

**THE EFFECT OF PRODUCT QUALITY, BRAND EQUITY, PLACE, AND
PROMOTION TOWARDS REPURCHASE INTENTION DECISION OF
WARUNK GACOAN SOLO**



RESEARCH PAPER

**Submitted as a Partial Fulfillment of the Requirement for Obtaining a
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By:

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**MANAGEMENT DOUBLE DEGREE PROGRAM
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UNIVERSITY OF MUHAMMADIYAH SURAKARTA
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Research has been accepted and approved

Sukoharjo, 16 February 2021
Under Supervision of,



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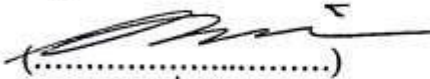

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It has been maintained in front of the Board of Examiners Faculty of Economics
and Business University of Muhammadiyah Surakarta On Tuesday, 16 February
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I hereby declare that in this scientific publication no work has ever been submitted for obtaining a bachelor's degree in a university and to my knowledge, there also no works or opinions that have been written or published by other people, except in a writing that is referred to in the text and mentioned in bibliography.

If in the future there is evidence of untruth in my statement above, then i will take full responsibility.

Sukoharjo, 16 February 2021

Who makes a statement,

A handwritten signature in black ink, appearing to read 'Rizky Amalia Nurrahma', written over a faint rectangular box.

Rizky Amalia Nurrahma

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Abstrak

Perkembangan industri kuliner mengalami perkembangan yang cukup pesat. Hal tersebut dapat dilihat dari banyaknya bisnis kuliner saat ini yang berkembang dengan kreatifitas dan inovasi yang tinggi guna memperoleh konsumen. Oleh karena itu, tujuan dari penelitian ini adalah untuk menganalisis pengaruh kualitas produk, ekuitas merek, tempat dan promosi terhadap keputusan pembelian kembali di Warunk Gacoan Solo. Jenis penelitian ini adalah kuantitatif. Sumber data penelitian ini adalah data primer dengan kuesioner menggunakan convenience sampling dengan 182 responden. Metode penelitian ini adalah regresi linier berganda. Berdasarkan hasil analisis dan pembahasandata yang dihasilkan pengaruh kualitas produk, ekuitas merek, tempat, dan promosi terhadap keputusan pembelian kembali menunjukkan bahwa: (1) kualitas produk berpengaruh signifikan terhadap keputusan pembelian kembali, (2) ekuitas merek secara signifikan mempengaruhi keputusan pembelian kembali, (3) tempat berpengaruh signifikan terhadap keputusan pembelian kembali, dan (4) promosi secara signifikan mempengaruhi keputusan pembelian kembali. Berdasarkan hasil uji F variabel kualitas produk, ekuitas merek, tempat, dan promosi memiliki pengaruh signifikan secara simultan terhadap proses keputusan pembelian kembali.

Kata kunci: Kualitas Produk, Ekuitas Merek, Tempat, Promosi, Keputusan Pembelian Kembali

Abstract

The development of the culinary industry has developed rapidly. It can be seen from the number of culinary businesses today that are developing with high creativity and innovation in order to get consumers. Therefore, the aim of this study was to analyze the effect of product quality, brand equity, place and promotion on repurchase decisions at Warunk Gacoan Solo. This type of research is quantitative. The data source of this research is primary data with a questionnaire using convenience sampling with 182 respondents. This research method is multiple linear regression. Based on the results of the analysis and discussion of the resulting data, the effect of product quality, brand equity, place, and promotion on repurchase decisions shows that: (1) product quality has a significant effect on repurchase intention decision, (2) brand equity significantly affects repurchase intention decision, (3) place has a significant effect on repurchase intention decision, and (4) promotion significantly affects repurchase intention decision. Based on the results of the F test, the variables of product quality, brand equity, place, and promotion have a significant effect sim ultaneously on the repurchase decision process.

Keywords: Product Quality, Brand Equity, Place, Promotion, Repurchase Intention Decision

1. INTRODUCTION

Tourism is an important sector as a source of regional income for the City of Surakarta (Isa et al, 2018). The city of Surakarta continues to improve in developing the tourism sector, both tourist destinations, tourist events and supporting facilities, in developing the regional economy. The increase in the tourism sector in the city of Surakarta can be seen from the increasing trend of people who prefer to travel various places, both natural tourism, cultural tourism and special interest tours. One form of special interest tourism is culinary tourism (Isa,2016).

The culinary development in the city of Surakarta has been going on for centuries and has left a lot of wealth. Culinary in Surakarta has continued to develop until now. Culinary tourism is a part of cultural tourism, which means that this tour has its own value in the eyes of tourists. Culinary wealth is a big capital that must be utilized in the context of regional economic development (Saeroji & Wijaya, 2017).

Food and beverage in the city of Surakarta is one of the business potentials with a high growth rate because food and beverages are one of the main needs of all people from all walks of life (Wajdi & Isa, 2014). One of the fast growing sub-sectors of the food and beverage industry now is Warunk Gacoan Solo. The restaurant that develop rapidly, where the progress of add a branches in various cities. This place is always crowded every day, customers are willing to queue up a lot in order to enjoy the noodles. Interior and exterior design in a place to eat has an influence on purchasing decisions, not only that because the average who come are among young people, this place is always the best choice because the place is quite spacious, comfortable, and very suitable for hanging out together same. All was done in order to attract the interest and attention of consumers to visit the stall.

Brand equity is the strength of a brand that provides value to companies and consumers. According to Kotler and Keller (2009: 263), brand equity is the added value given to products and services. Brand equity can be reflected in the way consumers think, feel and act in relation to the brand, and also the price, market share, and profitability that the brand provides for the company. From a company perspective, brand equity provides higher profits, cash flow and market share. Whereas from a consumer perspective, brand equity is associated with positive and clear beliefs about brands in the minds of consumers. If a brand is already known by

consumers and can differentiate itself from other competitors, then the brand has a high brand equity. In this case consumers can perceive a brand that has high quality and succeeded in making consumers satisfied.

In addition, things that need to be considered to improve repurchase decisions in the culinary business are not only product equity, but also must pay attention to the quality of the product itself. According to Kotler & Amstrong (2008) define a product quality as the ability to demonstrate a variety of functions including the robustness, precision, reliability and ease of use. A product quality is the quality of the product produced by a company where a good quality product will give customers a satisfaction and result in repeat purchase (Prasetyo & Purwanti, 2017). Products are considered important by consumers and are used as the basis for decision making. Product quality, in addition to influencing consumer satisfaction, also influences buying interest. This is demonstrated by research by Basrah Saidani and Samsul Arifin (2012) that Product Quality has a positive direct effect on consumer Repurchase Interest.

Location is one of the determining factors for a business since it affects the cost of business (Shatat, 2015). The business location should be considered as good as possible. If the company make a mistake in choosing a location, the company will bear the damages or fail in reaching its goals. So that location is also a factor in purchasing decisions.

The last factor in consumer repurchase intention decision is Promotion. Kotler and Armstrong (2012: 76) promotion is the promotion means activities that communicate the merits of the product and the customer demand to buy it. Promotions at the Gacoan Solo stall are also very diverse from promotions on Social Media to giving promos to Grab / Gojek technology companies, we can see from every day that many Grab / Gojek queue for hours in order to get orders for noodles from beloved customers. According to Kotler & Ketler (2012) it has also increase consumer demand for goods and services in the market thereby requiring business organizations to increase and align their market communication resources with attention focused more on attracting, satisfying, and retaining its customers through various means of sales promotion and advertisement.

2. METHOD

This research is understood as a quantitative causal analysis, which means that the researcher aims to analysis the influence of quality product, brand equity, place, and promotion on repurchase intention decision. The sampling technique used in this study is purposive sampling. The selection is made by selecting subjects based on specific criteria that have been determined by researchers and consider to have a close relationship with population characteristics. The choosen respondents in this study are consumer Warunk Gacoan Solo who consumed one of the products and eat in this place at least twice. This study uses questionnaire to collect data. In the measurement, each respondent asked for their opinion on a question, the respondent can choose the answer in accordance with his perception. Data measurements taken in this study are 1-5 Likert scale to represent the opinions of the respondents. The number of representative samples is 182 respondents.

3. RESULT AND DISCUSSION

3.1 Product quality has a positive impact on repurchase intention decision.

According to the result of the test, it can be seen that the hypothesis was supported based in the table IV.15. The result of multiple linear regression shows product quality has 2.851 as the t value and 0.191 as the B value. For the results of $t \text{ sig.} = 0.005 < 0.05$, it means the product quality variable value is less than 0.05. From these results stated that H_1 was accepted. It can be concluded that product quality has significant impact on repurchase intention decision at Warunk Gacoan Solo. This implication is supported by the research of Ahmad A. Al-Tit (2015). In their research, they stated that there is an influence between service and food quality (quality product) on customer satisfaction and hence consumer retention.

3.2 Brand Equity has a positive impact on repurchase intention decision.

According to the result of the test, it can be seen that the hypothesis was supported based in the table IV.15. The result of multiple linear regression shows brand equity has 4.175 as the t value and 0.243 as the B value. For the results of $t \text{ sig.} = 0.000 < 0.05$, it means the brand equity variable value is less than 0.05. From these results stated that H_2 was accepted. It can be concluded that brand equity has significant impact on repurchase intention decision at Warunk Gacoan Solo. This implication is supported by the research of Santoso and Cahyadi (2014). In their research, based on the multiple

regression test, brand equity (brand awareness, brand association, perceived quality, and brand loyalty) simultaneously has significant influence towards purchase intention. Moreover, it is found that only two out of four elements of brand equity individually have a significant influence towards purchase intention, namely brand association and brand loyalty whereas brand awareness and perceived quality do not have significant influence on purchase intention.

3.3 Place has a positive impact on repurchase intention decision.

According to the result of the test, it can be seen that the hypothesis was supported based in the table IV.15. The result of multiple linear regression shows place has 4.632 as the t value and 0.221 as the B value. For the results of $t \text{ sig.} = 0.000 < 0.05$, it means the place variable value is less than 0.05. From these results stated that H_3 was accepted. It can be concluded that place has significant impact on repurchase intention decision at Warunk Gacoan Solo. This implication is supported by the research of Harahap et al (2017). In their research, location variable and product completeness partially positive have real effect to consumer buying decisions. Simultaneously both variables are also positive significant effect on consumer buying decisions.

3.4 Promotion has a positive impact on repurchase intention decision.

According to the result of the test, it can be seen that the hypothesis was supported based in the table IV.15, the result of multiple linear regression shows promotion has 2.263 as the t value and 0.125 as the B value. For the results of $t \text{ sig.} = 0.025 < 0.05$, it means the promotion variable value is less than 0.05. From these results stated that H_4 was accepted. It can be concluded that promotion has significant impact on repurchase intention decision at Warunk Gacoan Solo. This implication is supported by the research of Aghi, Lawal, and Ajibola (2019). In their research, sales promotion tools such as price discount, coupon discount, buy-one and get-one free and free sample which the beverage industry in Lagos state often deploy have significant relationship in consumer purchase decision.

4. CONCLUSION

The results shows that Quality Product, Brand Equity, Place, and Promotion have a significant effect on Repurchase Intention Decision.

4.1 The Implication of The Study

From the all variables namely product quality, brand equity, place, and promotion have a positive effect on repurchase intention decision. If the company improve product quality, the customer will continue to do repurchase intention decision. On the other hand, if the company always control and continue to try and provide updates properly of brand equity, place, and promotion the customer will continue to do repurchase intention decision. Therefore, the company of Warunk Gacoan Solo must pay more attention to this variable.

4.2 Research Limitations

By the results of the data analysis and the discussions, the limitations of the study are:

4.2.1 This research was conducted during the Covid 19 pandemic in 2020. So, the researcher only distributed questionnaires via Google Form Survey.

4.2.2 Some of the respondents only made repurchases via grabfood/ gofood during this pandemic, so that the variables place for filling questionnaire was not optimal according to the latest conditions.

4.2.3 In this study, there are only four independent variables that affect the dependent variable, namely, repurchase intention decision. Even though many other factors that affect repurchase intention decision.

4.3 Suggestion

From the research results obtained, the researcher has several suggestions for further research. The suggestions are as follows:

For the further researcher:

4.3.1 The researcher defines add more the respondents or samples of the research reproduced to be able to describe the real situation in the object of research.

4.3.2 Include more variables in the research, such as price, quality service, and many more to show the effect on repurchase intention decision.

For the Warunk Gacoan Solo's Company:

Based on Based on the results of this research product quality, brand equity, place, and promotion have a positive effect on repurchase intention decision. Therefore, companies must make maximum efforts to implement methods of product quality, brand equity, place, and promotion.

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