

Service Recovery on Customer Repurchase Interest with Service Quality as a Mediation on FnB Consumers

Devi Yulia Kurniawati¹, Annisa Fajri²

Faculty Economic and Business, Universitas Muhammadiyah Semarang^{1,2}

Kedungmundu Raya No. 18 Semarang, Central Java, Indonesia

Correspondence author: annisafajri@unimus

ARTICLE INFORMATION

Publication information

Research article

HOW TO CITE

Kurniawati, D.Y., & Fajri, A. (2024). Service Recovery on Customer Repurchase Interest with Service Quality as a Mediation on FnB Consumers. Economics and Business International Conference Proceeding, 1(2), 1250-1262.



This is an open-access article.

License: Attribution-Noncommercial-Share Alike (CC BY-NC-SA)

Received: July 20, 2024

Accepted: July 25, 2024

Published: August 1, 2024

ABSTRACT

This type of research is classified as descriptive research. The population of this research is all FnB customers in Semarang. Determining the sample size in this study used the Chocran formula with a sample size of 97 respondents with a sampling technique using the purposive sampling method. The sampling technique uses a questionnaire while secondary data is in the form of documentation. For data analysis using the SmartPLS 3 program. The results of this research show 1). Service Recovery has a significant positive effect on the Repurchase Intention of FnB customers in Semarang, 2) Service Recovery has a positive and significant effect on the Service Quality of FnB Customers in Semarang, 3) Service Quality has a positive and significant effect on the Repurchase Intention of FnB Customers in Semarang, 4) Service Quality has a positive and significant effect on Repurchase Intention through Service Recovery.

Keywords: Service Recovery, Repurchase Intention, Service Quality

INTRODUCTION

The large number of spicy culinary delights in Indonesia triggers business actors to compete fiercely in various forms of competition. Therefore, culinary business actors are emphasized to create strategies that attract consumers and also provide many choices of places for consumers to meet their food needs. Consumers, in selecting the products they want, must always innovate endlessly in line with the needs, tastes of buyers and current trends. So it can make it easier for customers to make purchasing decisions (Tjiptono, 2015).

A spicy culinary business that is much sought after and visited in Indonesia. FnB is a trademark of the Number 1 spicy restaurant chain in Indonesia, a subsidiary of PT Pesta Pora Abadi. Founded in early 2016, now it has grown to become the largest F&B market leader in Indonesia, one of which is in Semarang, Central Java, becoming the No. 1 largest brand. 01 and has many branches (Permana &, Panjaitan, 2021). Indonesia. According to Anderson & Srinivasan (2003), and Sceiders et al. (2005), repurchase intention is a report regarding consumer desires in repurchase behavior and there are several factors that can influence repurchase intention, namely: referential interest, transactional interest, exploration interest, and preferential interest.

In this context, the main goal of a food business is to satisfy and attract customers. Therefore, it is necessary to understand how service recovery works. The impact of this strategy on consumers after service recovery indicates the actions the company takes when service recovery occurs (Zethaml, Bitner & Gremler, 2019). The quality of FnB services in Semarang is high and consistent so that it is able to attract customer interest and loyalty. Service quality is defined by the relationship between the service inputs used by the service provider and the level of sales-related financial performance (Chang et al., 2020). For this reason, FnB is present and successful in providing services in terms of fairly complete facilities, namely bathrooms, wifi, prayer room, large and instagrammable parking area (Hurriati, 2015).

Repurchase interest regarding repurchase services through the same company is carried out periodically as a personal value, taking into account current conditions and also considering the possibility of consumers making repurchases due to repeated and impulsive purchasing behavior according to (Yeo et al. 2021).

LITERATURE REVIEW

INTERESTED TO REPURCHASE

Consumer buying interest is an activity in which buyers develop a desire to purchase a product, both of which are based on product selection experience, use and expectations. Swastha and Irawan in (Sutrisno & Haryani, 2017), explain several aspects that can influence consumer buying interest which are closely

related to emotions and preferences. According to Hidayat and Afriyanti and Rahmadani (2019) repurchase interest is the interest in making a purchase based on the consumer's purchasing experience in the past. High repurchase interest shows high customer satisfaction with their purchasing decisions. The suitability of the performance of the products and services provided with what customers want, thereby bringing satisfaction and consumer interest in buying again in the future. Once satisfied consumers decide to become consumers, their instinct is to actively recommend the product to other potential consumers. Therefore, enthusiastic consumers play a role in the development of a particular brand (Büyükdag, 2021).

In this research, the research sample size was taken from various perspectives related to eight main perspectives that show how customers consistently search for information about products, minimum transactional, minimum recommendation, minimum priority, and minimum exploration (Faramitha & Anggana, 2022). (Yogi Arta Wiguna & Santika, 2020). There are several indicators that can direct customers to buy again. Consumer relationships emerge through a learning process, namely a thinking process where consumers form perceptions before deciding to buy a product, including: According to Hidayat and Afriyanti and Rahmadani (2019) repurchase interest is the interest in making purchases based on consumers' past purchasing experiences. High repurchase interest shows high customer satisfaction with their purchasing decisions. The suitability of the performance of the products and services provided to what customers want, thereby bringing satisfaction and consumer interest in buying again in the future. Once satisfied consumers decide to become consumers, their instinct is to actively recommend the product to other potential consumers. Therefore, enthusiastic consumers play a role in the development of a particular brand (Büyükdag, 2021).

In this research, the research sample size was taken from various perspectives related to eight main perspectives that show how customers consistently search for information about products, minimum transactional, minimum recommendation, minimum priority, and minimum exploration (Faramitha & Anggana, 2022). (Yogi Arta Wiguna & Santika, 2020). There are several indicators that can direct customers to buy again. Consumer relationships emerge through a learning process, namely a thinking process where consumers form a perception before deciding to buy a product, including:

1. Satisfaction with the product or service
2. Convenience
3. Loyalty program
4. Strong brand reputation

As a result, repeat purchase interest is created when customers make repeat purchases and are encouraged to make subsequent purchases based on their satisfaction with the product purchased.

RECOVERY SERVICE

Whenever a failure occurs, the service provider must address it effectively to reduce the possibility of losing buyers through service recovery strategies. Previous research has confirmed that companies that perform particularly well in the recovery process obtain greater levels of repurchase interest from their consumers (Alzoubi et al., 2020 ; Shams et al., 2020). Sajadi and Bohrer (2017) Service Recovery is a response carried out by the business world as a response to service interruptions. The goal is to turn customer complaints into opportunities for improvement and, ultimately, enable businesses to serve their customers better (Gitasiswhara, et al, (2016) define service recovery as a service provider company's efforts to respond to service failures that result in dissatisfaction with the service. way delivered service or product.

According to Robbins and Judge (2012), conceptualize justice experienced by consumers as a 3-dimensional construct, namely distributive justice, interactional justice and procedural justice. Kim, Yoo and Lee (2011) also use these 3 dimensions to measure service recovery, and have aligned them with restaurant objects. Service recovery will occur before using the service, at the destination, when the service is cancelled, or when the complaint is resolved. There are many tasks that must be completed to achieve service recovery (Sudarti & Atika, 2013), namely:

1. Calculate the secondary and primary costs of dissatisfied consumers.
2. Carrying out placements, training, marketing, recruitment that provide positive things for Service Recovery as a whole.
3. Give rewards to employees who complete and accept, consumer complaints, as well as resolving minor problems.
4. Proactively identify or acknowledge consumer complaints by means of process improvement.
5. Establish close communication between customers and company management.

SERVICE QUALITY

Service quality can be measured by comparing the quality of service provided with customer expectations. Service Quality is a type of customer research on the level of service obtained with the desired level of service and becomes a dynamic situation related to service products, processes, people and the environment that is able to satisfy customer expectations (Zikri, 2022).

Service quality qualifications are critical to achieving competitive advantage, but intangible service quality makes it more difficult to control. Service quality is very important to achieve competitive advantage. However, the intangible makes it more difficult for service quality, the intangible makes service quality more difficult to control. To survive in tight business competition, companies must prioritize quality. According to Indrasari (2019), quality refers to a series of products that enable the product to meet specific needs or requests Restuputri et al. (2021)

employees must be reliable, diligent and punctual. They must also be able to interact well, be polite, and be able to serve.

Service quality is the main factor that needs to be optimized and paid attention to so that it can survive and continue to be chosen by consumers. According to Tjiptono's explanation (2016), service is an activity, profit or satisfaction that is provided for sale and service quality is a form of effort to satisfy consumer wants and needs and to retain customers.

Service Quality Indicators according to Laksana's explanation (2008), are:

- a. Reliability
- b. Responsiveness (responsiveness)
- c. Empathy (empathy)
- d. Physical evidence (tangibles)

FRAMEWORK AND HYPOTHESIS

Based on the description above, a conceptual framework can be written, namely:

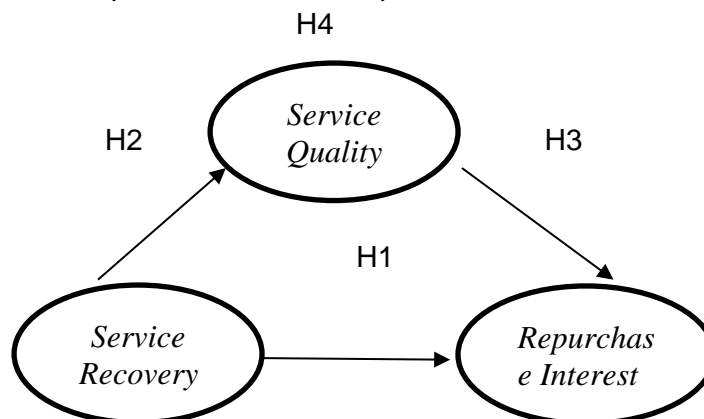


Figure 2.2: Framework of Thought

The hypothesis in this research is as follows:

1. Service recovery has a positive and significant effect on repurchase interest.
2. Service recovery has a positive and significant effect on service quality.
3. Service quality has a positive and significant effect on repurchase interest.
4. Service quality has a positive and significant effect on repurchase interest through service recovery.

RESEARCH METHOD

POPULATION

This research tracks FnB who have purchased FnB products in Semarang. Because the number of customers in question is unknown, the population used in the research is unlimited.

SAMPLE

Sugiyono (2020) states that a sample is part of a population and its characteristics because researching the entire population is currently

impossible because the existing population is very large. The research uses purposive sampling, based on certain representative considerations to represent the population as a whole.

According to Santoso and Tjiptono (2019), the Purposive Sampling method allows researchers to choose based on the unique qualities of the sample. Based on the individuals selected after selection from researchers who have more experience and are also seen as having a stronger relationship than before, the characteristics are:

- Have purchased at least once at FnB Semarang
- Domicile Semarang
- Minimum age of 17 years and able to make purchasing decisions

All individuals, an unknown number, who have made purchases at FnB Semarang, constitute the research population. Because the sample size was unknown, the researchers used the Cochran method in calculating the sample size according to Sugiyono (2019).

$$\text{Where : } n = \frac{Z^2 pq}{e^2}$$

n : Number of samples required

Z : Level of confidence required in the sample, namely 90%

p : Big chance 50%

q : 50% chance of being wrong

Moe: Margin of error or maximum tolerated error rate

The confidence level used is 90% where the Z value is 1.96% and the maximum error rate is 10%. The sample size in this study is as follows:

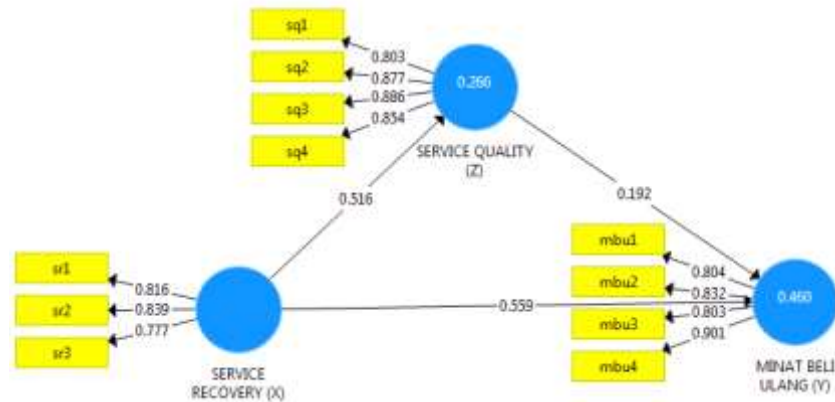
$$n = \frac{(1.96)^2 - (0.5)(0.5)}{(0.10)^2}$$

$$n = 96,04$$

This calculation shows that the minimum sample size for research is ninety-six respondents rounded up to 97 respondents.

RESULTS

• **Figure 4.8** Data Processing Results



• **Table 4.11** Fornell-Lacker Criterion Discriminant Validity

	Repurchase Interest (Y)	Service Quality (Z)	Service Recovery (X)
Repurchase Interest (Y)	0,836		
Service Quality (Z)	0,480	0,855	
Service Recovery (X)	0,658	0,516	0,811

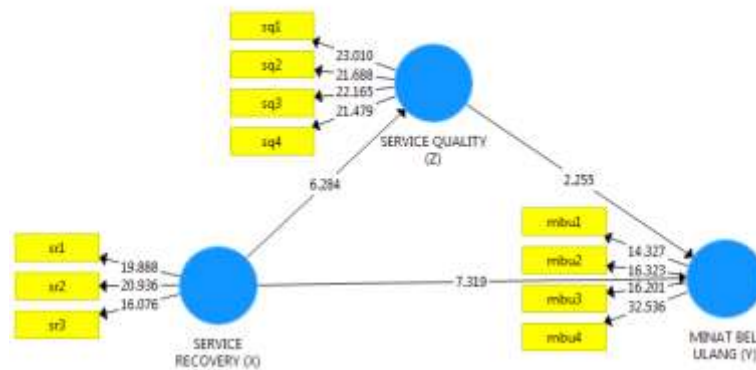
• **Table 4.13** Fit Models

	<i>Saturated Model</i>	<i>Estimated Model</i>
	0,685	0,685

• **Table 4.14** R Square

Variabel	<i>R-square</i>	<i>R-square Adjusted</i>
Repurchase Interest (Y)	0,460	0,448
Service Quality (Z)	0,266	0,258

• **Figure 4.9** Hypothesis Testing Results



• Table 4.15 Path Coefficient Hypothesis Test

Hipotesis		Original Sample (O)	Sample Mean (M)	Standar Deviation (STDEV)	T-Statistic (O/STDEV)	P-Values	Kesimpulan
Hypothesis 1	Service Recovery (X) → Repurchase Interest (Y)	0,658	0,653	0,058	11,299	0,000	H1 Diterima
Hypothesis 2	Service Recovery (X) → Service Quality	0,516	0,518	0,082	6,284	0,000	H2 Diterima
Hypothesis 3	Service Quality (Z) → Repurchase Interest (Y)	0,192	0,189	0,085	2,255	0,026	H3 Diterima

• Table 4.16 Indirect Effect Test Results and Total Effect

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistic (O/STDEV)	P Values
Service Recovery(X) → Service Quality (Z) →	0,099	0,097	0,048	2,072	0,041

Repurchase Interest (Y)					
-------------------------	--	--	--	--	--

Total Effect

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standart Deviation (STDEV)</i>	<i>T Statistic(I/O/STDEVI)</i>	<i>P Values</i>
Service Recovery (X) → Repurchase Interest (Y)	0,658	0,653	0,058	11,299	0,000
Service Recovery (X) → Service Quality	0,516	0,518	0,082	6,284	0,000
Service Quality (Z) → Repurchase Interest (Y)	0,192	0,189	0,085	2,255	0,026

• **Table 4.17** Direct Effect Hypothesis Test Results

Hipotesis		Nilai Std Koefisien	T Statistics	P Values	Keterangan
H4	Service Recovery(X) → Service Quality (Z) → Repurchase Interest(Y)	0,099	2,072	0,041	Memediasi

DISCUSSION

Based on **Table 4.11**, the cross-loading results prove that the correlation between components and indicators is stronger than between indicators and other components. Therefore, it is stated that all model measures meet the criteria for the discriminant validity test, where the loading value for the latent construct detecting block indicators is higher than the loading value for constructs with other block indicators.

Based on **Table 4.13** NFI (Normed Fit Index), NFI has a value ranging between 0-1. An NFI value > 0.90 indicates good fit, while 0.80 < NFI < 0.90 (marginal fit), shown by an NFI value of 0.685 in the table above (Ghozali, 2017).

Based on **Table 4.14** of the R-Square test, it is understood that the R-Square value in the repurchase interest variable is 0.460. This explains that repurchase interest is influenced by service recovery of 46%, thus stating that the model is moderate. Furthermore, it is known that the R-Square value in service quality is 0.266. This explains that service quality is influenced by the service recovery variable and repurchase interest by 26.6%, thus indicating that the model is moderate (weak).

Based on **Figure 4.9**, the Bootstrapping method (Ghozali and Lattan 2019) was used to determine the significant level of the direct effect hypothesis by examining the significance of the measurement coefficient. For this study, a significance level of 5% was used. Thus, the degree of confidence is 0.05 or t-statistic > 1.96. The aim of this research is to test 4 hypotheses, including:

- H1: Service recovery has a positive and significant effect on repurchase interest.
- H2: Service recovery has a positive and significant effect on service quality.
- H3: Service quality has a positive and significant effect on repurchase intention.
- H4: Service quality as an intervening variable has a positive and significant mediating effect on service recovery on repurchase interest.

Based on **Table 4.15**, the results of the Path Coefficients test

- **The Influence of Service Recovery on Repurchase Intention (Hypothesis 1)**

The results of this research prove that H1 is accepted because the service recovery factor has a positive and significant influence on repurchase interest. Because the calculated t value > t table value (11.299 > 1.96) in other results with p-value < 0.05 (0.000 < 0.05). Therefore, the higher the effectiveness of service recovery, the greater the possibility of repurchasing FnB products in Semarang. This research and previous research (Fajryanti & Faridah, 2018) show that recovery services have a positive and significant influence on repurchase intention.

- **The Effect of Service Recovery on Service Quality (Hypothesis 2)**

It can be concluded that it is supported because the service recovery variable has a positive and significant influence on service quality, because the calculated t value > t table value (6.284 > 1.96) on other results with p-value < 0.05 (0.000 < 0.05) so accepted H2. Similar research results based on research conducted (Mutamam et al., 2019) show that the service recovery variable on service quality has a significant positive influence on service quality. In other words, customers will feel satisfied and will tell someone else about it.

- **The Influence of Service Quality on Repurchase Intention (Hypothesis 3)**

Hypothesis 3 is in accordance with the results of this research, proving that the service quality variable has a positive and significant influence on the level of repeat purchases. , because the calculated t value > t table value (2.255 > 1.96) in other results with p-value < 0.05 (0.026 < 0.05). This

shows that customers' desire to buy FnB products in Semarang when service quality increases. The results of this research are compared with previous research, proving that service quality during consumer research in Semarang City has a positive and significant influence on purchase intention for repeat purchases (Putri & Sukawati, 2020).

• **The Influence of Service Recovery on Repurchase Intention Through Service Quality**

The results of this research show that intervening occurs because the influence of the independent variable (service recovery) influences the dependent variable (repurchase interest) which produces an initial value of 0.099 and a t-statistic value of 2.072, while the resulting p-value is 2.072 through the intervening variable (service quality). 0.041, there is an increase in the initial sample value and t-statistic value, so using the intervening variable (service quality) can strengthen the relationship between the independent variable and the dependent. This means that service quality can be stated as an intervening variable between service recovery and interest in repurchasing FnB products in Semarang. service recovery effectively to satisfy consumers thereby generating repeated repurchase interest. Together with service quality, service recovery performance can positively influence buyers' repurchase behavior (Ali et al., 2019). In addition, service recovery performance is positively related to repurchase intention.

Based on **Table 4.17** The conclusion of the research is to test the influence of the following mediating variables

Service recovery plays a role in determining repurchase interest through service quality or it is said that there is an influence of service recovery on repurchase interest through service quality. This is based on the direct effect test with p-value < 0.005 (0.041 < 0.05). "The coefficient shows a positive impact. Or in other words, the better the recovery service, the more repurchase interest there will be, supported by service quality that is in line with the recovery service."

CONCLUSION

- Service Recovery has a positive influence on Repurchase Intention. This means that good service recovery will increase the interest in repurchasing FnB products in the city of Semarang. On the other hand, if the service recovery is worse, the interest in repurchasing FnB products in Semarang will decrease.
- Service Recovery has a positive and significant impact on Service Quality. This proves that the greater the effectiveness of service recovery for FnB products in Semarang, the greater the level of service quality. On the other hand, service quality decreased along with the worsening service recovery of FnB products in Semarang.

- Service Quality has a positive and significant influence on Repurchase Intention. This means that the better the service quality, the higher the interest in repurchasing FnB products in Semarang. On the other hand, if the service quality is worse, the interest in repurchasing FnB products in Semarang will decrease.
- This research is limited, only using FnB product objects in Semarang.

REFERENCES

- Abid, M. M. F. and Dinalestari, 2019, Pengaruh E-Security dan E-Service Quality Terhadap E-Repurchase Intention Dengan E-Satisfaction Sebagai Variabel Intervening Pada Konsumen E-Commerce Lazada di Fisip Undip Kata Kunci :E-Security, E-Service Quality, E-Satisfaction, E-Repurchase Intenti, Diponegoro Journal Of Social And Politic, 1–8.
- Afriyanti, T., dan Rahmidani, R. (2019). Pengaruh Inovasi Produk, Kemasan, Dan Variasi Produk Terhadap Minat Beli Ice Cream Aice Di Kota Padang. *Jurnal Ecogen*, 2(3), 270
- Aldrianto, Dimas, dkk (2021) Pengaruh Harga, Kualitas Produk dan Kualitas Pelayanan Terhadap Repurchase Intention (Studi Kasus Distro Aye Denim Kelapa Gading). Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta.
- Badan Pusat Statistik. (2022). Ringkasan Eksekutif Pengeluaran dan Konsumsi Penduduk Indonesia. In Badan Pusat Statistik.
- Barlian, E. (2019). *Metodologi Penelitian Kualitatif & Kuantitatif*. Jejak. *Bisnis*, 6(1), 85. <https://doi.org/10.34127/jrlab.v6i1.169>
- Büyükdag, N. (2021). The effect of brand awareness, brand image, satisfaction, brand loyalty and WOM on purchase intention: An empirical research on social media. *Business & Management Studies: An International Journal*, 9(4), 1380–1398. <https://doi.org/10.15295/bmij.v9i4.1902>
- Chang, W. J., Liao, S. H., Chung, Y. C., & Chen, H. P. 2020. Service quality, experiential value and repurchase intention for medical cosmetology clinic: moderating effect of Generation. *Total Customer's Buying Decision in South Cikarang Bekasi Regency. Jurnal Lentera*.
- Dandis, A. O., Wright, L. T., Wallace-Williams, D. M., Mukattash, I., Fitri, M. A. H. I., & Cai, H. (Huifen). (2021). Enhancing consumers' self-reported loyalty intentions in Islamic Banks. *Cogent Business & Management*. <https://doi.org/10.1080/23311975.2021.1892256>
- Faramitha, S., & Anggana, Y. S. (2022). Pengaruh kualitas produk terhadap minat beli (Studi kasus pada smartphone Samsung di Neo Komunika). *Jurnal Ekonomi Dan Bisnis*, 10(1). 195-202. <https://doi.org/10.34308/eqien.v10i1.507>.
- Ferdinand, 2019. *Metode Penelitian Manajemen: Pedoman penelitian untuk Skripsi, Tesis, dan Desertasi Ilmu Manajemen*. Semarang: Badan Penerbit Universitas Diponegoro.
- Fiona, D. R. 2019, Pengaruh Promosi Penjualan dan E-service Quality Terhadap Minat Beli Ulang Melalui Kepuasan

- Ghozali, I. (2021). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 21 Update PLS Regresi* (7th ed.). Badan Penerbit.
- Ghozali, I. 2020. *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 23*. Semarang: Universitas Diponegoro.
- Ghozali, P. S. M. (2021). Pengaruh Digital Marketing Pada Minat Beli Di E-Commerce. *Publ.Ilm. Univ. Muhammadiyah Surakarta*. 2-14.
- Kim, J. H., & Jang, S. (2014). A scenario-based experiment and a field study: a comparative examination for service failure and recovery. *International Journal of Hospitality Management*, 41,