



THE INFLUENCE OF BRAND IMAGE AND SERVICE QUALITY ON REPURCHASE INTENTION THROUGH CUSTOMER VALUE AS AN INTERVENING VARIABLE IN CONSUMERS OF HILON PRODUCTS IN MEDAN CITY

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Abstract:

This research aims to determine the influence of brand image and service quality on repurchase intention through customer value. The number of samples is 100 respondents with the sampling technique using a purposive sampling technique. This type of research is explanatory research. The research results show that brand image has a positive and significant effect on repurchase intention. Service quality has a positive and significant effect on repurchase intention. Apart from that, brand image has a positive and significant effect on customer value and service quality has a positive and significant effect on customer value.

Keywords: *Brand Image, Service Quality, Repurchase Intention, Customer Value.*

INTRODUCTION

According to (Cordery et al., 2023), Brand Image describes the extrinsic properties of products or services including the way the brand meets customers psychological or social needs. (Gerged et al., 2024) states that repurchase intention is the process of repeating purchasing products from the same brand due to previous consumption experiences. The indicators used to measure brand image according to (Mondal et al., 2024) are as follows:

1. Company popularity;
2. Company credibility;
3. Wide distribution network;
4. Brand image is easy to remember;
5. The logo is easy to recognize;
6. Trust the brand.

(Habu & Henderson, 2023) Assessment of service quality as an attitude related to the superiority of a service. (Arbaa & Varon, 2018) explain that service quality is the ability of the characteristics of goods or services to satisfy customer needs, both obvious and hidden. The indicators used to measure service quality according to (Díaz & Cano, 2022) are as follows:

1. Reliability
 - a. On time;
 - b. Accurate service delivery;
 - c. Ability to provide comfort.
2. Responsiveness
 - a. The ability of employees to help and respond to customers;
 - b. Providing service information quickly;

- c. Provide accurate service information.
- 3. Assurance
 - a. Employees are able to foster customer trust;
 - b. The company is able to create a sense of security;
 - c. Employees are polite and have knowledge and skills according to customer needs.
- 4. Empathy (Empathy)
 - a. The company understands the problem and acts in the best interests of customers;
 - b. Personal attention to customers;
 - c. Convenient operating hours and easy to contact.
- 5. Tangible
 - a. Modern and comfortable physical facilities;
 - b. The interior and exterior design is quite attractive;
 - c. Employees have a neat appearance.

(Rahman et al., 2024) this customer value explains why consumers buy certain products or not, prefer one product over another and prefer one product by focusing on consumption value. In this process, the consumer's experience in making a purchase can form customer value within him and give rise to a psychological commitment that the individual has to repurchase the same brand in the future (Nasution et al., 2021).

The indicators used to measure customer value according to Turner (2020) are First, functional value, namely the benefits obtained from the product related to performance, reliability, acceptability and reasonableness. Second, emotional value, namely the benefits obtained from positive feelings that arise in consumption preferences. The third is conditional value, namely the benefits obtained in terms of consumer behaviour, general points, time and place factors.

According to (Handayani et al., 2023), repeat purchases predominantly occur because of a good experience for customers when consuming similar products and satisfaction for customers after using the product. Repurchase is a form of conformity to actual company performance with customer expectations. According to (Nasution, 2020), the main factor that determines the performance of a company is the quality of the goods and services produced in accordance with consumer desires. Companies need to know consumers, know their needs and desires to develop the right marketing strategy. The indicators used to measure repurchase intention according to (Msongole et al., 2022) are as follows:

- 1. Make a repeat purchase;
- 2. Recommend to others;
- 3. Don't want to move to another brand.

A hypothesis is a temporary answer to the formulation of a research problem. Based on the problem formulation that has been described, the hypothesis of this research is

- 1. Brand image influences customer value;
- 2. Service quality influences customer value;
- 3. Customer value influences repurchase intention;
- 4. Brand image influences repurchase intention;
- 5. Service quality influences repurchase intention;
- 6. Brand image and customer value influence repurchase intention;
- 7. Service quality and customer value influence repurchase intention.

RESEARCH METHODS

This research uses an explanatory research type with a quantitative approach. The explanatory research type is used to explain the relationship

between the variables contained in the research. The population of this research is Consumers of Hilon Products in Medan City. The technique in this research is using purposive sampling technique. The data analysis methods used are validity test, reliability test, R-square, F-Square, and path coefficient.

RESULTS AND DISCUSSION

Table 1. Convergent Validity Test

Variable	AVE	=	0,5	Conclusion
Brand Image (BI)	0.813	>	0,5	Valid
Customer Value (CV)	0.587	>	0,5	Valid
Repurchase Intention (RI)	0.747	>	0,5	Valid
Service Quality (SQ)	0.780	>	0,5	Valid

Table 1 provides AVE values above 0.5 for all constructs contained in the research model. The lowest AVE value is 0.587 in the CV (Customer Value) construct.

Table 2. Cronbach's Alpha

Variable	Cronbach's Alpha	Conclusion
Brand Image (BI)	0.884	Reliable
Customer Value (CV)	0.859	Reliable
Repurchase Intention (RI)	0.832	Reliable
Service Quality (SQ)	0.974	Reliable

The recommended value is above 0.6 and the table above shows that the Cronbach's Alpha value for all constructs is above 0.6. The table above shows that the Cronbach's Alpha value for all variable constructs is more than 0.7. So that all variables have good reliability.

Table 3. Composite Reliability

Variable	Composite Reliability
Brand Image (BI)	0.929
Customer Value (CV)	0.895
Repurchase Intention (RI)	0.898
Service Quality (SQ)	0.977

Table 4. R Square

	R Square	R Square Adjusted
Customer Value (CV)	0.619	0.611
Repurchase Intention (RI)	0.725	0.716

From the R-Square, CV of 0.619, it can be concluded that the contribution of the BI and SQ variables to the CV is 61.9% and the remainder (100%-61.9%=38.1%) is influenced by other factors outside those studied. Meanwhile, the R-Square RI is 0.725, so it can be concluded that the

contribution of the variables BI, SQ, and CV to RI is 72.5% and the remainder (100%-72.5%=27.5%) is influenced by other factors outside those studied.

Table 5. Direct Effect

	Original Sample	P Values	Conclusion
BI→CV	0.264	0.009	Positive and significant
BI→RI	0.290	0.016	Positive and significant
CV→RI	0.293	0.005	Positive and significant
SQ→CV	0.566	0.000	Positive and significant
SQ→RI	0.350	0.014	Positive and significant

Based on the original sample value, it was found that the highest value that influenced customer value (CV) was service quality (SQ), namely 0.566. Furthermore, of the three variables that directly influence repurchase intention (RI), namely customer value, service quality and brand image, the one with the greatest influence is service quality because it has the highest original sample value, namely 0.350 compared to the other two variables.

Table 6. Indirect Effect

	Original Sample	P Values	Conclusion
BI → CV → RI	0.077	0.065	Not significant
SQ → CV → RI	0.166	0.012	Significant

Based on the table above, the indirect effect of BI → CV → RI is 0.077 with P-Values 0.065 > 0.05 (not significant), so CV does not mediate the effect of BI on RI. Meanwhile, the indirect effect of SQ → CV → RI is 0.166 with P-Values 0.012 < 0.05 (significant), so CV mediates the effect of SQ on RI.

Based on research conducted, brand image has a positive effect on customer value because it has a coefficient of 0.264. From the results of data processing (path coefficients) with direct effect testing, it produces a t-statistic value of 2.626 (greater than the t-table (1.960) at alpha 5%) with a P value of 0.009 (smaller than 0.05). Thus, hypothesis 1 can be accepted because brand image has a positive and significant effect on customer value, which means that the higher the brand image, the higher the customer value in Consumers of Hilon Products in Medan City.

Furthermore, service quality has a positive effect on customer value because it has a coefficient of 0.566. The results of data processing (path coefficients) produce a t-statistic value of 6.088 (greater than the t-table (1.960) at alpha 5%) with a P value of 0.000 (smaller than 0.05). Thus, hypothesis 2 can be accepted because service quality has a positive and significant effect on customer value, which means that the higher the service quality, the higher the customer value in Consumers of Hilon Products in Medan City.

Then customer value has a positive effect on repurchase intention because it has a coefficient of 0.293. The results of data processing (path coefficients) produce a t-statistic value of 2.847 (greater than the t-table (1.960) at alpha 5%) with a P value of 0.005 (smaller than 0.05). Thus, hypothesis 3 can be accepted because customer value has a positive and significant effect on repurchase intention, which means that the higher the customer value, the higher the repurchase intention in Consumers of Hilon Products in Medan City.

The brand image variable has a positive effect on repurchase intention because it has a coefficient of 0.290. The results of data processing (path coefficients) produce a t-statistic value of 2.428 (greater than the t-table (1.960) at alpha 5%) with a P value of 0.016 (smaller than 0.05). Thus, the hypothesis can be accepted because brand image has a positive and significant effect on repurchase intention, which means that the higher the brand image, the higher the repurchase intention in Consumers of Hilon Products in Medan City.

Based on research conducted, Service Quality has a positive effect on Repurchase Intention because it has a coefficient of 0.350. The results of data processing (path coefficients) produce a t-statistic value of 2.466 (greater than the t-table (1.960) at alpha 5%) with a P value of 0.014 (smaller than 0.05). Thus, the hypothesis can be accepted because service quality has a positive and significant effect on marketing performance, which means that the higher the service quality, the higher the repurchase intention. This can be interpreted as meaning that the more service quality that is provided will increase repurchase intention. In other words, the service quality provided significantly influences repurchase intention.

Brand image and customer value have an unacceptable influence on repurchase intention, it can be seen from the indirect effect test where the t-statistic is 1.852 (smaller than the t-table (1.960) at alpha 5%) with a P value of 0.065 (greater than 0.05). Thus, the hypothesis cannot be accepted because customer value does not mediate the influence of brand image on repurchase intention. The empirical research results show that customer value does not mediate the influence of brand image on repurchase intention with a coefficient value of 0.077.

Service quality and customer value have an influence on repurchase intention, which can be proven by research that has been carried out, seen from the indirect effect test where the t-statistic is 2.527 (greater than the t-table (1.960) at alpha 5%) with a P value of 0.012 (smaller than 0.05). Thus, the hypothesis can be accepted because customer value mediates the influence of service quality on repurchase intention and has a significant relationship. The empirical research results show that customer value mediates the influence of service quality on repurchase intention with a coefficient value of 0.166 or 16.6%, while the rest is influenced by other factors outside those studied.

CONCLUSION

Based on the discussion above, it can be concluded with the following results: The brand image variable has a positive and significant effect on customer value in Consumers of Hilon Products in Medan City. The service quality variable has a positive and significant effect on customer value in Consumers of Hilon Products in Medan City. The customer value variable has a positive and significant effect on repurchase intention in Consumers of Hilon Products in Medan City. The brand image variable has a positive and significant effect on repurchase intention in Consumers of Hilon Products in Medan City. The service quality variable has a positive and significant effect on repurchase intention in Consumers of Hilon Products in Medan City. The customer value variable does not mediate the influence of brand image on repurchase intention in Consumers of Hilon Products in Medan City. The customer value variable mediates the influence of service quality on repurchase intention in Consumers of Hilon Products in Medan City.

The author suggests that companies should be able to maintain and improve their brand image in the face of competition, for example by carrying out regular promotional activities in order to maintain their existence in the market. Furthermore, it is recommended that service quality be improved to be even better in facing competition, for example maintaining cleanliness and comfort, conducting surveys with customers regarding evaluations of customer experiences from the services provided to be able to improve in providing services and trying to find information about competitors so that they have a special strategy. to face competitors in order to maintain existence in the market. It is hoped that the company will continue to maintain and improve services so that the products produced meet customer needs and follow existing developments. For future researchers, it is hoped that future research will add other research variables that influence repurchase intention so that research can develop further.

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