R^2$ can be seen in Table 23. The Adjusted $R^2$ value was 0.327. It shows that the repurchase decision variable was affected by both the product and service quality variables by 32.7%, while the rest (67.3%) was affected by other factors that were not included in this study.

4. Discussion

4.1 Product Quality at Jogja Paradise Food Court

The findings of this study show that the quality of products at Jogja Paradise Food Court is in the medium category. The indicators showing product quality include freshness, presentation, proper cooking, and food varieties. The first indicator, “freshness”, is of the highest mean with four sub-indicators, namely smell, color, taste, and texture. It implies that customers prefer food with appetizing aroma, fresh colors, delicious taste, and right texture (e.g. Soft over hard rice). On the contrary, food varieties score the lowest with two sub-indicators, namely food that suits one’s taste and affordable food. In this indicator, it is found that the food offered at Jogja Paradise Food Court is relatively expensive, and the food served has not suited the customers’ taste. Based on these findings, the management staff is suggested to encourage the tenants to serve menus with more variations and adjust the price to be more affordable by offering various menus in package format.

4.2 Service Quality at Jogja Paradise Food Court

Based on the results of this study, it is revealed that the quality of services at Jogja Paradise Food Court is in the medium category. The indicators used to measure this aspect include reliability, responsiveness, assurance, empathy, and physical evidence. Three indicators, namely reliability, empathy, and assurance gain the highest mean score. It means that the employees of Jogja Paradise Food Court are always ready and give sincere, friendly, and polite attention in serving customers. When there is a complaint from customers, they show high responsiveness. The food is served in time and as ordered. In addition, customers do not have to wait for long when they have additional orders. However, there are still some flaws in the services given to customers, as proved in the mean score for responsiveness indicator that was of the lowest with two sub-categories: responsive services and fast services. The data show that the employees are not responsive enough when it comes to cleaning the tables and welcoming the customers. When customers come, there is no employee who welcomes them. Moreover, customers often find their tables still dirty due to improper cleaning. When the food court is busy, the services provided are not optimal because of the limited number of employees. Based on those findings, it is suggested that greater cooperation to improve services is needed between the food court management and employees who will directly deal with the customers.

4.3 Repurchase Decision at Jogja Paradise Food Court

The research findings reveal that the customers’ repurchase decision at Jogja Paradise Food Court is in the medium category. Two indicators, namely future product repurchase and item quantity are used to measure this aspect. The later indicator is of the highest mean score, meaning that the food and drinks offered there are so varied that the customers can buy one or more items as they want. However, these customers cannot guarantee that they will repurchase the same product in the future.

4.4 The Effect of Product Quality on Customers’ Repurchase Decision at Jogja Paradise Food Court

The findings of this research show that product quality has a positive impact on customers’ repurchase decisions, and thus the hypothesis of this study is accepted. Product quality is an important matter for customers. Customers want the best quality for each product they buy. According to Kotler [3], product quality is a characteristic of a good or service that affects its ability to satisfy one’s explicit or implicit needs. Therefore, quality is highly related to customers’ values and satisfaction. Fiani and Japarianto [4]
affirm that the quality of food products has a vital role in determining customers’ repurchase decisions. If the food quality improves, the chance for repurchase will increase accordingly. Product quality plays an important role in attracting consumers to make repeat purchases. In addition, product quality is also closely related to profits for the company. The more qualified the product offered by the company, the higher the customer satisfaction [5].

A good assessment of product quality in accordance with the level of desires and needs of consumers will encourage consumers to make product purchases. Consumer experience in using products and services will produce consumer ratings. If these products and services satisfy consumers, consumers will make purchases so they can build consumer loyalty. Loyalty can make consumers make repeat purchases of the product. Product quality is a potential strategic weapon to defeat competitors. The company with the best product quality will grow rapidly, and in the long run, the company will be more successful than other companies.

4.5 The Effect of Service Quality on Customers’ Repurchase Decision at Jogja Paradise Food Court

The research findings show that service quality has a positive effect on customers' repurchase decisions, and thus the hypothesis proposed in this study is proven. Good service is an important key to the success of a company's business. According to Lovelock in Tjiptono [6], service quality is the level of good or bad conditions of services provided by companies in order to satisfy customers by providing or delivering services that exceed customers' expectations. Therefore, the customers' assessment of service quality is a reflection of evaluative perceptions of the service they receive at a certain time.

Quality must begin with customer needs and end with customer perception. The superior quality of service is expected to be able to attract consumers to repurchase the products or services offered by the company. The quality of service is closely related to purchasing decisions that are made in the service industry. Jogja Paradise Food Court is engaged in the service industry of providing food and drinks with medium service quality. This means that the service offered at Jogja Paradise Food Court is good and triggers customers to visit Jogja Paradise Food Court. A food court that has a family concept and provides indoor and outdoor spaces that are equipped with a playground in the middle of a large food court is a special attraction to visitors. The results of this study prove that the quality of service represented by the factors of appearance, speed, accuracy, friendliness, and comfort provided by the waiters will influence customers' repurchase decisions at Jogja Paradise Food Court.

The results of this study are in line with those of Amador [7] entitled “The Effects of Product and Service Quality on Consumers’ Attitude and the Implications on Repurchase Decisions (A Case Study at Semerbak Coffee Tembalang Semarang)”, stating that both product and service quality affect customers' attitudes, and customers' attitudes affect their repurchase decisions. Thus, by maintaining and improving product and service quality at Semerbak Coffee Tembalang, there will be a positive customer’s attitude that will eventually affect customers' repurchase decisions.

4.6 The Effect of Product and Service Quality on Customers’ Repurchase Decision at Jogja Paradise Food Court

The findings of this study reveal that product and service quality have a positive effect on customers’ repurchase decisions at Jogja Paradise Food Court, and thus the proposed hypothesis is accepted. Product and service quality affect customers’ repurchase decisions at 32.7%. It shows that there are other factors affecting customers’ repurchase decisions that are not identified in this study. In addition, this tendency can also be affected by the increasingly high business competition and the fact that Jogja Paradise Food Court is located near to Jogja City Mall and Indogrosir that also have a food court facility. These two competitors do not only sell daily needs but also provide a convenient food court area with more varied menus and affordable prices. Jogja Paradise Food Court has a wide, green garden in the middle of the food court area and some gazebos where customers can enjoy their food. Unfortunately, when the researchers carried out this study, the Wi-Fi connection there did not work. In fact, Wi-Fi is an important facility to the majority of the customers, i.e., students.
Product and service quality are very essential to make customers repurchase products in any company, including in Jogja Paradise Food Court. Excellent product and service quality will affect customers’ repurchase decisions. The findings of this study prove that the better the product and service quality is, the higher the customers’ chance to make repurchase decisions will be.

The findings of this study are in line with that of Marlina [8] in her study entitled “The Effects of Product, Price, and Service Quality on Purchase Decisions at Sederhana by Pass Padang Restaurant.” The findings affirm that three variables, namely product, price, and service quality have positive effects on purchase decisions as shown in the results of ANOVA test with F = 92.743 in a significance level of 0.000, meaning that the better the product, price, and service quality are, the higher the purchase will be.

5. Conclusion

The findings of this study lead to the following conclusions: (1) the quality of products at Jogja Paradise Food Court is in the medium category with 71%; (2) the quality of service is in the medium category as well with 76%; (3) the tendency for repurchase is in the medium category with 86%; (4) there is a positive and significant effect of product quality on repurchase decisions with t value of 2.345 in a significance level of 0.021; (5) there is a positive and significant effect of service quality on repurchase decisions with t value of 4.247 in a significance level of 0.000; and (6) product and service quality affect the tendency of customers’ repurchase decisions with 32.7% as shown in the results of Adjusted R².

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