The Influence of Price and Location on Repurchase Interest at TB Marloby in Sungai Kakap District with Satisfaction as an Intervening Variable

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Abstract

The aim of this research is to determine the effect of price and location on repurchase interest at TB Marloby in Sungai Kakap sub-district with satisfaction as an intervening variable. This research uses associative research methods. The research results show that all indicator items are valid and the constructs used are reliable. The R-square value shows that price and location influence satisfaction by 55.3% and influence repurchase intention by 69.7%, both of which are moderate influences. Hypothesis testing shows that price and location have a positive and significant effect on satisfaction and repurchase intention. Satisfaction also has a positive and significant effect on repurchase intention. Price and location have a positive effect on repurchase intention through satisfaction.

Keywords: Price, Repurchase Intention, TB Marloby, Sungai Kakap

Introduction

The increase in development in Indonesia has contributed to the emergence of various businesses today. We can see this in many various kinds of businesses, one of which is the building shop business. Indonesia has experienced significant developments in the infrastructure development sector in recent years. Strong involvement from the government in advancing this sector has been the key to encouraging sustainable economic growth (Djadjuli, 2018; Judijanto et al., 2023). In recent years, a series of ambitious infrastructure projects have been launched, creating a positive impact on various aspects of people's lives and the national economy. Better infrastructure, especially roads, has an impact on the level of development in an area and makes it easier for various businesses to enter remote areas so that they require building materials to build business buildings such as property businesses and shophouses. With this, building shop businesses are important so that business people can easily get building materials. Therefore, the demand for building materials encourages business actors to set up building shop businesses.

In West Kalimantan, especially in Kubu Raya Regency, this business is growing rapidly because it is currently in the road infrastructure development stage. With improving road infrastructure, it will make it easier for property business actors to develop their business in Kubu Raya Regency. This causes many business people to choose building shops as a business. As we know, Kubu Raya Regency is one of the districts closest to the capital city of West Kalimantan, namely Pontianak City, this makes it easier for building shop entrepreneurs to build their businesses. In Kubu Raya Regency, especially in Sungai Kakap District, many building shop businesses have been established. In addition, the Kubu Raya Regency government is increasing the construction of houses for low-income communities. So this has an impact on the demand for building materials, causing the building shop business to become one of the promising businesses for business people in Sungai Kakap District. Based on data

obtained from the Kubu Raya Regency Investment and One Stop Services Service, here are several building material shop businesses in Sungai Kakap District, as can be seen in Table 1 below.:

Table 1. Building Shops in Sungai Kakap District in 2024

No	Store Name	Address	Ward
1	Rika Pratama Abadi	JL.Karya Sosial	Pal Sembilan
2	Berkah Kita Jaya	Komp. Perintis.	Pal Sembilan
3	Suksestama Jaya Abadi	JL. Perdamaian	Pal Sembilan
4	TK. Anugrah Graha	JL. Perdamaian	Pal Sembilan
5	CV. Putra Amanah Jaya	Jalan Raya Kakap	Pal Sembilan
6	Mitra Baru	Jalan Raya Kakap	Pal Sembilan
7	Tunas Harapan Karya	Jl. Karya	Pal Sembilan
8	Toko Rezeki Indah	Jl. Raya Sungai Kakap	Pal Sembilan
9	Hason Pyramid Central	Jl. Raya Sungai Kakap	Pal Sembilan
10	Toko Bangunan Naisah 2	Jl. Raya Sungai Kakap	Pal Sembilan
11	Batako Swadaya	Jl. Swadaya	Pal Sembilan
12	Agha Karya	Jl. Karya	Pal Sembilan
13	TB. Tunas Harapan	Jl. Swadaya	Pal Sembilan
14	PD. Agung Bangunan	Jl. Perdamaian	Pal Sembilan
15	Rajawali Borneo	Jl. Perdamaian	Pal Sembilan
16	Ar Baraka Abadi	Jl. Raya Sungai Kakap	Pal Sembilan
17	TB. Makmur Sempurna	Jl. Perdamaian	Pal Sembilan
18	TB.Karya Mutiara	Jl. Karya	Pal Sembilan
19	Bintang Makmur Sejahtera	Jl. Raya Sungai Kakap	Pal Sembilan
20	TB. Berkarya indah	Jl. Swadaya	Pal Sembilan
21	TB. Swadaya berkah	Jl. Swadaya	Pal Sembilan
22	CV. Gilang Persada	Jl. Raya Sungai Kakap	Pal Sembilan
23	Edy Aseng Tools & Hardware	Gg. Amhar	Pal Sembilan
24	Bara Karya Bersama	Jl. Perdamaian	Pal Sembilan
25	TB. Karya Gemilang	Jl. Karya	Pal Sembilan
26	Megakarya Sukses Abadi	Jl. Karya	Pal Sembilan
27	Restu Jaya Sejahtera	Jl. Raya Sungai Kakap	Pal Sembilan

Source: Department of Investment and One Stop Services, 2024

Based on Table 1, data obtained from the Kubu Raya Regency Investment and One Stop Integrated Services Service, it is known that there are 76 building shops in Sungai Kakap District. The data displayed in the table above are several building shops in Sungai Kakap District, specifically in Pal Sembilan Village. Based on this data, there are relatively many competitors for this business. Which is spread across several places, namely on Jl. peace, Jl. Sungai Raya Kakap, Jl. Karya, Jl. Swadaya, Jl. Social Works and pioneer complex. Especially those located on Jl. Peace has 6 building shops, namely Suksestama Jaya Abadi, TK. Anugrah Graha, PD. Agung Gedung, Rajawali Borneo, TB Makmur Perfect, Bara Karya

Bersama and TB Marloby. This shows that this business is very developed in Sungai Kakap District. In the data above, it can be seen that TB Marloby is not registered in the Online Single Submission Risk Based Approach (OSS-RBA) system because TB Marloby has not yet

migrated to the latest Online Single Submission (OSS) system, namely Online Single Submission Risk Based Approach (OSS- RBA) or risk-based business licensing. So TB Marloby's data cannot be read by the Kubu Raya Regency one-stop investment and service system, but TB Marloby already has a permit which was issued in 2021.

TB Marloby Marloby has a strategic location, which is on a road that has easy access so that it can be reached by various transportation vehicles. The location of TB Marloby is on the side of the main road so it can be easily seen by road users. TB Marloby also provides a large enough parking area for buyers so that it makes it easier for buyers to park their vehicles. In the area where TB Marloby was established, it is close to residential areas and also has areas where many businesses have been established which can support TB Marloby, namely the construction of many shophouses and also housing or property that can support TB Marloby to develop.

TB Marloby was founded by Mr. Diki Saputra as the owner and manager of the business since 2017. Diki Saputra founded his business which is located on Jalan Peace, Pal Sembilan Village, Sungai Kakap District. TB Marloby is a business that operates in the field of selling building materials that have quality products and affordable prices. Based on the data obtained, TB Marloby provides various building materials as can be seen in Table 2 below:

Table 2. TB Marloby List of Products and Prices in 2024

No	Name of goods	Price (Rp)
1	Building supplies	5.000-1.600.000
2	Electrical tools	35.000-760.000
3	Electrical equipment	25.000-95.000
4	Equipment components	3.500-14.000
5	Builder's equipment	14.000-585.000
6	Building materials/components	6.000-300.000

Source: TB Marloby, 2024

Based on Table 2, it shows that TB Marloby provides various products with very varied prices offered by TB Marloby, with the aim of so that consumers can choose the desired product according to the consumer's abilities, where the products offered start from Rp. 3,500,00, namely bolts, up to Rp. 1,600,000. .00 which is the toilet. TB Marloby will provide discounts in the form of price reductions of 5-10% to consumers on the condition that they buy the desired product in large quantities with a minimum purchase of IDR 3,000,000.00. In payment methods, TB Marloby provides various payment methods such as cash, cash and credit. Payment is due, namely payment in stages over a period of 3-6 months with the condition that within that time period the payment must be completed. To pay on credit, consumers must meet the requirements in the form of completing personal data and must also pay off the payment no later than one year. To make it easier for customers to buy TB, Marloby offers to purchase products on credit with several conditions for consumers to come directly to the store without a third party to complete the existing requirements so that the credit process can be processed. TB Marloby also provides discounted products with the condition of purchasing large quantities of one product with discounts of up to 10% in order to attract consumer purchasing power. What TB Marloby has offered certainly influences sales levels. Based on data obtained from TB Marloby, the following are sales of TB Marloby products which can be seen in Table 3 below:

Table 3. TB Marloby Total Sales for 2021-2023

No	Year	Income (Rp)	Percentage (%)

1	2021	311.778.000	-
2	2022	464.383.000	48,94%
3	2023	507.018.000	9,18%

Source: TB Marloby, 2024

Based on Table 3, it shows sales at TB Marloby from 2021 to 2023. You can see that the data above shows that sales obtained by TB Marloby from 2021 to 2023 are always increasing in sales. Where sales in 2022 experienced a significant increase, namely 48.94% and in 2023 TB Marloby was able to increase its sales again by 9.18%. We can see here that TB Marloby is able to maintain the stability of its business with always increasing sales results. The increase in sales obtained every year by TB Marloby is of course influenced by factors that influence the level of sales so that TB Marloby's sales always increase every year.

Methods

This research uses an associative research method. The associative research in this study is to provide an overview of the influence of price and location on repurchase intention with satisfaction as an intervening variable. Primary data in this research are interviews, questionnaires, while secondary data in this research is information obtained from company data, namely product lists, prices and income reports. The number of samples was set at 100 respondents. The sampling technique used in this research was purposive sampling. The criteria for determining the sample in this study were that respondents were people who had made purchases at least twice at TB Marloby and were at least 18 years old. The measurement scale used in this research is the Likert scale. Data analysis techniques use Structural Equation Modeling (SEM).

Results and Discussion

Measurement Models

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

Table 4. Outer Loading Results

	Price (X1)	Location (X2)	Satisfaction (Y1)	Repurchase Intention (Y2)
X1.1	0.900			
X1.2	0.721			
X1.3	0.924			
X1.4	0.818			
X1.5	0.919			
X2.1		0.774		
X2.2		0.825		
X2.3		0.754		
X2.4		0.782		
Y1.1			0.836	
Y1.2			0.827	
Y1.3			0.786	
Y2.1				0.749
Y2.2				0.756
Y2.3				0.771
Y2.4				0.803

Source: Processed Data, 2024

Based on the table of outer loading values in table 1, it can be seen that all items or indicators have an outer loading value > 0.7. So it can be concluded that all items or indicators are valid in terms of item validity. Next, an analysis of Construct Reliability and Validity was carried out. Construct Reliability and Validity is measuring the reliability and validity of the latent variable construct. Test results for Construct Reliability and Validity can be seen in the following table:

Table 5. Construct Reliability and Validity Test Results

	Cronbach's alpha	rho_A	Composite Reability	Avarege Variance Extracted(AVE)
Price (X1)	0.909	0.915	0.934	0.740
Location (X2)	0.792	0.792	0.865	0.615
Satisfaction (Y1)	0.752	0.763	0.857	0.667
Repurchase Intention (Y2)	0.775	0.796	0.853	0.593

Source: Processed Data, 2024

Based on table 5 above, it can be seen that all constructs have a Cronbach's alpha value > 0.7, so it can be concluded that all constructs used are reliable. The table above also explains the results of convergent validity testing, which can be seen from the Average Variance Extracted (AVE) value. AVE values for all constructs > 0.5. So it can be concluded that all constructs are convergently valid. The next step is to carry out discriminant validity testing, as can be seen in the following table:

Table 6. Discriminant Validity (Fornell-Larcker)

	Price (X1)	Location (X2)	Satisfaction (Y1)	Repurchase Intention (Y2)
Price (X1)	0.434			
Location (X2)	0.536	0.555		
Satisfaction (Y1)	0.844	0.676	0.631	
Repurchase Intention (Y2)	0.867	0.649	0.997	0.454

Source: Processed Data 2024

Table 3 above shows that all the roots of the AVE (Fornell-Larcker Criterion) for each construct are greater than the correlation with other variables, so the discriminant validity requirements for the model in this study have been met. Another test output for the model is carried out by looking at the R Square value which tests the Goodness Fit Model in the inner research model. The test results can be seen in the following table:

Table 4. Goodness Fit Model

	R-square	Adjusted R-square
Satisfaction (Y1)	0.553	0.544
Repurchase Intention (Y2)	0.697	0.687

Source: Processed Data, 2024

The table above shows that the R Square value which shows the joint or simultaneous influence of X1 and X2 on Y1 is 0.553. So it can be concluded that all exogenous constructs (X1, X2) simultaneously influence Y1 by 0.553 or 55.3%. Because the Adjusted R Square is more than 25% but less than 75%, the influence of all exogenous constructs (X1, X2) on Y1 is moderate/moderate. The table above shows that the R Square value which shows the joint or simultaneous influence of X1, X2, and Y1 on Y2 is 0.697. So it can be concluded that all exogenous constructs (X1, X2, Y1) simultaneously influence Y2 by 0.697 or 69.7%. Because the Adjusted R Square is more than 25% but less than 75%, the influence of all exogenous constructs (X1, X2, Y1) on Y2 is moderate/moderate.

Structural Models

In this section, the results of hypothesis testing are explained, by looking at the test results for Direct Effects and Indirect Effects. The test results for direct effects can be seen in the following table:

Table 5. Direct Effect

Hypothesized path	*Standardized path coefficient*	*t-statistic*	*P Values*	*Results*
H1: Price Satisfaction	0,075	8,518	0,000	Accepted
H2: Location Satisfaction	0,078	2,416	0,016	Accepted
H3: Price MBU	0,085	8,035	0,000	Accepted
H4: Location MBU	0,077	2,680	0,007	Accepted
H5: Satisfaction MBU	0,164	2,203	0,028	Accepted

Source: Processed Data, 2024

It can be seen in the output above that the direct relationship (direct effect) between Price and Satisfaction, Location and Satisfaction, Price and Repurchase Intention, Location and Repurchase Intention and Satisfaction and Repurchase Intention has a p-value less than the 0 significance level, 05 so it is declared significant. The test results for indirect effects can be seen in the following table:

Table 6. Indirect Effect

	Standardized path coefficient	**t-statistic**	**P Values**	**Results**
H6: Price MBU Kepuasaan	0,095	4,913	0,004	Diterima
H7: Location MBU Satisfaction	0,075	1,793	0,005	Diterima

Source: Processed Data, 2024

It can be seen in the output above that the indirect relationship (indirect effect) of Price and Repurchase Intention which is mediated by Satisfaction has a p-value of more than the 0.05 significance level so it is declared not significant. Meanwhile, Location and Repurchase Intention as mediated by Satisfaction have a p-value less than the 0.05 significance level so they are declared significant. The results of hypothesis testing can be seen in the following image:
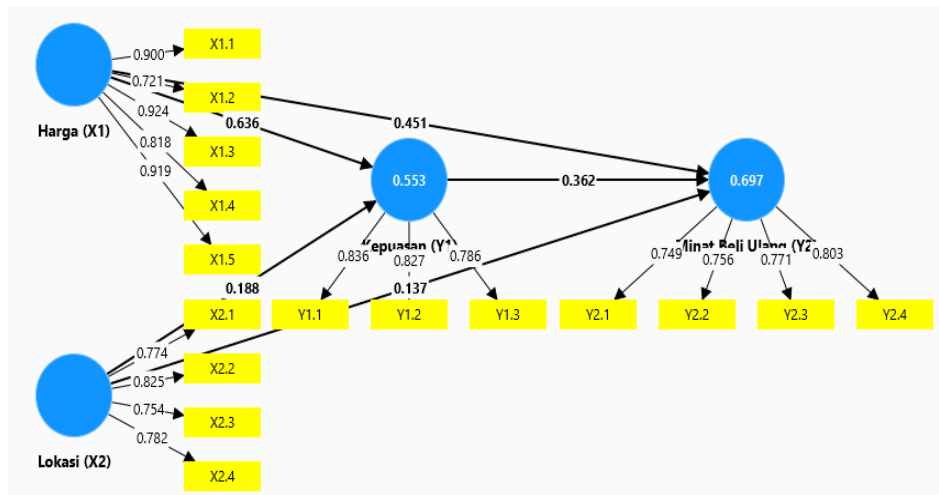
Figure 1. hypothesis testing

Source: 2024 Data Graph

The Effect of Price on Satisfaction

Testing the direct influence between Price and Satisfaction obtained a t-statistic value of 8.518 with a p-value of 0.000. This shows that there is a direct influence between price and satisfaction. So it can be said that H1, namely price, has a positive and significant effect on satisfaction received. The results of this research support research conducted by Wandy & Neneng (2018) which shows that price setting will result in an increase in consumer satisfaction.

The Effect of Location on Satisfaction

Testing the direct influence of location on trust, the t-statistic value was 2.416 with a p-value of 0.016. This shows that there is a direct influence between Location on Satisfaction and the influence is strong. The t-statistic value indicates that the relationship between the two is positive. So it can be said that H2, namely location, has a positive and significant effect on satisfaction received. The results of this research support research conducted by Alfaini, et al., (2022) which shows that location has a significant positive effect on consumer satisfaction. That easy location access will make it easier for consumers to find the place, therefore consumers will feel satisfied when traveling when they want to shop..

The Influence of Price on Repurchase Intention

Testing the direct influence between Price on Repurchase Intention, the t-statistic value is 8.035 with a p-value of 0.000. This shows that there is a direct influence between price and repurchase interest. So it can be said that H3, namely price, has a positive and significant effect on repurchase interest. The results of this research support research conducted by Handayani and Irianto (2010), price perceptions have a direct effect on repurchase intention. The more appropriate the price perception received by consumers, the greater the consumer's interest in making a purchase.

The Influence of Location on Repurchase Intention

Testing the direct influence of Location on Repurchase Intention obtained a t-statistic value of 2.680 with a p-value of 0.007. This shows that there is a direct influence between Location on Repurchase Intention and the influence is strong. The p-value indicates that the relationship between the two is positive. So it can be said that H4, namely location, has a positive and significant effect on repurchase interest. The results of this research support research conducted

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by Faradiba & Sri (2013), that location has a positive influence on consumer repurchase interest. The more strategic it is, the easier it is to reach, the more consumers' interest in repurchasing will increase (Faradiba & Astuti, 2013).

The Influence of Satisfaction on Repurchase Intention

Testing the indirect effect between Satisfaction on Repurchase Intention obtained a t-statistic value of 2.203 with a p-value of 0.028. This shows that there is a direct influence between Satisfaction on Repurchase Intention but the influence is weak. The t-statistic value indicates that the relationship between the two is positive. So it can be said that H5, namely satisfaction, has a positive and significant effect on repurchase interest.

The results of this research support research conducted by Ramdhani & Widyasari (2022) which shows that the more consumer satisfaction, the greater the interest in repurchasing (Ramdhani & Widyasari, 2022).

The Effect of Price on Repurchase Intention through Satisfaction

Testing the indirect influence between Price on Repurchase Intention through Satisfaction obtained a t-statistic value of 4.913 with a p-value of 0.004. So it can be said that H6, namely Price on Repurchase Intention through Satisfaction, has a positive and significant effect on Repurchase Intention through Satisfaction.

The results of this research contradict research conducted by Mahemba & Rahayu (2019), which shows that consumer satisfaction mediates the influence of price on consumer repurchase interest, which means that price influences repurchase interest mediated by consumer satisfaction.

The Influence of Location on Repurchase Intention through Satisfaction

Testing the indirect influence of Location on Repurchase Intention through Satisfaction obtained a t-statistic value of 1.793 with a p-value of 0.005. So it can be said that H7, namely Location on Repurchase Intention through Satisfaction, has a positive and significant effect on Repurchase Intention through Satisfaction.

The results of this research support research conducted by Alfaini, et al., (2022) which shows that strategic locations can increase consumer satisfaction so that it will also influence repurchase interest. This means that the better the choice of location for doing business, the greater customer satisfaction will be, which will make consumers interested in making repeat purchases.

Conclusion

This research examines the influence of price and location on customer satisfaction and repurchase intention, with satisfaction as a mediating variable. The results of the analysis show that all indicator items are valid and the constructs used are reliable. The R-square value shows that price and location influence satisfaction by 55.3% and influence repurchase intention by 69.7%, both of which are moderate influences. Hypothesis testing shows that price and location have a positive and significant effect on satisfaction and repurchase intention. Satisfaction also has a positive and significant effect on repurchase intention. Price and location have a positive effect on repurchase intention through satisfaction. This research confirms that appropriate pricing and strategic location can increase customer satisfaction and repurchase interest. The right pricing strategy and good location selection are important for business success in retaining customers and increasing sales.

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