

# THE ROLE OF PRICE, PRODUCT QUALITY AND ELECTRONIC WORD OF MOUTH ON REPEAT PURCHASE DECISIONS ON GACOAN NOODLE PRODUCTS IN MALANG CITY

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#### **ABSTRACT**

This study aims to determine the role of price, product quality and electronic word of mouth on repeat purchase decisions on Mie Gacoan products in Malang City. In this research, the type of research used is descriptive quantitative. This research was conducted on consumers of Mie Gacoan in Malang City. The sample used is 130 respondents. Data analysis using multiple linear regression analysis. The results showed that price had a positive and significant effect on repeated purchase decisions on Mie Gacoan products in Malang City, product quality had a positive and significant effect on repeated purchase decisions on Mie Gacoan products in Malang City and electronic word of mouth had an effect but not significant on purchase decisions repeated on Mie Gacoan products in Malang City.

Keywords: Price, Product Quality, Electronic Word of Mouth, Repeat Purchase Decision

#### INTRODUCTION

Repurchase decisions according to (Kotler & Keller, 2016) are post-purchase activities, the occurrence of pleasure or displeasure after buying an item or product which will later have an impact on subsequent decisions, if the customer is happy then he is able to show greater potential to re-purchase goods the. Repeat purchase decisions are also based on many aspects such as price, product quality and so on. So the better the price, accompanied by the appropriate product quality, the greater the impact on repurchasing a product (Paramananda & Sukaatmadja, 2018).

Price itself affects the company because with the price it is able to provide a good shopping experience to consumers when using a product. Price according to (Kotler & Keller, 2016) is a nominal amount that must be sacrificed in order to obtain a product or service. Prices that match the benefits obtained are one of the main indicators for a company in determining the price of each product.

In addition to price, product quality is also an important consideration. Product quality is one of the main marketing instruments in helping to position products in the market (Tjiptono, 2015). This is also in line with research (Akbar & Nurcholis, 2020) which explains that repeat purchase decisions and product quality have an influence. In addition to price and product quality, in this technological era, the role of electronic media is very beneficial for business owners in marketing their products more broadly.

Electronic word of mouth or e-WOM is a form of communication tool that is used to exchange facts about goods or services that have been used by customers who have never met or do not know each other before (Hennig-Thurau, 2010). The purpose of this study is to see the effect of price.

# LITERATURE REVIEW

# **Price**

Kotler & Keller, (2016) explained that price is a nominal amount as a burden to obtain goods or services, or a calculation of the exchange rate to be able to benefit from using an item or service. In practice, the price that is priced for the product must be the same as the



benefits in the product after the consumer makes a purchase. this is done so that consumers do not feel cheated and get balance rights as a consumer. Price is also a benchmark for consumers in making purchasing decisions because not a few consumers do not make a decision to make a purchase because of price issues.

Meanwhile, according to Tjiptono, (2015) price is the main element in marketing that can provide income and income for the company. The price indicators used are: price affordability, price accuracy with product quality, competitiveness and price compatibility with benefits.

# **Product quality**

Kotler & Keller, (2016) explained product quality is the strength of a product when it performs its role which is composed of durability, reliability, ease of operation and renewal as well as uniqueness that has value. Meanwhile, according to Assauri, (2017) product quality is an explanation of the level of performance of a particular product when carrying out its role. Product quality is a characteristic that is attached to a product and has the ability to meet the needs expected by customers or the overall characteristics, features and specifications that exist in a product or service related to its ability to meet customer needs. Product quality indicators used in this study were: color, appearance, portion, shape, temperature, texture, aroma, degree of maturity, and taste.

# **Electronic Word of Mouth**

Electronic word of mouth or commonly referred to as e-WOM has a simple meaning, an information that used to be passed from word of mouth to word of mouth. Due to the rapid development of technology, what was originally called word of mouth has become electronic word of mouth, because now the delivery of this information is not through word of mouth but by utilizing electronic social media which is now widely used. According to Hennig-Thurau in Sindunata (2018) electronic word of mouth is a form of interaction tool that is used to exchange information about products or services that have been used by customers who previously did not know and have never met. (Wibowo, 2015) explains that electronic word of mouth is a profitable or unfavorable discussion between prospective customers, currently, or former customers regarding goods or businesses available online. The indicators used in this study for electronic word of mouth variables according to (Goyette et al., 2010) are: intensity, content, positive opinions and negative opinions.

# Repurchase Decision

Repurchase indicates that consumers accept the product and are then willing to decide to repurchase on a higher scale Schiffman & Kanuk, (2008). Meanwhile, according to Peter & Olson, (2013) repurchase decision is an activity carried out by customers so that they return to make purchases with the support of encouragement and a continuous buying attitude that can bring loyalty to what is enjoyed. Repeat purchase decisions are able to show if the product obtained is balanced between benefits and price and has good quality, especially in food products. According to Kotler & Keller, (2013) there are three factors that can trigger a repurchase decision, namely: psychological factors, personal factors and social factors.

#### Effect of Price on Repeat Purchase Decisions

Kotler and Armstrong (2016) explain that price is a nominal amount in exchange for a good or service. If the price obtained is high but balanced with commensurate benefits, it will give a sense of satisfaction to Assauri's customers, (2017). The effect of price is very large in a company. because the right price will make customers feel satisfied. Yuliana & Indiani (2022) stated in the research conducted that there was an influence between price and repurchase decisions. This explanation is in line with research from Khoirnnisa & Bestari (2022) which obtained the result that there was a significant influence between price and repeat purchase decisions. Kustianti (2019) also found that there is an impact on consumers' repurchase decisions from price.



# **Effect of Product Quality on Repeat Purchase Decisions**

Tjiptono (2015) explains that one of the most important marketing strategies for presenting products on the market is product quality. Meanwhile, according to Kotler & Keller (2016) is capability, accuracy with specifications and resistance of a product. The influence of product quality is also considered very important because this is a benchmark in making decisions when making a purchase. This is in line with research from Kevin & Saragin (2022) and Yudianan & Indiani (2022) which both have a positive and significant effect on repeat purchase decisions.

# The Effect of E-wom on Repeat Purchase Decisions

Electronic word of mouth or e-WOM is a medium for delivering information via electronic means such as social media. At the present time, e-WOM has a very important role, where people who previously did not know each other and met, but they will easily believe any positive information received. Research that has been carried out by Eriani & Amalia (2021) and Luthfi & Farida (2019) obtained the result that electronic word of mouth influences repurchase decisions. the hypothesis used in this research is that electronic word oh mouth influences repeat purchase decisions.

# The Effect of price, product quality, and e-wom on repeat purchase decision

Price, product quality and e-WOM which have been explained in detail above as independent variables found in several previous studies have proven to have an impact on repeat purchase decisions. As is the case with research from Imtihan & Irwandi (2021) which results that product quality and price simultaneously influence repurchase decisions. The hypothesis used is price, product quality and electronic word of mouth have an effect on repeat purchase decisions.

#### **METHODS**

The type of research conducted by researchers in this study is quantitative research. The location for this research is Warung Mie Gacoan in Malang City which already has 7 branches. The population used is Gacoan Noodle consumers who have made purchases more than once and live in Malang City. then for sampling using purposive sampling method and obtained a sample of 130 samples based on the opinion of Malhotra, (2009) which is 4/5 times the number of question items. Data collection techniques are methods in collecting data needed by researchers. Sugiyono (2013) explained that data collection techniques are the most essential stages in research, because the main focus of research is to obtain data.

The variable operational definition of price consists of indicators of affordability, price compatibility with product quality, price competitiveness and price compatibility with benefits. Then for product quality variables, which consist of indicators of color, appearance, portion, shape, temperature, texture, aroma, level of maturity and taste. Then for the electronic word of mouth variable the indicators used are intensity, content, positive opinion and negative opinion. For the repeat purchase decision variable, the indicators used are repurchase, reluctance to move, and positive experiences.

# **RESULTS**

# Multiple Linear Regression Analysis Normality Test Results

Table 1. Kolmogorov-Smirnov Normality Test

Table II Homogorov Chimney Hour				
	Unstandardized Residuals			
N	130			
asymp. Sig. (2-tailed)	0.200			

Source: Processed data, 2023



From the table above, the results of the Kolmogrov Smirnov Normality Test are 0.200 and are stated to be greater than 0.05. So it can be concluded that the data used is normally distributed.

Table 2. Multicollinearity Test

Model	tolerance	VIF	
Price	0.461	2,167	
Product quality	0.467	2,141	
Electronic word of mouth	0.830	1.204	

Source: Processed data, 2023

Based on table 2 there is a result that the VIF value of each independent variable is <10 and then the results for the tolerance value are also > 0.01.

 Table 3. Heteroscedasticity Test

Independent Variable	Sig. residual		
Price (X1)	0.814		
Product quality (X2)	0.603		
Electronic Word of Mouth(X3)	0.371		

Source: Processed data, 2023

Based on the results of the heteroscedasticity test using the Glejser test in the table above, the results obtained are significance values and stated > 0.05.

Table 4. Multiple Linear Regression Analysis

			- 3		
Model	В	std. Error	Betas	t	Sig.
(Constant)	1,621	2,206		0.735	0.464
Price	0.347	0.168	0.198	2,067	0.041
Product quality	0.382	0.073	0.5	5,235	0
Ewom	0.049	0.064	0.054	0.758	0.45

Source: Processed data, 2023

Based on the table above regarding the results of multiple linear regression, the equations used in this study are:

 $Y = 1.621 + 0.347 X_1 + 0.382 X_2 + 0.049 X_3 + e$ 

Table 5. Coefficient of Determination

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	0.681	0.464	0.451	2,952

Source: Processed data, 2023

Based on table 5, it is known that the Adjusted R Square value is 0.451. This shows that the independent variable (X) has a significant effect on the dependent variable (Y) of 0.451.

Table 6. t test

Model	В	std. Error	Betas	t	Sig.
(Constant)	1,621	2,206		0.735	0.464
Price	0.347	0.168	0.198	2,067	0.041
Product quality	0.382	0.073	0.5	5,235	0
Ewom	0.049	0.064	0.054	0.758	0.45

Source: Processed data, 2023

From these results it was found that price and product quality had a significant effect on repeat purchase decisions with values of 2.067 > 0.5 and 5.235 > 0.5 while ewom was 0.758 < 0.5 and was declared influential but not significant.



Table 7. Test f

Model	Sum of Squares	df	MeanSquare	f	Sig
Regression	950,383	3	316,794	36,359	.000
residual	1097,841	126	8,713		
Total	2048,233	129			

Source: Processed data, 2023

From the results of the table above, the results obtained are 36.359 which is stated to be greater than the F table and it can be concluded that the independent variables simultaneously influence the dependent variable.

#### **DISCUSSION**

# **Effect of Price on Repeat Purchase Decisions**

Resultsresearch shows that price has a positive and significant effect on repeat purchase decisions on Mie Gacoan products in Malang City. This is supported by the number of respondents who agree that the price of Mie Gacoan products is affordable so that it is in accordance with the target market, which is mostly students or students. This is in line with research from Yudiana & Indiani (2022) which states that price influences repurchase decisions. Then it is also in line with research from Kustianti (2019) which also states that there is an effect of price on consumers' repurchase decisions. The results of this research are not in line with research conducted by Febriansyah & Gerry (2021), which states that price has no effect on repurchasing decisions.

# **Effect of Product Quality on Repeat Purchase Decisions**

The results showed that product quality had a positive and significant effect on repeat purchase decisions for Mie Gacoan products in Malang City. This shows that the quality of the product in Malang City Gacoan Noodles(Imtihan & Irwandi, 2021)accordance with consumer expectations, in an effort to increase repeat purchase decisions. Product quality is the company's main component in product marketing, so product quality is a factor of competitive advantage. This is in line with research from(Winata et al., 2020)which states that product quality has a positive and significant effect on repeat purchase decisions. This is also in line with research from(Yudiana & Indiani, 2022)which states that product quality has an influence on repurchasing decisions. The results of previous research conducted by(Akbar & Nurcholis, 2020),(Imtihan & Irwandi, 2021).

# The Effect of Electronic Word Of Mouth on Repeat Purchase Decisions

The findings in this study are that electronic word of mouth has a partial but not significant effect on repeat purchase decisions on Mie Gacoan products in Malang City. This is in line with research from (Fitriyasari et al., 2022) which shows that electronic word of mouth has a positive but not significant effect on repurchase decisions, these results are able to strengthen the findings of this study. The results of this study are inversely proportional to previous research conducted Eriani & Amalia, (2021), Lutfi & Farida, (2019) And (Abraham & Pasaribu, 2022) who found the effect of electronic word of mouth on repeat purchase decisions. This shows that in the process of repurchasing decisions accompanied by many factors. In this research, according to the results of descriptive analysis, friend recommendations are a factor that is quite influential in consumer decisions to make repurchases at Mie Gacoan Malang City, but this is not the dominant factor. Due to considerations related to price and product quality which are still the main factors for consumers to be loyal to Malang Gacoan Noodles.

# The Effect of Price, Product Quality and Electronic Word of Mouth on Repeat Purchase Decisions

The findings in this study are that simultaneously price, product quality and electronic word of mouth have a positive effect on the repurchasing decision of Mie Gacoan products in Malang City. The findings of this study are also strengthened by research by(Imtihan & Irwandi, 2021),(Akbar & Nurcholis, 2020)And(Lutfi & Farida, 2019)which states that the variable price, product quality and electronic word of mouth simultaneously influence the



repeat purchase decision. Here it can be seen that price, product quality and electronic word of mouth have a significant influence on decision making for repurchasing Mie Gacoan products in Malang City. This is because consumers feel the conformity of the product with expectations. This means that in terms of price, the quality provided and positive comments and recommendations from other people shown in electronic media are able to encourage consumers to continue to make purchases at Mie Gacoan Malang City.

### CONCLUSION

The purpose of this study was to measure and test the effect of price, product quality and electronic word of mouth on repeat purchase decisions for Mie Gacoan products in Malang City. The conclusions in this study are that first, price has a positive and significant effect on repeated purchasing decisions on Gacoan Noodle products in Malang City, second, product quality has a positive and significant effect on repeated purchase decisions on Gacoan Noodle products in Malang City. Third, namely electronic word of mouth has a positive but not significant effect on repeat purchase decisions on Mie Gacoan products in Malang City. Then for the price, product quality and electronic word of mouth have an effect simultaneously on the repeat purchase decision on Mie Gacoan products in Malang City.

It is hoped that this research can provide broader insights both theoretically and practically regarding price, product quality and electronic word of mouth, as well as their influence on repeat purchase decisions in the world of marketing. For future researchers, they can develop this research using different objects, different methods and can also combine it with other variables such as content marketing variables, sales promotions and others. Considering that there is still more than 50% of the influence of other variables outside of the study that are able to influence repeat purchase decisions for Mie Gacoan products in Malang City.

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