

Analysis of the Influence of Product Quality, Price, and Brand Image on Repurchase Intention with Customer Satisfaction as Intervening Variables on Customers of Skincare MS Glow Products (Study of the Communities in North Labuhanbatu Regency)

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Abstract

This objective of the research is to analyze the effect of product quality, price, and brand image variables on repurchase intention with customer satisfaction as an intervening variable on MS Glow skincare products (study of the community in North Labuhanbatu Regency). The research uses quantitative approach. This is an associative research with primary and secondary data which are obtained through documentation study and statements list and use Likert scale as the measurement. The sample in this research is people in North Labuhanbatu Regency with minimum age of 18 years old, and has been a customer who has purchased MS Glow skincare products at least 1 time, the number of respondents is 170 people. The data are collected by distributing questionnaires with accidental sampling technique. The data analysis technique uses descriptive statistical analysis and path analysis, using Smart PLS. The research results found that product quality and brand image directly has a positive and significant effect on customer satisfaction, price has a positive but not significant effect on customer satisfaction. Product quality and price variables directly has a positive and significant effect on repurchase intention, brand image has a positive but not significant effect on repurchase intention. The variable of customer satisfaction has a positive and significant effect on repurchase intention, then indirectly product quality and brand image through customer satisfaction has a positive and significant effect on repurchase intention, price through customer satisfaction has a positive but not significant effect on repurchase intention.

Keywords

product quality; price; brand image; repurchase intention; customer satisfaction



I. Introduction

The phenomenon of competition in the world of beauty business is getting tougher. The factor that plays a role in the increasing growth of the beauty industry in Indonesia is the large population of Indonesia and is driven by the public's concern for skin care. There are nine dimensions of product quality, namely: shape, product characteristics, performance, accuracy and suitability, durability, reliability, ease of repair, appearance style or customer impression of the design of a product (Kotler and Keller, 2016). Not infrequently a high price is not a problem, if it is in accordance with the benefits of the product obtained, but there are also some customers who have the opposite perception. Product quality is not only emphasized on quality, but there are also customers who are interested in product packaging, halal assurance, and affordable prices among customers.

MS Glow is a local brand that presents a series of skincare for women and men in Indonesia. Founded in 2013, Shandy Purnamasari and Maharani Kemala are the founders of MS Glow. Both see the market needs in Indonesia by presenting a complete range of facial treatments. MS Glow is a brand that sells cosmetics, skincare and bodycare. MS Glow is certified by BPOM so that it is proven safe. Until now, MS Glow has 11 beauty clinics spread across several big cities, namely Jakarta, Bandung, Bali, Surabaya, Sidoarjo, Malang, and Medan. In addition to establishing several beauty clinics and stockists throughout Indonesia, sales of MS Glow products also use a reseller system, so far there are 3,000 resellers throughout Indonesia. MS Glow also continues to expand overseas.

Customer Data on MS Glow Stockist North Labuhanbatu Regency each month has increased the number of customers. However, the average total number of customers who re-purchase MS Glow skincare products. North Labuhanbatu Regency's stockist is only 21.65% in the last five months. From the data that has been described, we can see that people in North Labuhanbatu Regency are less interested in repurchasing MS Glow Stockist skincare products in North Labuhanbatu Regency. MS Glow skincare stockist in North Labuhanbatu Regency is still at the lowest level among 2 other competing products. This explains that consumers do not fully believe that MS Glow skincare products are able to meet their needs optimally. The large number of choices for beauty product brands has caused many consumers to turn to other products that have more superior specifications, such as the availability of free expert doctor consultation services and free facial services for the first purchase of competitor's skincare products, thus causing a decrease in customer buying interest in skincare products. MS Glow in North Labuhanbatu Regency.

There is a decrease in customer repurchase interest in MS Glow skincare products. There are 53% of customers who do not intend to try to repurchase other variations of skincare products that MS Glow offers. Based on preliminary interviews with pre-survey respondents that this was because customers were dissatisfied with MS Glow skincare products. However, there are 47% of customers who say they want to try the new MS Glow skincare product again. In addition, 67% of customers don't want to buy MS Glow skincare products on a regular basis. However, there are 33% of customers who agree to make regular purchases, because they already get satisfaction from MS Glow skincare products.

Customer satisfaction in using MS Glow skincare products is still relatively low. 53% Based on preliminary interviews with pre-survey respondents said that they use MS Glow skincare products because they want to use trending skincare products. However, there are 47% who are satisfied with using MS Glow skincare products because they are able to meet their needs. 40% of customers do not agree that MS Glow skincare products can brighten the skin with maximum results. Meanwhile, currently the most sought after cosmetic products by customers are cosmetic products that are able to lighten the skin quickly and accurately or "glowing". In the pre survey, there were also 67% of customers who did not agree that MS Glow skincare products could provide fast results when used.

The prices of skincare products in North Labuhanbatu Regency are very competitive. MS Glow skincare products are in second place, with the price of product packages including day cream, night cream, facial wash, and toner worth Rp. 300,000.00. This explains that the price of skincare products in North Labuhanbatu Regency is very competitive

II. Review of Literature

2.1 Product Quality

According to Kotler and Armstrong (2014), product quality is the ability of a product to perform its functions, this includes overall durability, reliability, accuracy, ease of operation, and product repair, as well as other product attributes. According to Arif (2012), there are five levels in product quality, namely Core Benefits, Basic Additional Benefits, Expected Product, Augmented Product, and Potential Product.). According to Tjiptono (2012), there are five types of product quality perspectives, namely Transcendental approach, Product-based approach, User-based approach, Manufacturing-based approach and Value-based approach.

According to Tjiptono (2008) there are eight dimensions of product quality, these dimensions are: Performance, Durability (durability), Conformance to specifications (conformity with specifications), Features, Reliability, Aesthetics, Perceived quality, Serviceability (ability to be repaired). While Kotler (2016) there are nine dimensions of product quality, namely: shape, product characteristics, performance, accuracy or suitability, durability, reliability, ease of repair, style and design.

2.2 Price

According to Kotler and Armstrong (2014) price is a value that is exchanged in the form of money to obtain or have the benefits of a product or service. Then the price is a material consideration for making a person's decision at the purchase stage which cannot be denied by the company because price is a determinant that affects someone's buying interest. Based on the theory that has been described, the researcher concludes that customers will benefit from the benefits of the product purchased with the value exchanged for the form of price. There are four indicators in price (Kotler and Armstrong, 2014) which include: Price Affordability, Price Compatibility with Product Quality, Price Compatibility with Benefits and Competitiveness on Price.

2.3 Brand Image

According to Kotler and Keller (2016) brand image is a name, term, sign, symbol, design, or a combination of these, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. According to Kotler (2016), an effective brand image can reflect three things, including:

- a. Build the character of the product and provide a value proposition.
- b. Convey the character of the product in a unique way so that it is different from competitors.
- c. Gives emotional power rather than rational power.

According to Simamora (2011), the brand image component consists of three parts, namely: the image of the maker (corporate image), the image of the user (user image), and the image of the product (product image). According to Keller (2016) the main dimensions to form a brand image are Brand Identity, Brand Personality, Brand Association, Brand Attitude and Behavior, and Brand Benefit and Competence.

2.4 Repurchase Interest

According to Kotler and Keller (2016) buying interest is how likely the customer is to buy a brand and service or how likely the customer is to switch from one brand to another. If the benefits are greater than the sacrifice to get it, the urge to buy is higher.

According to Kotler & Armstrong (2016) the main factors that influence a person's interest in repurchasing, namely cultural factors, psychological factors, personal personality factors, age, occupation, economic situation and lifestyle, and social factors including small reference group factors.

2.5 Customer Satisfaction

According to Kotler and Keller (2016) customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the performance (results) of the product that is thought to be expected. If the performance is below expectations, the customer is not satisfied, if the performance meets expectations, the customer is satisfied, and if the performance exceeds expectations, the customer is very satisfied or happy. Customer satisfaction is a measurement and customer assessment of how well the service or product can meet the needs, including the service received from the purchase stage to the consumption or post-purchase stage (Narteh, 2015). Customer satisfaction can be measured using various methods, namely: Complaints and Suggestions System, Customer Satisfaction Survey, Shadow Buyers, and Lost Customer Analysis. According to Saputra (2018), he explains that the survey method is the best method in measuring customer satisfaction.

According to Kotler (2016) the dimensions of customer satisfaction are: Product quality is declared quality for customers, if the product can meet their needs; Emotional customers who feel proud and believe that other people admire him when using certain branded products, tend to have higher levels of satisfaction; and Price Products of the same quality, but relatively affordable prices will provide higher value to customers. According to Kotler's (2016) theory, one of the keys to retaining customers is creating customer satisfaction. Indicators of customer satisfaction can be seen from Re-purchase, Creating Word-of-Mouth, Creating Brand Image, and Creating Purchase decisions in the same company.

III. Research Method

This type of research is using a quantitative approach. The nature of this research is associative research with a causal relationship. Associative research is a research question that is asking the relationship between two or more variables. This research was conducted in North Labuhanbatu Regency, the object is the MS Glow Stockist skincare product customer, North Labuhanbatu Regency, which is on M. Siddik Street, North Labuhanbatu Regency. This research started from July to November 2021. The population in this study were customers of MS Glow skincare products in North Labuhanbatu Regency, starting from January - May 2021, there were 423 people with 170 respondents. The data collection method used in this research is documentation and questionnaire studies, while the data analysis technique uses descriptive statistical analysis and path analysis using Smart PLS.

IV. Results and Discussion

4.1 The Influence of Product Quality on Repurchase Interest

Based on research on product quality variables that have been distributed to 170 respondents, it shows that most respondents agree with the statement submitted. Based on the statement "MS Glow skincare products can beautify facial skin", this shows the dominant value that leads to strongly agree that the quality of MS Glow skincare products can be relied on, namely to beautify the customer's facial skin. The quality of MS Glow

skincare products was acknowledged by respondents as having been optimal in overcoming facial skin problems experienced by respondents, such as making the face more glowing, cleaner, smoother and brighter than before. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "MS Glow skincare products have a low alcohol content", this shows a dominant value that leads to less agree that MS Glow skincare products have a low alcohol content after being used by respondents.

The quality of MS Glow skincare products affects customers in generating repurchase interest. The MS Glow product variety has 4 types, namely the whitening solution package for dull skin that helps the skin look glowing and normal facial skin conditions, then the Ultimate solution package for spots, aging, dull and hyperpigmentation facial skin, then the acne solution package for acne and oily skin, and reduce acne growth, the last package is luminous solution for dull face, black spots and acne scars, helps skin look glowing. However, after using MS Glow skincare products, customers complained that they had new problems.

4.2 The Influence of Price on Repurchase Interest

Based on research on the price variable that has been distributed to 170 respondents, it shows that most respondents agree with the statement submitted. Based on the statement "the price of MS Glow skincare products is in accordance with the quality given", this shows the dominant value that leads to agreeing that the price of MS Glow skincare products is in accordance with the quality given. Some respondents admitted that the quality of MS Glow skincare products was in accordance with the price paid. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "the price of MS Glow skincare products is very affordable", this shows the dominant value that leads to disagreement, some respondents think that the price of the products offered by MS Glow is less affordable.

The price of MS Glow skincare products affects respondents' repurchase interest. Respondents' perception that the quantity of the product assessed is not comparable to the price offered by the MS Glow company. Respondents also think that they have a little difficulty in making purchases regularly at the prices offered by MS Glow, the response is dominated by teenagers and students.

4.3 The Influence of Brand Image on Repurchase Interest

Based on research on the brand image variable that has been distributed to 170 respondents, it shows that most respondents agree with the statement submitted. Based on the statement "MS Glow skincare products are easy to remember", this shows the dominant value that leads to strongly agree that the MS Glow brand is very easy to remember and is already familiar to customers. However, there are still respondents who state that they do not agree with the existing statement. As for the statement for "MS Glow skincare products are safer than other products", this shows a dominant value that leads to less agree, respondents think that they are neutral not to compare which product is safer, this response can be seen that there is little doubt by customers on the brand image of MS Glow. MS Glow in the future will further enhance the brand image so that customers have more confidence in the safety of their products so that customers will make repeat purchases.

4.4 The Effect of Product Quality on Customer Satisfaction

Based on research on product quality variables that have been distributed to 170 respondents, it shows that most respondents agree with the statement submitted. Based on the statement “the packaging design of MS Glow skincare products is attractive”, this shows the dominant value that leads to strongly agree that customers are satisfied with the product packaging design provided by MS Glow. Respondents admitted that the packaging design for MS Glow skincare products looks simple and elegant, this is interesting for some respondents. However, there were still respondents who stated that they did not agree with the existing statements. The statement for "MS Glow skincare products are available in various sizes according to customer needs" this shows the dominant value which leads to a disagreement that MS Glow skincare products do not have various sizes that can be chosen by customers.

Product quality affects customer satisfaction after using MS Glow skincare products. Most of the respondents were satisfied after using MS Glow skincare products, but some of the respondents also complained that they took a long time to be able to solve the problems they were experiencing, they had used skincare products for quite a long time, but the results have not been felt. Then the respondents did not get the expected solution, but added new problems such as acne, itching, and so on.

4.5 The Effect of Price on Customer Satisfaction

Based on research on the price variable that has been distributed to 170 respondents, it shows that most respondents agree with the statement submitted. Based on the statement "the price of MS Glow skincare products is in accordance with the quality desired by the customer", this shows the dominant value that leads to agreeing that the customer is satisfied and the price offered by MS Glow is reasonable according to the quality desired by the customer. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "MS Glow skincare products often give discounts", this shows the dominant value leads to disagree, respondents think that MS Glow skincare products rarely give discounts to their customers.

The price of MS Glow skincare products has a positive but not significant effect on customer satisfaction. This is because the price of MS Glow skincare products offered is in accordance with the quality of the product, has a price that can compete with similar brands and the price match with the benefits of the product. Thus, most respondents do not really consider the price for the satisfaction they get.

4.6 The Effect of Brand Image on Customer Satisfaction

Based on research on the brand image variable that has been distributed to 170 respondents, it shows that most respondents agree with the statement submitted. Based on the statement “MS Glow skincare products are tailored to skin type”, this shows a dominant value that leads to strongly agree that customers are satisfied with MS Glow because they pay great attention to their customers' skin types in using the skincare offered. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "MS Glow skincare products have a distinctive aroma", this shows the dominant value that leads to less agree that MS Glow skincare products have a distinctive aroma.

Brand image influences repurchase interest in MS Glow skincare products. This is because the interest in repurchasing MS Glow skincare products can be built through a brand image that has a good reputation among the public, respondents have often heard of

MS Glow skincare products, respondents like their products because they are promoted by well-known artists and the artist's reputation is also good.

4.7 The Influence of Customer Satisfaction on Repurchase Interest

Based on research on customer satisfaction variables that have been distributed to 170 respondents, it shows that most of the respondents agreed with the statement submitted. Based on the statement "customers are more confident when using MS Glow skincare products", this shows the dominant value that leads to agreeing that using MS Glow skincare products will increase customer confidence. Respondents admitted that after using MS Glow skincare products, respondents felt more confident, one of the reasons was because of the image that MS Glow had which was well known by the public. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "customers are happy with the prices offered by MS Glow skincare products", this shows the dominant value that leads to disapproval, some respondents are not happy with the prices offered by MS Glow.

Customer satisfaction affects respondents' repurchase interest. Customer satisfaction is the most important factor to increase the frequency of customer interest in making repeat purchases. Respondents stated that MS Glow skincare products were able to give them confidence after using the product. respondents also stated that MS Glow skincare products were able to make the face more glowing and brighter, so as to provide satisfaction and encourage respondents to repurchase MS Glow skincare products.

4.8 The Effect of Product Quality on Repurchase Interest through Customer Satisfaction

Based on the results of the questionnaire that has been distributed to 170 respondents, it shows that most respondents agree with the statement submitted, in this case the quality of the product perceived by the customer is very good, thereby increasing customer satisfaction and making customers want to repurchase MS Glow skincare products. Based on the statement "MS Glow skincare products can beautify the face", this shows that respondents are satisfied with the quality of the products provided and increase their buying interest in MS Glow skincare products. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "MS Glow skincare products are available in various sizes according to customer needs", where customers think that the size options offered by MS Glow are available with one choice of each type. This can be input and advice for the MS Glow company. Customer satisfaction has an effect on mediating product quality on repurchase interest. This is because the respondent's perceived customer satisfaction with the quality of MS Glow skincare products makes respondents interested in making repeat purchases.

4.9 The Effect of Price on Repurchase Interest through Customer Satisfaction

Based on the results of the questionnaires that have been distributed to 170 respondents, it shows that most of the respondents agreed with the statement submitted. Based on the statement "the price of MS Glow skincare products is in accordance with the quality provided", this shows that customers are satisfied with the quality of the products provided by MS Glow. Respondents who are satisfied with the quality of MS Glow skincare products will intend to make repeat purchases. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "MS Glow skincare products often provide discounts", this shows the dominant value that leads to disagreement and makes customers feel dissatisfied. This of

course can be an input for MS Glow company, especially price discounts are very influential in attracting customers' attention to increase customer repurchase interest.

Promotion strategy is a concept that is close to communication science. In the promotion, there are various forms of communication learned in communication science such as advertising, publicity, communication from mouth to mouth, personal sales, and direct marketing (Amin, 2019). Marketing is a process of planning and execution, starting from the conception stage, pricing, promotion, to the distribution of goods, ideas and services, to make exchanges that satisfy the individual and his institutions (Dianto in Asmuni *et al*, 2020).

MS Glow is known as a brand that works with well-known artists as part of promotions, but perhaps what customers want more is to give their customers a discount. Given the various perceptions of respondents, so that the influence of price through customer satisfaction on repurchase interest has a positive but not strong effect.

Price has an effect but not significant on repurchase intention through customer satisfaction on MS Glow skincare products. This is because the price of MS Glow skincare products offered is in accordance with the quality of the product, has a price that can compete with similar brands and the price match with the benefits of the product. Thus, most of the respondents were satisfied and did not consider the price too much for their intention to repurchase MS Glow skincare products.

4.10 The Effect of Brand Image on Repurchase Interest through Customer Satisfaction

Based on the results of the questionnaires that have been distributed to 170 respondents, it shows that most of the respondents agreed with the statement submitted. Based on the statement "MS Glow skincare products are adapted to skin type", this shows the dominant value that leads to strongly agree that MS Glow really pays attention to customers in terms of adjusting skincare products to customer skin types, of course customers will be satisfied with this adjustment and will increasing interest in repurchasing MS Glow skincare products. However, there were still respondents who stated that they did not agree with the existing statements. As for the statement for "MS Glow skincare products have a distinctive aroma", this shows the dominant value that leads to disapproval, respondents think that MS Glow skincare products do not have a distinctive aroma.

Brand image through customer satisfaction influences repurchase interest in MS Glow skincare products. This is because respondents are satisfied with the brand image of MS Glow skincare products which have a good reputation among the public, thus influencing customer repurchase interest.

V. Conclusion

1. Product quality has a positive and significant effect on customer satisfaction for MS Glow Stockist skincare products in North Labuhanbatu Regency.
2. Price has a positive but not significant effect on customer satisfaction for MS Glow Stockist skincare products in North Labuhanbatu Regency.
3. Brand Image has a positive and significant effect on customer satisfaction for MS Glow Stockist skincare products in North Labuhanbatu Regency.
4. Product quality has a positive and significant effect on the intention to repurchase MS Glow Stockist skincare products in North Labuhanbatu Regency.

5. Price has a positive and significant effect on the Repurchase Interest of MS Glow Stockist skincare products in North Labuhanbatu Regency.
6. Brand Image has a positive but not significant effect on the Repurchase Interest of MS Glow Stockist skincare products in North Labuhanbatu Regency.
7. Customer satisfaction has a positive and significant effect on the intention to repurchase MS Glow Stockist skincare products in North Labuhanbatu Regency.
8. Product quality has a positive and significant effect on Repurchase Interest through Customer Satisfaction of MS Glow Stockist skincare products in North Labuhanbatu Regency.
9. Price has a positive but not significant effect on Repurchase Interest through Customer Satisfaction of MS Glow Stockist skincare products in North Labuhanbatu Regency.
10. Brand Image has a positive and significant effect on Repurchase Interest through Customer Satisfaction of MS Glow Stockist skincare products in North Labuhanbatu Regency.

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