

THE INFLUENCE OF PRODUCT AND LOCATION ON SATISFACTION AND REPURCHASE INTEREST AT CV. DAMAR ABADI IN SUNGAI RAYA DISTRICT WITH SATISFACTION VARIABLE AS INTERVENING VARIABLE

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ABSTRACT

This study aims to examine the impact of product and location on customer satisfaction and repurchase intention at CV Damar Abadi, considering customer satisfaction as a mediating variable. An associative research approach was used, with data collected via interviews and questionnaires from a sample of 100 customers in the Sungai Raya District. Structural Equation Modeling (SEM) facilitated by Smart-PLS software was employed for data analysis. The findings reveal that both product and location significantly influence customer satisfaction. Furthermore, customer satisfaction mediates the relationship between product, location, and repurchase intention. While product quality has a stronger effect on satisfaction than location, both factors together enhance customers' likelihood of repurchasing. The study underscores the importance of high-quality products and a strategic location in fostering sustainable satisfaction, which ultimately drives repurchase intention.

INTRODUCTION

Humans cannot be separated from the need for a house because only with a house is a place to rest, shelter and foster a family. Everyone has their own choices and ways to meet the need for a place to live. As consumers, some choose to build a house with simple and cheap products, while others build a house with luxurious and expensive products.

Consumers as homeowners will consider aspects of products and locations that are satisfying, so that after consumers feel satisfied because what consumers have expected can be fulfilled, there is a possibility that consumers will have an interest in repurchasing. Consumer satisfaction as homeowners also has a significant long-term impact. Consumer satisfaction not only creates the potential for repurchasing, but can also build a positive reputation for the

company.

In Kubu Raya Regency, especially in Sungai Raya sub-district, this business is growing rapidly because the location of the building shop is on the edge of the highway, with fairly easy access to the location. The surrounding villages are under construction and the property business is growing in this area. The existence of a building shop strategically located on the edge of the highway opens up opportunities for local people to more easily access various building materials and construction equipment needed in the home building process. Easy access to building shops not only makes it easier to procure construction materials, but can also reduce the time required for construction needs.

Overall, a combination of factors such as strategic location, accessibility, property business growth, and investment in infrastructure development have created a positive momentum for community growth in housing development in Kubu Raya Regency, especially in Sungai Raya District. With these conditions, the construction and housing industry will continue to grow, making a positive contribution to the local economy and the welfare of the local community.

The prices offered by CV Damar Abadi vary greatly so that consumers can choose products that suit their abilities where the products offered start from Rp200, namely scrup, to Rp1,500,000, namely penguin barrels. CV Damar Abadi will give a 5% discount to consumers with a minimum purchase requirement of Rp3,000,000 in the payment method CV Damar Abadi provides various payment methods such as cash and credit. Credit payments are given a period based on an agreement between the owner and the consumer.

The location of CV Damar Abadi has easy access by means of transportation. CV Damar Abadi can be seen clearly from a normal viewing distance. Traffic to CV Damar Abadi is smooth, there is no density of vehicles or congestion. The parking lot available at CV Damar Abadi has a large enough place for two-wheeled or four-wheeled vehicles and CCTV is available to provide safety and comfort to consumers. CV Damar Abadi has a large enough place to expand its business in the future. The environment at CV Damar Abadi supports the business offered by the shop. The area around CV Damar Abadi has four to five building shops making the competition quite tight. CV Damar Abadi has a business license so that there are no provisions that are violated in government regulations. What CV Damar Abadi has offered certainly has an effect on increasing or decreasing sales. Based on the data obtained from CV Damar Abadi, it can be seen in Table 1.3 below:

The product plays a crucial role in determining the level of satisfaction that consumers experience after making a purchase. Positive or negative experiences with the product significantly impact the likelihood of repeat purchases, making it essential for business managers to offer products that align with consumers' needs and preferences. Therefore, ensuring product quality and suitability is vital for encouraging customer loyalty and repeat buying behavior.

Consumers will look for a material store with a strategic location according to their place of residence to facilitate access to the location and speed up delivery of goods. Therefore, the material store should offer a location that meets consumer expectations. Therefore, it will make consumers feel satisfied and will make repeat purchases at the store. The Financial Report of Profit and Loss of CV Damar Abadi can be seen in table 1.4 below:

Based on the description above, the author is interested in conducting research with the title "The Influence of Products and Location on Satisfaction and Repurchase Interest at CV Damar Abadi in Sungai Raya District with Satisfaction Variable as an Intervening Variable".

METHODOLOGY AND PROCEDURES

This study employs an associative research approach to identify the relationships between multiple variables—specifically, product and location—and their effects on customer satisfaction and repurchase intentions. Data collection was conducted through interviews and questionnaires, targeting customers of CV Damar Abadi who had purchased building materials in the Sungai Raya District. The research population comprised all customers who bought building materials from CV Damar Abadi, with a purposive sampling method used to select 100 respondents. Structural Equation Modeling (SEM) was utilized for data analysis, supported by Smart-PLS software, to evaluate the hypothesized model and examine the interrelationships among the study variables.

RESULTS AND DISCUSSION

Respondent Characteristics

This study included 100 respondents, consisting of customers who had purchased building materials from CV Damar Abadi and were residents of the Sungai Raya District. Describing the respondents' characteristics helps to provide an overview of the sample used in the research. The respondents' characteristics were gathered from personal data included in the questionnaire, which covered details such as age, gender, marital status, occupation, monthly income, purchase frequency, and domicile. The distribution of respondents by age is presented in Table 1 below:

Table 1. Respondent Characteristics Based on Age

No	Age	Number of Respondents	Percentage(%)
1	18-27	25	25%
2	28-37	24	24%
3	38-47	23	23%
4	48-57	28	28%
Total Respondents		100	100%

Source: Processed Data, 2024

From Table 1 above, it shows that most of the respondents in this study were between 48-57 years old, namely 28%.

Number of Respondents by Gender

Based on the research results, the characteristics of respondents based on gender can be seen in Table 2 below:

Table 2 Respondent Characteristics Based on Gender

No	Gender	Number of Respondents	Percentage(%)
1	Man	93	93%
2	Woman	7	7%
Total Respondents		100	100%

Source: Processed Data, 2024

From Table 2 above, it shows that the majority of respondents in this study were male, namely

93%.

Number of Respondents Based on Marital Status

Based on the research results, the characteristics of respondents based on marital status can be seen in Table 3 below:

Table 3. Respondent Characteristics Based on Marital Status

No	Work	Amount	Percentage(%)
1	Marry	79	79%
2	Single	21	21%
Total Respondents		100	100%

Source: Processed Data, 2024

From Table 3 above, it shows that most of the respondents in this study had a marital status of married, namely 79%.

Number of Respondents Based on Occupation

Based on the research results, the characteristics of respondents based on their jobs can be seen in Table 4 below:

Table 4 Respondent Characteristics Based on Occupation

No	Work	Amount	Percentage(%)
1	Employee	31	31%
2	Retired	4	3%
3	civil servant	10	10%
4	Private	19	19%
5	Businessman	36	36%
Total Respondents		100	100%

Source: Processed Data, 2024

From Table 4 above, it shows that most of the respondents in this study worked as entrepreneurs, namely 36%.

Number of Respondents Based on Monthly Income

Based on the research results, the characteristics of respondents based on monthly income can be seen in Table 5 below:

Table 5. Respondent Characteristics Based on Monthly Income

No	Income (RP)	Number of people)	Percentage (%)
1	2,000,000 - 3,999,999	61	61%
2	4,000,000 - 6,999,999	39	39%
Total Respondents		100	100%

Source: Processed Data, 2024

From Table 5 above, it shows that most respondents in this study have a monthly income/revenue between IDR 2,000,000 - 3,999,999, namely 61%.

Number of Respondents Based on Purchase Frequency

Based on the research results, the characteristics of respondents based on purchasing frequency can be seen in Table 6 below:

Table 6. Respondent Characteristics Based on Purchase Frequency

No	Purchase Frequency	Number of Respondents	Percentage (%)
1	2 – 11	81	81%
2	12 – 21	14	14 %
3	22 – 31	5	5%
Amount		100	100%

Source: Processed Data 2024

From Table 6 above, it shows that the majority of respondents in this study have a purchasing frequency of between 2-11 times a year, namely 81%.

Number of Respondents Based on Domicile

Based on the research results, the characteristics of respondents based on domicile can be seen in Table 7 below:

Table 7. Respondent Characteristics Based on Domicile

No	Requirements	Amount	Percentage (%)
1	Sungai Raya District	100	100%
Total Respondents		100	100%

Source: Processed Data 2024

From Table 7 above, it shows that the majority of respondents in this study live in Sungai Raya District, namely 100, or 100%.

Measurement Model

The measurement model is assessed based on reliability and validity values. The results of outer loadings can be seen as follows:

Table 8. Outer Loadings Results

	Product (X1)	Location (X2)	Head (Y1)	MBU (Y2)
X1.1	0.863			
X1.2	0.781			
X1.3	0.879			
X1.4	0.865			
X2.1		0.848		
X2.2		0.914		
X2.3		0.924		
X2.4		0.935		
X2.5		0.920		
X2.6		0.938		

X2.7		0.785		
Y1.1			0.843	
Y1.2			0.825	
Y1.3			0.780	
Y2.1				0.753
Y2.2				0.764
Y2.3				0.777
Y2.4				0.790

Source: Processed Data, 2024

The outer loadings values presented in Table 1 indicate that all items or indicators have values greater than 0.7, confirming their validity in terms of item validity. Following this, an analysis of Construct Reliability and Validity was performed to assess the reliability and validity of the latent variable constructs. The results of the Construct Reliability and Validity tests are shown in the following table:

Table 9. *Construct Reliability and Validity Test Results*

	<i>Cronbach's alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
Product (X1)	0.869	0.877	0.911	0.719
Location (X2)	0.959	0.982	0.966	0.804
Satisfaction (Y1)	0.752	0.769	0.857	0.666
MBU (Y2)	0.775	0.786	0.854	0.595

Source: Processed Data, 2024

As shown in Table 2, all constructs have a Cronbach's alpha value greater than 0.7, indicating that the constructs used in this study are reliable. The table also provides the results of the convergent validity test, which is assessed using the Average Variance Extracted (AVE) value. The AVE for all constructs exceeds 0.6, confirming that the constructs demonstrate convergent validity.

The next step involves testing discriminant validity, which is assessed using the Fornell-Larcker criterion, as presented in

Table 10: Discriminant Validity (Fornell-Larcker).

	Product (X1)	Location (X2)	Satisfaction (Y1)	MBU (Y2)
Product (X1)	0.360			
Location (X2)	0.997	0.654		
Satisfaction (Y1)	0.895	0.340	0.345	
MBU (Y2)	0.818	0.261	0.565	0.534

Source: Processed Data 2024

Table 3 demonstrates that all the square roots of the AVE for each construct, as per the Fornell-Larcker Criterion, are higher than the correlations with other variables, indicating that the

model's discriminant validity requirements have been satisfied.

The next step in evaluating the model is to assess the Goodness of Fit by examining the R Square values, which indicate the model's explanatory power in the inner model of the study. The results of this assessment are presented in the following table:

Table 11. *Goodness Fit Model*

	<i>R-square</i>	<i>Adjusted R-square</i>
Satisfaction (Y1)	0.596	0.587
MBU (Y2)	0.637	0.626

Source: Processed Data, 2024

The table indicates that the R Square value for the simultaneous influence of X1 and X2 on Y1 is 0.596, suggesting that the exogenous constructs (X1, X2) collectively explain 59.6% of the variance in Y1. Given that the Adjusted R Square is between 15% and 85%, this indicates a moderate influence of the exogenous constructs on Y1.

Similarly, the table shows that the R Square value for the combined influence of X1, X2, and Y1 on Y2 is 0.637, meaning that these variables collectively account for 63.7% of the variance in Y2. Since the Adjusted R Square falls between 25% and 55%, the influence of all the exogenous constructs (X1, X2, Y1) on Y2 is also considered moderate.

The following section presents the structural model results, which include hypothesis testing through the analysis of Direct Effects and Indirect Effects. The test results for the direct effects are provided in the subsequent table:

Table 12. *Direct Effect*

<i>Hypothesized path</i>	<i>Standardized path coefficient</i>	<i>t-statistic</i>	<i>P Values</i>	<i>Results</i>
H1: Product \square Satisfaction	0.738	4, 660	0, 000	Accepted
H2: Location \square Satisfaction	0.123	1, 812	0.015	Accepted
H3: Products \square MBU	0.698	7, 656	0,000	Accepted
H4: Location \square MBU	0.140	1,830	0.010	Accepted
H5: Satisfaction \square MBU	0.454	2,283	0.022	Accepted

Source: Processed Data, 2024

The output indicates that the direct effects between the variables—Product and Satisfaction, Location and Satisfaction, Product and Repurchase Interest, Location and Repurchase Interest, as well as Satisfaction and Repurchase Interest—have p-values below the significance threshold of 0.05, thus confirming that these effects are statistically significant.

The results of the indirect effects test are presented in the following table:

Table 13. *Indirect Effect*

	<i>Standardized path coefficient</i>	<i>t-statistics</i>	<i>P Values</i>	<i>Results</i>
H6: Products	0.145	2, 276	0.023	Accepted

□ MBU □ Satisfaction				
H7: Location □ MBU □ Satisfaction	0.048	1, 333	0.002	Accepted

Source: Processed Data, 2024

The output shows that the indirect effects of Product on Repurchase Interest, mediated by Satisfaction, and Location on Repurchase Interest, also mediated by Satisfaction, have p-values below the significance level of 0.05. Therefore, these indirect effects are statistically significant, indicating that Satisfaction successfully mediates the relationship between Product and Repurchase Interest, as well as between Location and Repurchase Interest.

The results of the hypothesis testing can be seen in the following image:

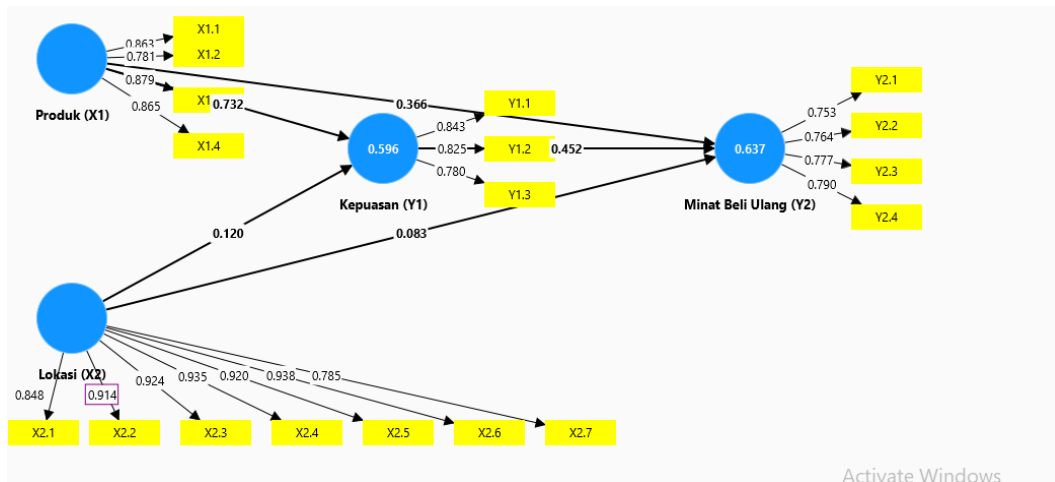


Figure 1. Hypothesis testing results

Source: 2024 Data Graph

Product Influence on Satisfaction

The test results for the direct effect between Product and Satisfaction show a t-statistic value of 4.660 and a p-value of 0.000, indicating a significant direct relationship between Product and Satisfaction. This confirms that Hypothesis 1 (H1), stating that Product has a positive and significant effect on Satisfaction, is accepted.

These findings align with the research conducted by Jahanshasi et al. (2011), which demonstrated that product quality positively influences consumer satisfaction. The higher the quality of the product, the greater the level of consumer satisfaction, supporting the results of this study.

The Influence of Location on Satisfaction

The direct influence test between Location and Satisfaction yielded a t-statistic value of 1.812 with a p-value of 0.015, indicating a significant and moderate direct effect between Location and Satisfaction. Therefore, Hypothesis 2 (H2), which states that Location has a positive and significant effect on Satisfaction, is accepted.

These findings are consistent with the research conducted by Junio et al. (2013), which suggested that consumer repurchase interest is more likely to increase when shopping online

compared to in-store shopping, highlighting the importance of location convenience in influencing customer satisfaction.

Product Influence on Repurchase Interest

The direct influence test between Products and Repurchase Interest yielded a t-statistic value of 7.656 and a p-value of 0.000, indicating a significant direct effect of Products on Repurchase Interest. Consequently, Hypothesis 3 (H3), which posits that Products have a positive and significant effect on Repurchase Interest, is accepted.

These findings align with the research conducted by Lestari and Faizin (2020), which found that product variety significantly positively affects repurchase interest. This suggests that an increase in product variation correlates with a heightened likelihood of consumers' repurchase intentions.

The Influence of Location on Repurchase Interest

The direct influence test between Location and Repurchase Interest revealed a t-statistic value of 1.830 and a p-value of 0.010, indicating a significant direct effect of Location on Repurchase Interest, albeit of moderate strength. Therefore, Hypothesis 4 (H4), which asserts that Location has a positive and significant influence on Repurchase Interest, is accepted.

These results are consistent with prior research conducted by Faradiba and Astuti (2013), which demonstrated that location positively affects repeat purchase interest. The findings suggest that a more strategic and accessible location enhances consumers' likelihood of making repeat purchases.

The Influence of Satisfaction on Repurchase Interest

The indirect influence test between Satisfaction and Repurchase Intention resulted in a t-statistic value of 2.283 and a p-value of 0.022, indicating a significant direct effect between Satisfaction and Repurchase Intention. The influence is moderate, and the positive t-statistic suggests a positive relationship between the two variables. Therefore, Hypothesis 5 (H5), which posits that Satisfaction has a positive and significant effect on Repurchase Intention, is accepted.

These findings align with previous research conducted by Tatanoe and Dharmayanti (2014), which indicated that an increase in consumer satisfaction leads to a higher likelihood of repeat purchases.

The Influence of Products on Repurchase Interest through Satisfaction.

The indirect influence test between Product and Repurchase Interest through Satisfaction yielded a t-statistic value of 2.276 and a p-value of 0.023. This indicates a positive and significant effect of Product on Repurchase Interest through Satisfaction, leading to the acceptance of Hypothesis 6 (H6).

These findings are supported by research conducted by Imran (2018), which found that customer satisfaction positively influences repurchase interest, suggesting that improvements in customer satisfaction are associated with increased likelihood of repeat purchases.

For the influence of Location on Repurchase Interest through Satisfaction, the indirect influence test produced a t-statistic value of 1.333 and a p-value of 0.002. This indicates that Hypothesis 7 (H7), which states that Location has a positive and significant effect on Repurchase Interest through Satisfaction, is also accepted.

These results are consistent with the study by Alfaini et al. (2022), which highlighted that a strategic location can enhance consumer satisfaction, thereby positively affecting repurchase interest. This suggests that better location choices in business operations lead to increased satisfaction and subsequently greater consumer interest in repeat purchases.

CONCLUSION AND SUGGESTION

The findings of this study conclude that both product quality and location positively and significantly influence customer satisfaction, which in turn directly affects repurchase interest at CV Damar Abadi. These conclusions were drawn using the Structural Equation Modeling (SEM) method, revealing that the product variable exerts a stronger influence on satisfaction than the location variable. Additionally, customer satisfaction serves as a mediating variable that enhances the effects of both product and location on repurchase interest.

Furthermore, this study emphasizes the critical role of high product quality and strategic location in fostering customer satisfaction. Offering a variety of quality products and maintaining easily accessible locations significantly increase the likelihood of repeat purchases. The research supports the theory that customer satisfaction not only drives repeat purchase intentions but also contributes to building a company's long-term reputation.

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