

THE INFLUENCE OF LOCATION, SERVICE QUALITY, PRICE, BRAND IMAGE AND PRODUCT QUALITY ON CUSTOMER LOYALTY MEDIATED WITH INTEREST IN REPURCHASING SAUDIA HIJAB PRODUCTS

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Abstract: This research aims to determine the influence of location, service quality, price, brand image and product quality on customer loyalty mediated by repurchase interest in Saudi hijab products in the Kembangbahu village market (structural equation modeling (SEM) method - partial least squares (PLS)). The sampling technique in this research used a simple random sampling technique. The method used for analysis is SEM with the Smart PLS version 3.0 tool. The tests used are Outer Model Test, Inner Model Test, Mediation Test and Hypothesis Test. Based on the results of the Validity test, it shows that the Loading Factor value is more than 0.7 and the AVE value is more than 0.5, which is declared valid. In the Reliability test, the Composite Reliability and Cronbach's Alpha values above 0.7 are said to be Reliable. On the variables of location, service quality, price, Brand image and product quality have a positive and significant effect on repurchase intention. In the location variable, service quality, price, brand image and product quality have a positive and significant effect on customer loyalty, and the repeat purchase interest variable also has a positive and significant effect on customer loyalty. It can be concluded that the results of this research show that location, service quality, price, brand image and product quality, if mediated by repurchase interest, will increase customer loyalty in the Kembangbahu village market.

Keywords: Location, Service Quality, Price, Brand Image, Product Quality

1. Introduction

In the current era of globalization, business has shown a lot of sophistication in the rapidly developing world of technology. With the proliferation of existing technology, today's people's lifestyles are also increasing. The women's movement has recently become a trend. Women's emancipation is reflected in the active role of different women in various places. Currently, female politicians are widespread, and also in the business sector, women participate actively as actors and participants in economic management.

Customer loyalty in business is certainly nothing new. In business, customer loyalty often refers to consumers or customers who buy products from our company repeatedly. Thus, customer loyalty can be interpreted simply as consumer or customer loyalty.

Loyalty customers show that customers are very satisfied because most consumers want to try the products offered by the company and then feel satisfied or disappointed. If consumers are satisfied then they will continue to buy the product and this makes consumers loyal to the

product. Customers who are loyal to the product bring more profits to the company than experiencing customer turnover. This is because companies have to spend more to attract new customers compared to retaining customers.

Loyalty does not come easily, a strategy is needed to manage consumers. Companies must be able to identify current and future consumer needs and expectations. In business, customer loyalty is considered the main factor that determines the level of sales of a company's products. Loyalty can influence someone to decide to repurchase the product or service they purchased. Customer loyalty is very important because many companies really hope to retain their consumers or customers for a long time or even forever.

The importance of loyalty to the company makes loyalty a phenomenon that has received a lot of attention from researchers, which has encouraged the birth of a lot of research in the field of customer loyalty, which ultimately gave birth to many definitions of loyalty and continues previous development experience.

Customer loyalty is often associated with repeat purchase interest. Because repurchase interest is an assessment of a product made by customers in meeting their expectations for the product. This can be seen in the field phenomenon regarding repurchase interest, where if a customer is satisfied with an item they have purchased, it is likely that the customer will be loyal to that product and will continue to have an interest in repurchasing at that place. However, on the other hand, if a customer is dissatisfied with the service or the goods they have purchased do not meet their expectations, then the buyer will not buy the product again.

Based on the context above, the author took the title, namely "The Influence of Location, Service Quality, Price, Brand Image, and Product Quality on Customer Loyalty Mediated by Repurchase Interest in Saudia Hijab Products in the Kembangbahu Village Market (Structural Equation Modeling (SEM) Method - Partial Least Square (PLS))".

2. Literature Review

Location

According to Lupiyoadi (2020) location or distribution channel is the relationship with which the company carries out its operations or activities. From the definition above, it can be concluded that location is a very important aspect so it is necessary to pay attention to the strengths and weaknesses of a particular location in order to achieve business goals.

Service quality

According to Siboro & Suhardi (2020: 121), service quality is a measure of how high the service consistently meets or exceeds customer expectations.

According to Irfanudin (2019: 8), service quality is defined as a dynamic condition related to goods, resources, services, operations and areas that meet or exceed expectations.

Price

According to Kotler (2019: 131), price is the amount of money charged for a particular product. Industries set prices in a variety of methods. In large companies, pricing is generally handled by division managers and product line managers.

Brand Image

According to Firmansyah (2019), brand image can be defined as a perception that appears in consumers' minds when they remember a brand of a particular product. From this opinion it can be concluded that brand image is very important to pay attention to in research.

Product quality

According to Sinulingga (2021), product quality is a business element that consumers or customers need to pay attention to, but especially for consumers or customers who want to maintain the quality of our products that we want to market.

According to Astuti Miguna and Matondang Nurhafifah (2020) product quality is everything that we can offer by producers that can be paid attention to, can be used, purchased and can also be consumed by consumers and producers according to certain consumer needs.

Customer loyalty

According to Tjiptono and Diana (2019:129) Customer Loyalty is a combination of a customer's likelihood of repurchasing from the same supplier in the future and the likelihood of purchasing a company's products or services at different price levels.

Repurchase Interest

According to Swastha & Handoko in Adila & Widayanto (2019: 3) repurchase interest is the desire to make repeat purchases from buyers who have previously made the same product or service.

3. Method

This type of research is quantitative research with a sample size of 150 respondents who are customers of Saudia hijab products at the Kembangbahu Village Market. The method used for analysis is SEM (Structural Equation Modeling) with the Smart PLS Version 3.0 tool.

4. Results and Discussion**a. Measurement Model (Outer Model)****1) Validity test**

In the validity test, there are two tests that can be used in the PLS system, including:

a) Convergent Validity

This test is used to determine the suitability of each indicator's relationship with the latent variable. This measurement is considered sufficient if the factor loading value is above 0.7 and the Average Variance Extracted (AVE) value is above 0.5. In the Convergent Validity Test, the variables location, service quality, price, brand image, product quality, customer loyalty and repurchase interest were declared valid because the outer loading value was >0.7 and the AVE value was >0.5 .

b) Discriminant Validity

Measurement of reflexive indicators (reflection of indicators) is based on cross loading (comparing) with the latent variable. with a cross loading value above 0.7. In the Convergent Validity Test, the variables location, service quality, price, brand image, product quality, customer loyalty and repurchase interest were declared valid because the cross loading value was >0.7 .

2) Reliability Test

In the validity test, there are two tests that can be used in the PLS system, including:

a) Composite reliability (Cr)

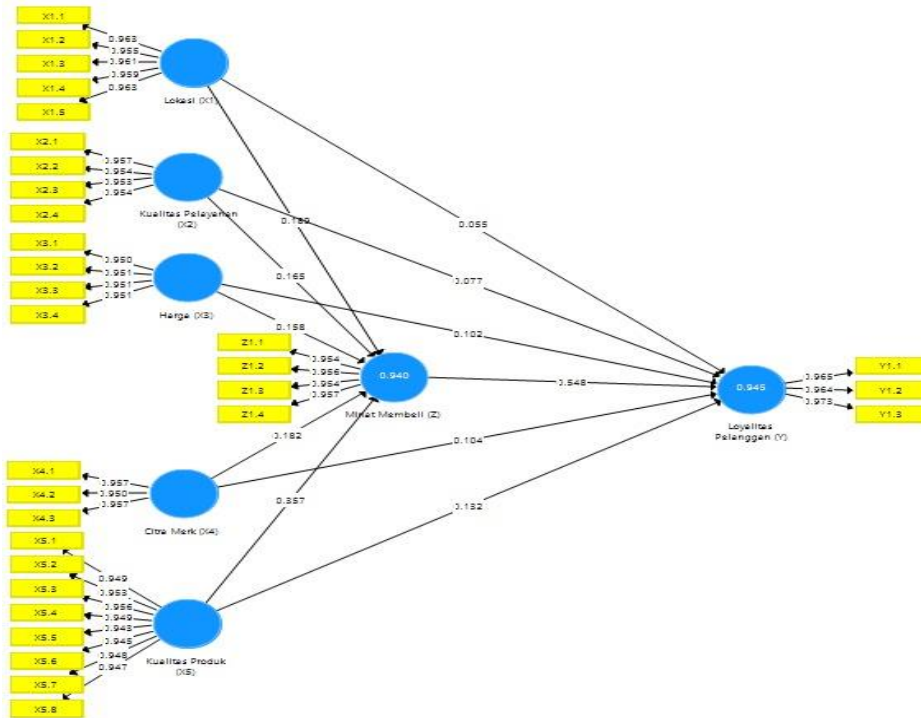
An indicator that measures a variable with a reliable value ≥ 0.7 even though it is not an absolute standard. The variables location, service quality, price, brand image, product quality, customer loyalty and repurchase intention are declared reliable because their reliability values are ≥ 0.7 .

b) Cronbach's Alpha

A reliable measure with a value between zero and one. It is also said that the reliability test can be said to be Reliable if the value obtained is above 0.7. The variables location, service quality, price, brand image, product quality, customer loyalty and repurchase intention are said to be reliable because the values obtained are above 0.7.

b. Structural Model (Inner Model)

Inner models are used in estimating causal relationships between latent variables:



Source: Smart PLS Version 3.0 processed (2023)

Figure 1. Image of Research Model

This model is also used to view and analyze existing values. In the inner model I use the R-Square test, with the results:

1) R-Square

It can be concluded that the R-Square value that jointly influences X1, So it can be explained that all exogenous constructs (X1)

2) Mediation Test

The mediation test as a mediator between the independent variable and the dependent variable leads to the mediation variable (intervention). There are 3 groupings in mediation, namely non-mediation if the relationship between Exogenous and Endogenous is positive and the mediating variable is negative, Full Mediation occurs if the Exogenous and Endogenous variables are negative and the mediating variable is positive, Partial Mediation occurs when the exogenous and endogenous variables are positive and also the mediating variable is positive. It can also be seen if the P Value is Specific Indirect. In the Path Coefficient test table, the variables location, service quality, price, brand image and product quality on repurchase intention show a positive relationship because P Value < 0.05, and in the Specific Indirect Effect test the variables location, service quality, price, brand image, and product quality, which is mediated

by repurchase interest on customer loyalty, has a positive relationship because P Value < 0.05. So this relationship can be called Full Mediation.

5. Conclusions

The location variable on repurchase intention shows that there is a positive and significant influence. So H₁ is accepted. The service quality variable on repurchase intention shows a positive and significant influence. So H₂ is accepted. The price variable on repurchase intention shows a positive and significant influence. So H₃ is accepted. The brand image variable on repurchase intention shows a positive and significant influence. So H₄ is accepted. The product quality variable on repurchase intention shows a positive and significant influence. So H₅ is accepted. The location variable on customer loyalty shows a positive and significant influence. So H₆ is accepted. The service quality variable on customer loyalty shows a positive and significant influence. So H₇ is accepted. The price variable on customer loyalty shows a positive and significant influence. So H₈ is accepted. The brand image variable on customer loyalty shows a positive and significant influence. So H₉ is accepted. The product quality variable on customer loyalty shows a positive and significant influence. So H₁₀ is accepted. The repurchase interest variable on customer loyalty shows a positive and significant influence. So H₁₁ is accepted.

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