Effect of Product Quality, Customer Satisfaction, Trust, and Brand Image on Repurchase Intention. Case Study: Halal Cosmetic Products

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Abstract

This study aims to investigate the factors that trigger interest in repurchasing halal cosmetic products in Indonesia. Based on previous literature studies, it was found that the variables of product quality, consumer satisfaction, trust and brand image were predictors of the emergence of intention to repurchase a product by consumers. So in this study the researchers used the variables mentioned above to predict the intention to repurchase halal products. This study uses a quantitative approach with data collection methods using online questionnaires. Respondents in this study were women who had bought halal cosmetic products in the past year. The results showed that there was a positive and significant effect on the repurchase intention of halal cosmetic products. So that all hypotheses in this study are supported. This research provides insight to practitioners and marketing managers to be able to generate interest in repurchasing their products, especially in the context of halal cosmetic products in Indonesia.

I. Introduction

Today, more and more Muslim consumers are aware of the fact that skin - and what we apply to our skin, requires more attention to detail. The skin is the largest organ of the body, and its care is just as important as our internal digestive system. The existence of organic cosmetics to vegan, for many people have met the desired standard for products that are healthier for the skin and environmentally friendly. Although there is overlap between these ideals and halal cosmetics, halal-certified beauty products offer assurance that not only healthy ingredients are used, but that manufacturing and production regulations that strictly follow Islamic law are complied with (Halal-WW, 2021).

The development of today's increasingly competitive business environment makes companies need to continue to be customer-oriented (Kotler, 1997). One important aspect that needs to be considered is customer satisfaction which is a modern approach to product quality and the development of a consumer-oriented corporate management culture (Cengiz, 2010).

Research shows that customer satisfaction is the basis and source of success for an organization. Thus, customer satisfaction is the basis of the relationship between marketing and good management (Claycomb & Martin, 2002). Henkel et al. (2006) found that customers who are satisfied with the services provided by the company will increase their use and their intention to repurchase in the future.

Satisfied customers will certainly make the perception of the brand better. The results showed that consumer satisfaction had a significant effect on brand image. According to Hsin-Hui Sunny Hu, et al (2009). More satisfied customers result in a better company

image. Meanwhile, Brown and Gulycz (2001) consider customer satisfaction as an important tool to retain customers in the future and with positive repurchase intentions.

To make consumers have the intention to make repeat purchases, it is necessary to have an aspect of trust. Trust is an important component of various forms of transactional relationships (Syafriza & Widodo, 2018). Many disciplines have analyzed trust, such as psychology, economics, marketing, and information systems.

In online purchases, for example, customers tend to easily move from one e-commerce to e-commerce so that it becomes a challenge for e-commerce considering that attracting new customers is much more expensive than retaining existing customers. For this reason, reducing customer perceptions of risk is very relevant to ensure they are willing to repurchase (Gefen et al., 2003). Regular consumers usually feel a much higher level of certainty than new buyers, because they already have direct experience with the product (Chiu et al., 2012). This is very important to understand so that customers can make repeat purchases at the same place.

The results of this study are expected that the company must pay attention to the factors of product quality, positive experience, trust, and brand image in the company's operational activities. This is because these three factors have the potential to create customer decisions that will increase buying interest.

II. Review of Literature

2.1 Product Quality

The influence of good product quality, of course, is one aspect that can support the sustainability of the product, but it is not the only aspect. According to Kotler and Keller (2009) product quality is the overall characteristics and characteristics of a product or service that depend on its ability to satisfy stated or implied needs. Good product quality will provide satisfaction for consumers who have consumed the product. Zhang et al. (2013), found that customer satisfaction is determined by product performance. For this reason, the company must first identify, so that management is required to be able to invest in product attributes to achieve the highest level of satisfaction. Research conducted by Pesoth (2015), also shows that product quality affects cigarette customer satisfaction. Razak et al. (2016), found that product quality has an effect on consumer satisfaction for toothpaste products. According to Ishaq et al. (2014), companies recognize that quality can be an important differentiator between their own products from their competitors.

Consumers today are more concerned about the quality of the final product than the process that turns it into a reality. The results of his research also show that product quality has a significant effect on customer satisfaction. Megatef (2015), found that product is the strongest variable on customer satisfaction where quality involves setting quality standards for products and applying assurance methods to staff and facility performance levels.

2.2 Trust

According to Ferrinnadewi (2008) brand trust is the brand's ability to be trusted, which comes from consumer confidence that the product is able to fulfill the promised value and brand intentions based on consumer confidence that the brand is able to prioritize the interests of consumers.

Trust, especially in relation to online shopping, is defined as a willingness to suffer losses, for example when they receive goods or services that do not meet their expectations (Ananda & Kurniawan, 2017). In addition, trust can influence consumer decisions to make transactions (Sargih & Sinay, 2014). Trust is formed by previous interactions and past

experiences. In the context of buying and buying and selling transactions, trust means the awareness and feelings of consumers when using certain services and products (Ananda & Kurniawan, 2017).

2.3 Brand Image

According to Tjiptono (2011) brand image is a picture of consumer associations and trust in certain brands. People will be more familiar with a product, if the company can build a good brand image in the eyes of consumers.

According to Kotler, Philip & Kevin Lane Keller (2013) brand image is the perception and trust that consumers have of a product that forms consumers' memories. Nischay K. Upamannyu and Bhakar, S.S (2014) state that brand image success is achieved when a brand is able to provide what consumers want and understand what they need. Satisfied customers will certainly make the perception of the brand better. The results showed that consumer satisfaction had a significant effect on brand image. According to Hsin-Hui Sunny Hu, et al (2009). More satisfied customers result in a better company image.

According to Kotler (2008), measurement of brand image can be done based on 3 indicators as follows: 1. Strength is an advantage possessed by a brand physically that is not found in other brands. 2. Uniqueness is the ability to distinguish a brand from other brands. 3. It is advantageous to choose what is liked and unique in relation to the brand, marketers must analyze consumers and competition carefully to decide the best position for their brand.

According to research by Erdil (2015), brand image affects consumer behavior in purchasing intentions. Wang et al. (2014) stated that brand image has a direct and significant positive effect on purchase intention

2.4 Repurchase Intention

Repurchase intention is an individual's judgment about buying a product from the same company again, taking into account the current situation and other possibilities. In repurchase intention, the buyer already has direct experience with the seller and can use this experience as a source of decision making (Fang et al., 2014).

Repurchase is defined as the actual behavior of a consumer that results in the purchase of the same product or service more than once. The majority of consumer purchases are potential repeat purchases (Peyrot and Van Doren 1994). While repurchase is an actual act, repurchase intention is defined as a customer's decision to engage in a future activity with a retailer or supplier (Hume, Mort & Winzar 2007).

III. Research Methods

This study uses a quantitative approach. The study employed surveys as the medium to collect data. A survey is best suited for studies that have people as the unit of analysis (Bhattacherjee, 2012). The respondents are consumers who have purchased any products online before. Based on the criteria, a total of 400 persons were purposely selected and used as samples for this study. They are assumed to have first-hand knowledge of the subject matter. Thus, a purposive sampling technique was employed in this study. The purposive sampling technique, also called judgment sampling, is the deliberate choice of informant due to the qualities the informant possesses. It is a technique in which an expert or experienced researcher selects the sample based upon some appropriate characteristics of the sample members.

Research Hypothesis
H1: Product quality has a positive and significant effect on Re-purchase intention.
H2: Customer satisfaction has a positive and significant effect on Re-purchase intention.
H3: Trust has a positive and significant effect on Re-purchase intention.
H4: Brand Image has a positive and significant effect on Re-purchase intention.

IV. Results and Discussion

4.1 Outer Model Testing
The analytical method used in this study was to analyze the data using the PLS SEM method through SMART PLS 3 software. In testing the outer model there are several things that are tested, namely the validity and reliability of research measuring instruments.

a. Validity Test
The validity test can ensure that the set of items used are qualified and representative and see how well the dimensions and elements of the concept have been described in the questionnaire (Sekaran and Bougie, 2016: 221). The validity tests used in this study are content validity, and construct validity, namely convergent validity and discriminant validity.

Table 1. Convergent Validity Test Results

	BRAND IMAGE	POSITIVE EXPERIENCE	PRODUCT QUALITY	REPURCHASE INTENTION	TRUST
BI1	**0.891**	0.608	0.587	0.684	0.628
BI2	**0.929**	0.691	0.616	0.690	0.696
BI3	**0.910**	0.630	0.629	0.678	0.687
PE1	0.639	**0.905**	0.662	0.624	0.581
PE2	0.670	**0.944**	0.682	0.641	0.633
PE3	0.649	**0.923**	0.709	0.568	0.660
PE4	0.639	**0.903**	0.683	0.591	0.624
PQ1	0.666	0.691	**0.941**	0.644	0.589
PQ2	0.652	0.699	**0.950**	0.645	0.579
PQ3	0.570	0.709	**0.931**	0.595	0.602
RPI1	0.682	0.622	0.660	**0.920**	0.542
RPI2	0.736	0.616	0.610	**0.935**	0.647
RPI3	0.683	0.611	0.600	**0.941**	0.623
TR1	0.653	0.582	0.551	0.598	**0.931**
TR2	0.708	0.640	0.599	0.625	**0.929**
TR3	0.676	0.657	0.585	0.570	**0.906**

Source: Data Processed by Researchers, 2022

Based on Table 1 above, it can be seen that all the items have met the existing prerequisites, meaning that these items are able to explain the research variables well. If the loading value has a correlation with other constructs, the correlated items can be deleted, because these items cannot explain the research variables properly. Research items can be said to be valid when the loading value ranges from 0.4 to 0.7 (Hair et al., 2014).

Table 2. Fornell-Larcker Criterion. Discriminant Validity Test

	BRAND IMAGE	POSITIVE EXPERIENCE	PRODUCT QUALITY	REPURCHASE INTENTION	TRUST
BRAND IMAGE	0.91				
POSITIVE EXPERIENCE	0.706	0.919			
PRODUCT QUALITY	0.671	0.744	0.941		
REPURCHASE INTENTION	0.751	0.661	0.669	0.932	
TRUST	0.736	0.678	0.627	0.649	0.922

Source: Data Processed by Researchers, 2022

Discriminant validity is the extent to which a construct is completely different from another construct by empirical standards. One way to find out whether a construct is discriminantly valid is to use the Fornell-Larcker Criterion. The Fornell-Larcker criterion is an approach that compares the square root of the AVE value with the correlation of the latent variables (Hair, 2014). Based on table 2 above, it can be seen that each variable can be declared valid discriminantly.

b. Reliability Test

Reliability test is used to measure the reliability or level of consistency of a questionnaire if it is used as a measuring instrument at different times.

Table 3. Reliability Parameter Values

	Cronbach's Alpha	Composite Reliability	AVE
BRAND IMAGE	0.896	0.935	0.828
POSITIVE EXPERIENCE	0.939	0.956	0.845
PRODUCT QUALITY	0.935	0.958	0.885
REPURCHASE INTENTION	0.925	0.952	0.87
TRUST	0.912	0.944	0.85

Source: Data Processed by Researchers, 2022

Table 3 shows the value of Cronbach's Alpha and Composite Reliability. Based on the table, the value of Cronbach's Alpha and Composite Reliability shows a value greater than 0.70. So it can be said that all the constructs in this study are reliable and have consistency when used as a measurement from time to time.

4.2 Inner Model Testing

The test of the inner model aims to test the path relationship and the research hypothesis. In this study, testing was conducted to test the three hypotheses in this study by looking at the path coefficient value (β) and the significance of p-value. If the path coefficient value is positive, it indicates that the exogenous construct is positively related to the endogenous construct, whereas if the path coefficient value is negative, the exogenous construct is negatively related to the endogenous construct and the significance value of p value which shows a value of less than 0.05 (significant at 5% level) indicates that the hypothesis is supported (Hair et al., 2014)
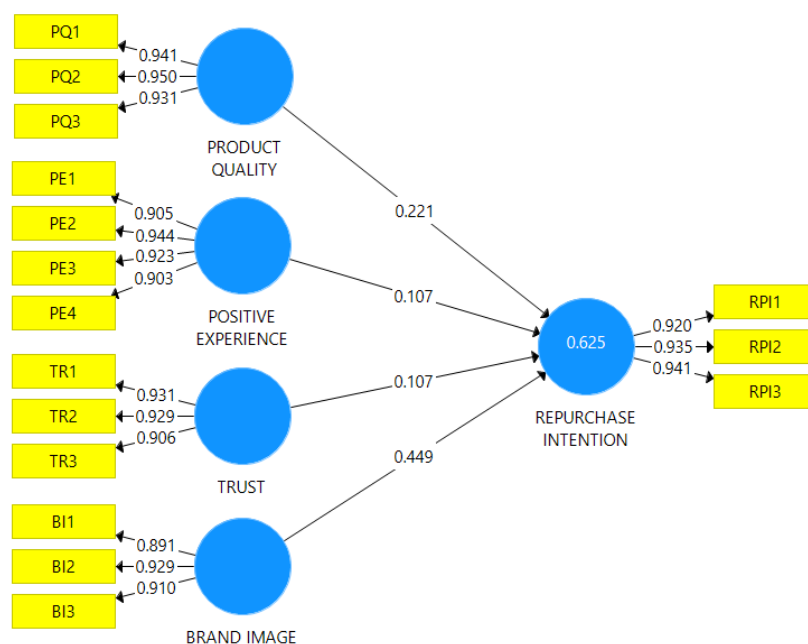
Figure 1. Hypothesis Test Results with Structural Model

Based on the model above, it is known that all the items used in this study have reached the lower limit of the loading value, so it can be said that the items can be used as a measuring tool and can be tested further.

Table 4. Path Coefficient and P-value

	Path coefficients	P-Values
BRAND IMAGE -> REPURCHASE INTENTION	0.449	0.000
POSITIVE EXPERIENCE -> REPURCHASE INTENTION	0.107	0.000
PRODUCT QUALITY -> REPURCHASE INTENTION	0.221	0.000
TRUST -> REPURCHASE INTENTION	0.107	0.000

Source: Data Processed by Researchers, 2022

The path coefficient table above shows all the relationships between the variables studied in this study. it can be seen that all path relationships have p-values less than 0.05 so it can be said that all relationships between variables have a significant relationship and the hypothesis in the study is supported.

4.3 Discussion

This study aims to examine the effect of product quality, consumer satisfaction, trust and brand image variables on repurchase intentions. Repeat purchases are an indication of customer loyalty, customers who make repeat purchases can be said to be loyal customers. Getting loyal customers is of course the dream of every company, so it is important to know what predictors of the emergence are of repurchase intentions.

For Muslims, consuming halal products is not an option but an obligation. Due to the increased understanding of religious obligations, the demand for halal products has shown the fastest growth in the world market (Talib et al, 2020). Halal products are the center of Muslims but the majority of the producers are non-Muslims (Ngah et al, 2015). The concept of halal is not only limited to food, but has penetrated into several other products such as cosmetics.

The results showed that product quality had an effect on interest in repurchasing halal cosmetic products. in the sense that the need for halal products is accompanied by the need for good quality products. Therefore, companies must still provide good quality halal products so that they can meet the needs of consumers of halal products, especially Muslim consumers. The results of this study are in line with previous research by Rahman (2015) which states that the quality of halal products triggers the emergence of behavior.

Furthermore, the predictor variable for repeat purchases is customer satisfaction. It is generally known that satisfied consumers have a high potential to make repeat purchases. The results of this study strengthen the previous statement. Based on the results of the analysis in the context of halal products, it was found that customer satisfaction has a positive and significant effect on repurchasing halal cosmetic products in Indonesia.

Trust is identified as an important factor in several literatures, including marketing and behavioral science. A consumer's repurchasing process is different from the initial purchasing process. Repurchasing is not just another initial purchase since in repurchasing the consumer already has prior experience. Therefore, additional or different theoretical insights will be needed to understand the repurchasing process.

In this study, it was found that brand image has a significant influence on the repurchase intention of halal cosmetic products. In the context of Indonesia, a good brand image can be developed if halal cosmetic manufacturers sponsor major Islamic programs broadcast on television, radio, and other social media channels. In addition, since Islam is the official religion of Indonesia, several Islamic programs are available and followed by Muslim consumers. Joining these programs can create a better brand image for Muslim consumers in Indonesia.

V. Conclusion

Based on the results of the research analysis, it can be concluded as follows:
1. Product quality is proven to have a positive and significant effect on the repurchase intention of halal cosmetic products.
2. Customer satisfaction is proven to have a positive and significant effect on the repurchase intention of halal cosmetic products.
3. Trust is proven to have a positive and significant effect on the repurchase intention of halal cosmetic products.
4. Brand Image is proven to have a positive and significant effect on the repurchase intention of halal cosmetic products.

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