Exploring the Determinants of Repurchase Intentions for Users of Goods Delivery Services

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Abstract

Repurchase intentions are crucial for users of goods delivery services, as they directly influence customer trust and brand loyalty. Regarding this importance, this study aims to determine the influence of service quality, price suitability, and online service facilities on repurchase intentions, with customer satisfaction as an intervening variable for goods delivery service users in Aceh Province, Indonesia. Utilizing a sample of 220 people, the results of the Structural Equation Modeling (SEM) method demonstrate that service quality, price suitability, and online service facilities significantly and positively influence repurchase intentions. Moreover, customer satisfaction is found to mediate the influence of service quality, price suitability, and online service facilities on repurchase intentions for goods delivery service users. This implies that companies should focus on improving these aspects of their services to encourage repeat business. Establishing a strong base of loyal customers through effective repurchase strategies can lead to long-term growth and sustainability for goods delivery service providers.

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1. Introduction

The freight-forwarding service industry is an attractive sector for entrepreneurs. Indonesia offers a variety of delivery services, including TIKI, Pos Indonesia, JNE, Sicepat, Dakota Cargo, J&T Express, Shopee Express, and Lion Parcel. J&T Express and Shopee Express, two prominent Indonesian shipping companies, must consistently deliver top-notch services to their partners. Partnerships and agents play a crucial role in the growth of the logistics industry. Successful delivery services can yield substantial profits, particularly since the delivery industry is expected to continue expanding owing to the growing trend of online buying and selling [1–3].

The rise of online shopping has changed the way deliveries work, moving the focus from mainly dealing with big packages to primarily managing smaller ones. As a result, shipping companies must continually enhance their facilities and services [4]. The service industry encompasses services that assist consumers in various ways. It is an industry that is likely to avoid bankruptcy or insolvency, even in challenging circumstances, because people consistently require assistance from others for different tasks. Transportation and transparency services represent one of the most frequently utilized segments within the service industry. In particular, delivery services play a crucial role in sending goods to recipients. Whether
the distance is long or short, the value of goods is cheap or expensive, and transportation companies are responsible for ensuring safe delivery with good behavior toward their destinations [5–7].

Customer satisfaction for a service company can be described as the alignment between what consumers anticipate from a service and the actual services provided. When there’s a substantial gap between what consumers expect and what they receive, it leads to disappointment. Conversely, when the service aligns with their expectations, it results in contentment. Consumers form these expectations based on personal experiences with the company’s services, word-of-mouth recommendations, and information from advertising. [8, 9].

Delivering goods or excellent service quality enhances customer satisfaction and can positively impact the income of entrepreneurs. When we connect service quality to customer satisfaction, we find that customer happiness is strongly associated with experiencing high-quality service that meets or exceeds their expectations. Contented customers are more inclined to make repeat purchases, a concept referred to as “repurchase intention.” This is vital for a business's profitability and overall value. Additionally, another factor affecting repurchase intention is the perceived suitability of the price, as customers assess the value for money when deciding to buy again. [10]. The value of money refers to the amount of money needed for a goods or service or the monetary value that consumers exchange to own or use a product or service [11].

The availability of adequate and proper facilities will comfort the service recipient or community. Accessible services that are easy to understand, adequate, and open to each other without discrimination are the goals of providing service facilities. Facilities are support or access in providing services to connect the provider and the service recipient [12–15].

Aceh is one of the provinces with thriving trading businesses. Despite experiencing a major natural disaster in 2004 and the COVID-19 pandemic in 2020, which resulted in a drastic decline in economic activity, it still maintains intense competition among goods delivery service companies [16, 17]. Competition has a direct impact on customer development, which fluctuates based on factors such as service quality and customer satisfaction. To excel in this competitive landscape, especially for shipping companies, prioritizing maximum customer satisfaction is essential. Achieving this goal begins with offering excellent and friendly services, ultimately leading to customer satisfaction. Satisfied customers tend to recommend and repurchase.

Initial research involving 30 respondents in Aceh Province showed that overall service quality, price suitability, online service facilities, and customer satisfaction were generally good, with average scores ranging from 3.91 to 4.10. However, there are areas of improvement, particularly in employee performance, ease of finding information, and price competitiveness. These factors influence repurchase intentions and suggest the need for goods delivery services in Aceh Province to enhance service quality, pricing, and customer satisfaction to retain customers.

In Aceh Province, goods delivery services face issues of service quality, unfriendly staff, and slow service. Price mismatches between delivery and goods dissatisfaction. Damaged goods and delayed deliveries deter customers. This study examines how service quality, price suitability, and online service facilities affect repurchase intentions, with customer satisfaction as a mediating variable for Aceh’s goods delivery service users.

2. Theoretical Study

2.1. Repurchase Intentions

Repurchase refers to consumers buying a product of the same brand without any significant emotional attachment to it [18]. Similarly, it emphasizes that consumers gather information about their preferences and desires, using this information to decide whether they will make repeat purchases. This decision is based on the benefits they seek, which are evaluated based on product attributes and differentiation [19].

Several indicators of repurchase intentions include purchasing from the same brand, recommending the product to others, using it regularly, and expressing a lack of interest in switching to another brand. These factors collectively contribute to understanding consumer repurchase behavior [20].

2.2. Customer Satisfaction

Consumer satisfaction is the outcome of comparing the perceived performance of a product or service with one’s expectations, resulting in feelings of satisfaction or disappointment [21]. Customer satisfaction can be described as the degree to which a product’s performance aligns with buyer’s expectations. When product performance falls short of expectations, customers become dissatisfied; when it meets expectations, it leads to satisfaction; and when it exceeds expectations, it results in delight [22].
Customer satisfaction indicators include Service Expectations, Decision to Use the Product, Use of Service, Recommendation to Others, and Satisfaction with the Service [23].

2.3 Service Quality

A service is defined as a process involving a sequence of intangible activities typically occurring during interactions between consumers and service employees, physical resources, goods, or service provider systems [24–27]. These activities aim to provide solutions for consumer problems. In contrast, a service is an economic activity offered by one party to another, often time based. In this context, the buyer is responsible for achieving the desired outcomes for the recipient of objects or other assets [28–30].

To meet people's expectations for quality service, the dimensions of service quality as theoretical indicators can be explained as follows: Tangibility, Reliability, Responsiveness, Assurance, and Empathy. These indicators provide a framework for understanding and assessing service quality [31, 32].

2.4 Price Suitability

Price refers to the amount of money charged for goods or service or the amount consumers exchange for the benefits of owning or using the product or service [22]. Price is defined as the monetary cost required to obtain a combination of goods and services, possibly including additional products [33].

Identifying several key price indicators, including affordability, compatibility of price with product quality, price competitiveness, and matching price with benefits, collectively offers insights into pricing strategies and consumer perceptions, and it is crucial for businesses to closely monitor and analyze these indicators in a dynamic market environment, ensuring that the price of a product or service aligns with the financial means of the target

Table 1. Standardized regression weight structural equation model.

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>---</td>
<td>0.186</td>
<td>0.078</td>
<td>2.405</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>---</td>
<td>0.527</td>
<td>0.094</td>
<td>5.645</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>---</td>
<td>0.285</td>
<td>0.072</td>
<td>3.206</td>
</tr>
<tr>
<td>Repurchase Intention</td>
<td>---</td>
<td>0.142</td>
<td>0.120</td>
<td>1.454</td>
</tr>
<tr>
<td>Repurchase Intention</td>
<td>---</td>
<td>0.178</td>
<td>0.111</td>
<td>2.079</td>
</tr>
<tr>
<td>Repurchase Intention</td>
<td>---</td>
<td>0.290</td>
<td>0.082</td>
<td>3.222</td>
</tr>
<tr>
<td>Repurchase Intention</td>
<td>---</td>
<td>0.367</td>
<td>0.057</td>
<td>2.654</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2023)
Table 2. The results of the path analysis estimation of service quality, price suitability, and online service facility on repurchase intention mediated by customer satisfaction.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path Analysis 1</th>
<th>Path Analysis 2</th>
<th>Path Analysis 3</th>
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<tbody>
<tr>
<td></td>
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<td>Price Suitability</td>
<td>0.367</td>
<td>0.057</td>
<td>0.367</td>
</tr>
<tr>
<td>Online Service Facility</td>
<td>0.142</td>
<td>0.120</td>
<td>0.178</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.186</td>
<td>0.078</td>
<td>0.527</td>
</tr>
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<td>0.111</td>
<td>0.290</td>
</tr>
<tr>
<td>Online Service Facility</td>
<td>0.178</td>
<td>0.111</td>
<td>0.290</td>
</tr>
</tbody>
</table>

Note: Significant *(1%), **(5%)

audience, strikes a balance between pricing and the perceived value of the offering, assesses how a company’s prices compare to those of competitors, and reflects the tangible and intangible advantages consumers receive from the product or service, all of which can inform effective pricing strategies that not only meet consumer expectations but also drive business growth and competitiveness in the market [22].

2.5. Service Facilities

Facilities refer to anything deliberately provided by a service provider for the use and enjoyment of consumers to maximize satisfaction. This can encompass the physical equipment provided by the service seller to enhance consumer comfort. Facilities encompass aspects such as appearance, infrastructure capabilities, and condition of the surrounding environment, all of which serve to showcase their presence to external parties. This encompasses physical facilities, including buildings and equipment, as well as tools, objects, equipment, money, and workspaces [34]. Facilities refer to the physical equipment provided by a service seller to enhance consumer comfort [35]. In operational terms, facilities encompass the infrastructure and amenities supplied by service managers to support the provision of services and fulfill consumer requirements [36].

Service facilities encompass elements within the community environment that can impact a community’s ability to carry out its activities, whether they take the form of objects or are related to human interactions [37]. Additionally, it is emphasized that business actors should not merely meet consumer needs but should also engage in continuous product and service development to enhance overall public satisfaction [38–40]. There are four indicators for measuring service facilities: efficiency, fulfillment, system availability, and privacy [41].

3. Materials and Methods

3.1. Population and Sample of Research

This study population includes consumers who have used goods delivery services in Aceh, and involves 22 indicators using purposive sampling. Based on this sampling technique, the sample size should ideally be 5–10 times the number of indicator variables [42]. Therefore, a total sample of 220 respondents was used in this research.

3.2 Data Collection Techniques

To collect data, a survey comprising question items was shared with respondents who matched the sample criteria. The researchers distributed these questionnaires electronically via Google Forms to consumers who have received goods through delivery services in Aceh.

3.3 Data Analysis Methods

In this study, researchers used previously collected data and employed the Structural Equation Modeling (SEM) method from the statistical software package AMOS 22.0. Before testing the hypotheses, a confirmatory factor analysis (CFA) was conducted. CFA is employed to validate the measurement model using the same dataset. This practice aligns with the perspective that, in structural equation modeling (SEM), confirmatory factor analysis
(CFA) should be performed initially to ensure data suitability. The research model is illustrated in Figure 1.

4. Results and Discussion

4.1. Research Result

The outcomes derived from the thorough processing and analysis of the data for the complete SEM model are visually represented in Figure 2.

Based on Figure 2, each variable exerts a direct influence on repurchase intention, including service quality, price suitability, and online service facilities. Additionally, there is an indirect influence on repurchase intentions through customer satisfaction.

4.2 Structural Equation Modeling (SEM)

Based on the SEM results presented in Table 1, evidence was found indicating that service quality, price suitability, and online service facilities have a significant positive influence on customer satisfaction, with estimated values for each variable of 0.186, 0.527, and 0.285, respectively. These findings are consistent with the results of previous research [43–50], all of which support the positive impact of service quality and price suitability on customer satisfaction.

Furthermore, evidence indicates that service quality, price suitability, and online service facilities have a significant positive influence on repurchasing intentions, with estimated values for each variable of 0.142, 0.290, and 0.178, respectively, consistent with the results of previous research [51–53], supporting the positive impact of service quality and price suitability on repurchasing intentions.

The results revealed a positive influence of customer satisfaction on repurchase intentions, with an estimated value of 0.367. These findings are consistent with previous studies [10, 51, 54, 55], all of which also identified that customer satisfaction has a positive impact on repurchase intention.

4.3 Path Analysis

To assess the indirect impact, our study utilizes Path Analysis (specifically, the Sobel, Aroian, and Goodman tests) to investigate how service quality, price suitability, and online service facilities affect repurchase intentions through customer satisfaction. Based on the Path Analysis results presented in Table 2, evidence was found indicating that service quality, price suitability, and online service facilities significantly influence customer satisfaction through customer satisfaction. All z-values for these variables exceeded 1.96, and all p-values were below 0.05, indicating statistical significance. This suggests that service quality, price suitability, and online service facilities cannot directly impact the repurchase intention variable without involving customer satisfaction.

Similarly, the positive influence of service quality, price suitability, and online service facilities on repurchase intention through customer satisfaction was identified by [10, 51, 54, 55].

5. Conclusions, Implications and Limitations

This study affirms that service quality, price suitability, and online service facilities have a significantly positive influence on repurchase intention. Additionally, customer satisfaction was found to be capable of mediating the impacts of service quality, price suitability, and online service facilities on repurchase intention for users of goods delivery services.

This study highlights that service quality, price suitability, and availability of robust online service facilities have a substantial positive influence. This emphasizes the necessity for businesses to uphold impeccable service standards, align pricing strategies with customer expectations, and invest in seamless online service platforms. Furthermore, the study reveals that customer satisfaction acts as a pivotal mediator, underscoring the need for businesses to gauge and enhance customer contentment. We advise goods delivery service companies, especially those in Aceh Province, to implement strategies to sustain their businesses. This includes updating market development through innovation, enhancing the quality of human resources, and nurturing customer relationships.

It is also important to address the limitations of this study, particularly regarding its scope and the selected factors. We recommend that subsequent studies consider a broader scope, encompassing all Indonesian provinces. This approach provides an extensive and robust empirical foundation. Additionally, it would be beneficial to incorporate additional variables that are believed to impact the repurchase intention of users of goods delivery services.

References


