Factors Influencing Online Repurchase Through Satisfaction

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Abstract
This research examines the influence of price fairness and product quality on satisfaction and repurchase on Tokopedia. This is a quantitative research that used Structural Equation Model (SEM) with SPSS and Lisrel software for data analysis. Purposive sampling is used to select samples, though it is limited to certain respondents. The minimum sampling size is 10 times the number of research indicators, with a total 149 respondents analyzed.

Findings. The results showed that Price Fairness and Product Quality had significant and positive impacts on satisfaction. Furthermore, Product Quality and Satisfaction have significant and positive effect on repurchase, while Satisfaction mediates price fairness to Repurchase and Product Quality.

Keywords: Tokopedia; Price Fairness; Product Quality; Satisfaction, Repurchase

JEL Classification:
L2, M10, M12

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1. Introduction

Electronic transactions (e-commerce) occurs between a consumer and a company with computer as an intermediate. This transaction development triggers a variety of attractive, easy, and innovative online service offerings, reducing administrative costs and business time cycles (Noviarni, 2018; Turban et al., 2011). Moreover, it improves relationships with business partners and customers (Laudon & Laudon, 2009).

There is a rapid annual growth of online transactions in Indonesia. For instance, 18.8 out of 21.1 million people conducted online transactions at least once a month in 2014 (APJII, 2016). The online selling actors reached 84.2 and 143.26 million people in 2016 and 2017 (http://statisticmenaraa62.com).

The main factors considered in electronic transformation are characteristics, such as brand reputation, marketing stimulus, and the type, price, availability and quality of a product. Other factors include logistics and system payment support, as well as product quality affecting purchasing interest and after-purchase attitude (Turban, 2011).

The 10 most e-commerce visitors in Indonesia are Tokopedia, Bukalapak, and Shopee and Lazada with more than 150, 100, and 50 million people, respectively (https://www.databooks.co.id). Tokopedia is an online marketplace that allows individuals and business owners to easily open an online store at no cost. It provides many products and support individuals and medium enterprises (SMEs) to develop their businesses through online marketing (https://www.coursehero.com). A survey of top-brand awards in 2019 showed Tokopedia is the market leader in online shop electronic goods (https://www.topbrand-award.com).

Companies, including those transacting online, need to increase customer satisfaction for survival (Naomi, 2015; Kottler & Keller, 2012; Yoga, 2013). In general, customer satisfaction, along with other factors, affect purchase decisions (Jiradilok et al., 2014; Usman, 2018).
Consumers often consider the price and quality of a product before making a purchase decision (Meiki & Indira, 2019). High consumer satisfaction with online transactions increases their commitment (Mukherjee & Nath, 2007). According to Chung & Shin (2010), consumers consider 5 factors when deciding on online purchases, including shopping, site design, information, security and communication. Online buying decisions are influenced by search efficiency, price, product quality and seller-consumer interaction (Liau et al., 2008). In e-commerce, website design quality, reliability, security and customer service positively affect online purchases (Nurlina, 2017; Vania, 2017; Fachrizi & Rizal, 2016). Additionally, product quality influences satisfaction (Kurniawan & Puspita, 2016).

Price fairness has a positive and significant influence on interests, both partially and simultaneously (Elmayensis and Nazwirman, 2017). Additionally, it significantly affects satisfaction (Hassan et al., 2013), which in turn has a significant positive influence on re-purchase (Permadi et al., 2017; Adhisti & Sri, 2016; Ronald & Diah, 2014). However, Putu & Nyoman (2017) showed that satisfaction has no positive influence on re-purchase intention. Customer satisfaction, as a mediator, has an indirect and insignificant influence on product quality and price fairness.

Based on the description above, this research analyzes the price reasonableness variables, product quality, satisfaction and re-purchase on Tokopedia. This theory is used as a reference and enriches variables in pre-existing research. However, there is minimal research on Tokopedia, making it an interesting topic for study. This research comprehensively examines the effect of price reasonableness and product quality on re-purchase through customer satisfaction on Tokopedia.

1.1 Re-purchase

Re-purchase is a push for consumers to repeatedly buy a sustainable product (Saeed et al., 2003). A repurchaser is a buys a product twice or regularly (Suryani, 2008). There are 3 major factors affecting a person's interest in re-purchasing, including psychological, personal and social aspects (Kotler & Keller, 2016). Psychological factors include individual learning experiences about past events and the influence of attitudes and beliefs. Such factors are learned from Berkut response stimulus, cognitive, Gestalt and field theories. Personal factors involve consumer personality that affects the perception and decision making. Social factors include the Small Reference Group, made of people affecting the consumers’ attitudes, opinions, norms and behaviour.

According to (Chen & Cheng, 2009), re-purchase dimensions include transactional, referential, preferential and exploratory interests. Under transactional interest, consumer tend to rebuy a used product. The referential interest is related to the consumer's willingness to recommend the already used products to other parties. Preferential interest relates to consumer behavior, where the product consumed becomes the main choice. Lastly, exploratory interest is the consumers’ wish to always seek product information.

1.2 Customer Satisfaction

In business development, it is essential to measure consumer satisfaction as an indicator of future success (Vasić et al., 2019). Satisfaction is the ratio of a person's sense of feeling (happy or disappointed) after a performance perceived by the expectation (Kotler & Keller, 2012). Several methods are used in the company to measure and monitor satisfaction (Zeithaml & Bitner, 2013), such as complaint and suggestion system (complaint system), customer satisfaction surveys, ghost shopping (shadow buyer) and lost customer analysis.

According to Anderson & Srinivasan (2003), it is unclear whether dimensional satisfaction offline applies to customer satisfaction online. Evanschitzky et al., (2004) stated that the distinction between perceived consumer satisfaction in two contexts replaces offline human with online
human-machine interactions. Overall customer satisfaction indicates attitudes towards service providers. It evaluates the products or services that have fulfilled the needs and expectations of customers (Sumarwan, 2011).

1.3 Price Fairness
Consumers perceive price reasonableness based on the profit gained by others on the same product (Nazwirman, 2015; Nagle & Hogan, 2006). The assessment of a product as expensive, inexpensive or ordinary depends on individual perception, which is motivated by various conditions (Gielissen et al., 2008). Assessments refer to processes of achieving reasonable and acceptable results in obtaining services or products (Consuegra et al., 2007). The perception of an appropriate price is subjective because consumers consider the relationship between the price and their expectation of the product to be bought. Therefore, price perception is an essential factor in quality assessment (Nazwirman, 2015).

Price fairness is measured using 4 indicators. First, consumers feel to have paid a reasonable price on each purchase. The second indicator is the degree of price fairness reference. Consumers feel reasonable when the price of the same product or service varies with companies. Third, the pricing policy determined by the company is reasonable and acceptable to the consumer. Lastly, the stipulated price is ethics. This means the customer is always notified of the changes to be made by the company before setting a new price.

There are 4 factors affecting price fairness including treatment experience, collective knowledge, price expectation, and emotional desires (Abdulah et al., 2011). Treatment experience consist of knowledge, skills, or observation of something gained through actual transactions while collective knowledge, expertise and skills are acquired from a theoretical or practical understanding of market prices and previous transactions. The third factor is the price expectation, where the price is reasonable when it meets customer expectation. Price expectations are based on rational estimates and emotional desires because customers prefer buying whatever they want. The availability of pricing information on the market affects customer's price knowledge. This information is not a benchmark of the impression and expectation of the customer to receive the price offered by a business (Bergemann et al., 2018).

1.4 Product Quality
In a very competitive market, consumers rely heavily on the quality of the products they buy (Mmutle & Shonhe, 2017). The observable characteristics of a product or service allow them to make conclusions about the unobservable attributes to determine their quality (Roest & Rindfleisch 2010). According to Toivonen (2012), the quality of a product is determined by its technical characteristics and performance aspects. Furthermore, it is associated with attributes such as defects, durability, appearance and specificity (Bao et al., 2011; Roest & Rindfleisch 2010).

Product quality is a consumer assessment of product superiority (Djumarno et al., 2017). Quality perception correlates with consumer purchase (Bao et al., 2011). This is the product’s ability to display its functions, including usability time, reliability, and the ease of use and repair. Most contributors to the growth of quality management are quality teachers (Waters & Waters, 2008). Product quality is reviewed from internal and external perspectives. From a marketing standpoint, quality is measured by buyer perception (Kotler & Armstrong, 2012).

The company's success in providing quality is determined by the service quality approach. In this case, a product is a collection of tangible and unreal attributes, including packaging, color, price, quality and brand, coupled with the services and sales reputation (Zeithaml et al., 2009).

Product quality is formed by several indicators, including the ease of use, durability, clarity of function, and size diversity (Zeithaml et al., 2009). It is based on performance, feature, conformance to specification, durability, reliability, serviceability, aesthetics and perceived quality (Mullins at al., 2013; Garvin, 2012). Based on the theory and previous studies, a framework of the research concept is formed as follows:
1.5 Research hypotheses

Munusamy et al. (2011), Ali et al. (2010), and Hanif et al. (2010) stated that price fairness perception had a significant and positive impact on contentment. Based on several studies, the following hypothesis was proposed:

\[ H_1; \text{Price fairness (PF) influences satisfaction (Sat)} \]

According to Liao et al. (2011), Lin et al. (2011); Chen & Cheng (2009), and McGill & Klobas (2008), product quality has a positive and significant effect on the satisfaction of online shoppers. Hwang & Kim (2007) and Zhou (2012) showed that the perceived quality has a significant and positive influence on the trust of online shoppers. In line with this, Chen and Cheng (2009), Hsieh et al. (2010), Park et al. (2010), Liao et al. (2011) & Gao, J. et al. (2012) showed that the quality of perceived information affects the satisfaction of online shoppers. Based on several research results, the following hypothesis was proposed:

\[ H_2; \text{Product quality (PQ) influences satisfaction (Sat)} \]

Kim et al. (2011); Liao et al. (2008) showed that higher price reasonableness increased the intention of an individual to re-purchase a product. Based on several research results, the following hypothesis was proposed:

\[ H_3; \text{Price fairness (PF) influences re-purchase (Rep)} \]

Chen & Cheng, (2009) and Kuan et al. (2008) showed that online buyback is directly, significantly and positively affected by product quality. Moreover, Gera (2011), Kuo et al., (2009), and Kuan et al., (2008) showed that quality perception has a significant and positive influence on online re-purchase. Based on several research results, the following hypothesis was proposed:

\[ H_4; \text{Product quality (PQ) influences re-purchase (Rep)} \]

Zeng et al., (2009), Chen & Cheng (2009), Lin et al., (2010), Chen et al., (2010), and Liao et al., (2011) showed that consumer satisfaction has a significant and positive effect on online re-purchase. Based on several research results, the following hypothesis was proposed:

\[ H_5; \text{Satisfaction (Sat) affects re-purchase (Rep)} \]
2. Research Method

Non-probabilistic and limited purposive sampling methods were used to select certain people that could provide the necessary information (Sekaran & Bougie, 2013; Sekaran, 2011). The sample used was between 5 and 10 times the indicator (Hair et al., 2018).

The questionnaire answers were assessed using the weight of very disagreeing (1), to very agreed (5). The research used price fairness (PF) and product quality (PQ) as exogenous variables, satisfaction (Sat) as an intervening variable, and re-purchase (Rep) as an endogenous variable.

2.1 Data Analysis

Data were analyzed using Structural Equation Model (SEM). The equation of the measurement model specifies the variables measuring the constructs. Also, the equation defines a series of matrices indicating the hypothesized correlation between the constructs or variables. The research model equation is:

\[
\begin{align*}
\eta_1 &= \gamma_{11} \xi_1 + \zeta_1, \\
\eta_2 &= \gamma_{12} \xi_2 + \zeta_2, \\
\eta_2 &= \beta_{21} \eta_1 + \zeta_1, \\
\eta_2 &= \gamma_{21} \xi_1 + \zeta_1, \\
\eta_2 &= \gamma_{22} \xi_2 + \zeta_2, \\
\eta_2 &= \gamma_{11} \xi_1 + \beta_{21} \eta_1 + \zeta_2 \\
&= \gamma_{12} \xi_2 + \beta_{21} \eta_1 + \zeta_2 .
\end{align*}
\]

The analysis tools used were LISREL 8.8 and SPSS V. 24 software.

2.2 Evaluation of Goodness criteria of Fit, Conformity and Statistical Tests

This research evaluated the degree of compatibility or Goodness of Fit (GOF) between data and models. The GOF was evaluated through match overall model fit. Multiple degrees of match sizes are used mutually. Hair (2018) eliminated the size of the existing GOF into Absolute fit measures to determine the prediction degree of overall Structural and Measurement Model of the covariant and matrix correlation. The size of the matching degrees includes Chi-square (X2), P-value, Non-Centrality Parameters (NCP), Interval, Root Mean Square Error of Approximation (RMSEA), Expected Cross Validation Index (ECVI), Akaike Information Criterion (AIC), Consistent Akaike Information Criterion (CAIC), Normed Fit Index (NFI), Non-Normed Fit Index (NNFI), Comparative Fit Index, (CFI), Incremental Fit Index (IFI), Critical N and Goodness of Fit Index (GFI).

2.3 Test the Reliability and Variance Extract

Reliability test shows the extent to which a measuring instrument delivers consistent results from successive measurements on the same object. A minimum variable Reliability (CR) of the latent-forming dimension is 0.70. Variance Extract (VE) shows the indicator variances extracted by the developed latent variables. The minimum acceptable value of variance extract is 0.50 (Hair et al., 2018).

3. Results and Discussion

A total of 149 respondents were issued with questionnaires containing 20 items of the research objective. Each respondent had conducted online shopping for at least 2 times. The results showed that price fairness (PF) and product quality (PQ) influence re-purchase (Rep) of Tokopedia buyers through satisfaction (Sat).

3.1 Respondent Profile

Table 1 shows an overview of respondent characteristics by age, gender, occupation, income, online purchases, and social media.
From Table 1, there were 85 female (57.05%) and 64 male (42.95%) respondents. Women buying an item at a discounted price implies higher satisfaction, while men are more concerned with product quality. Female respondents are compelled to shop when there is a promotion.

The research respondents comprised 99 (66.44%) private employees, 29 (19.46%) students, 7 (4.69%) housewives, 7 (2.69%) civil servants, and 2 (1.34%) State-owned enterprise employees. A total of 9 (6.04%) private employees were active online shoppers due to their flexible work schedules. This means that workers shop whenever they want.

There were 64 respondents (42.95%) with a monthly income between 3 and 6 million rupiahs, while 56 (37.58%) earned < 3 million rupiahs per month. Moreover, 20 respondents (13.42%) earned between 7 and 10 million rupiahs per month, while 9 (6.04%) earned above 10 million rupiahs. This is possible due to the average minimum wage of 3 SD 6 million per month.

A total of 60 respondents (40.27%) purchased apparel products, 35 (23.49%) purchased electronics, 26 (17.45%) purchased cosmetics, 16 (10.74%) purchased shoe products, while 12 (8.05%) purchased bag products. Fashion products were the most popular because the style or capital offered diverse options to consumers.

Based on online consumer activities, 62 respondents (43.95%) preferred using Facebook, 24 (16.10%) used Marketplace, 16 (10.73%) used both Facebook and Instagram, 10 (6.71%) preferred the Website, 8 (5.36%) used Instagram, while 9 respondents (6.04%) used other social media. Moreover, 9 other respondents (6.04%) were not yet online. Facebook was the most widely used social media because the network between customers is spacious and less complicated.
3.2 Measurement Model Analysis

Table 2. Loading Factor and Reliability Variable

<table>
<thead>
<tr>
<th>Indikator</th>
<th>Loading Factor</th>
<th>Error</th>
<th>ΣSLF</th>
<th>(ΣSLF)^2</th>
<th>ΣSLF^2</th>
<th>Σerror</th>
<th>Nilai CR</th>
<th>Nilai VE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price fairness (PF)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PF1</td>
<td>0.90</td>
<td>0.19</td>
<td>3.85</td>
<td>14.82</td>
<td>3.02</td>
<td>1.98</td>
<td>0.88</td>
<td>0.60</td>
</tr>
<tr>
<td>PF2</td>
<td>0.71</td>
<td>0.50</td>
<td>3.85</td>
<td>14.82</td>
<td>3.02</td>
<td>1.98</td>
<td>0.88</td>
<td>0.60</td>
</tr>
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<td>PF3</td>
<td>0.80</td>
<td>0.36</td>
<td>3.85</td>
<td>14.82</td>
<td>3.02</td>
<td>1.98</td>
<td>0.88</td>
<td>0.60</td>
</tr>
<tr>
<td>PF4</td>
<td>0.61</td>
<td>0.63</td>
<td>3.85</td>
<td>14.82</td>
<td>3.02</td>
<td>1.98</td>
<td>0.88</td>
<td>0.60</td>
</tr>
<tr>
<td>PF5</td>
<td>0.83</td>
<td>0.31</td>
<td>3.85</td>
<td>14.82</td>
<td>3.02</td>
<td>1.98</td>
<td>0.88</td>
<td>0.60</td>
</tr>
<tr>
<td><strong>Product quality (PQ)</strong></td>
<td></td>
<td></td>
<td>3.83</td>
<td>14.67</td>
<td>2.97</td>
<td>2.03</td>
<td>0.88</td>
<td>0.59</td>
</tr>
<tr>
<td>PQ1</td>
<td>0.64</td>
<td>0.59</td>
<td>3.83</td>
<td>14.67</td>
<td>2.97</td>
<td>2.03</td>
<td>0.88</td>
<td>0.59</td>
</tr>
<tr>
<td>PQ2</td>
<td>0.73</td>
<td>0.47</td>
<td>3.83</td>
<td>14.67</td>
<td>2.97</td>
<td>2.03</td>
<td>0.88</td>
<td>0.59</td>
</tr>
<tr>
<td>PQ3</td>
<td>0.79</td>
<td>0.38</td>
<td>3.83</td>
<td>14.67</td>
<td>2.97</td>
<td>2.03</td>
<td>0.88</td>
<td>0.59</td>
</tr>
<tr>
<td>PQ4</td>
<td>0.79</td>
<td>0.38</td>
<td>3.83</td>
<td>14.67</td>
<td>2.97</td>
<td>2.03</td>
<td>0.88</td>
<td>0.59</td>
</tr>
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<td>0.88</td>
<td>0.23</td>
<td>3.83</td>
<td>14.67</td>
<td>2.97</td>
<td>2.03</td>
<td>0.88</td>
<td>0.59</td>
</tr>
<tr>
<td><strong>Satisfaction (Sat)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K1</td>
<td>0.71</td>
<td>0.50</td>
<td>3.76</td>
<td>14.14</td>
<td>2.85</td>
<td>2.15</td>
<td>0.87</td>
<td>0.57</td>
</tr>
<tr>
<td>K2</td>
<td>0.73</td>
<td>0.47</td>
<td>3.76</td>
<td>14.14</td>
<td>2.85</td>
<td>2.15</td>
<td>0.87</td>
<td>0.57</td>
</tr>
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<td>0.47</td>
<td>3.76</td>
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<td>2.85</td>
<td>2.15</td>
<td>0.87</td>
<td>0.57</td>
</tr>
<tr>
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<td>0.24</td>
<td>3.76</td>
<td>14.14</td>
<td>2.85</td>
<td>2.15</td>
<td>0.87</td>
<td>0.57</td>
</tr>
<tr>
<td>K5</td>
<td>0.72</td>
<td>0.48</td>
<td>3.76</td>
<td>14.14</td>
<td>2.85</td>
<td>2.15</td>
<td>0.87</td>
<td>0.57</td>
</tr>
<tr>
<td><strong>Re-purchase (Rep)</strong></td>
<td></td>
<td></td>
<td>3.65</td>
<td>13.32</td>
<td>2.71</td>
<td>2.29</td>
<td>0.85</td>
<td>.54</td>
</tr>
<tr>
<td>PU1</td>
<td>0.82</td>
<td>0.33</td>
<td>3.65</td>
<td>13.32</td>
<td>2.71</td>
<td>2.29</td>
<td>0.85</td>
<td>.54</td>
</tr>
<tr>
<td>PU2</td>
<td>0.86</td>
<td>0.26</td>
<td>3.65</td>
<td>13.32</td>
<td>2.71</td>
<td>2.29</td>
<td>0.85</td>
<td>.54</td>
</tr>
<tr>
<td>PU3</td>
<td>0.68</td>
<td>0.54</td>
<td>3.65</td>
<td>13.32</td>
<td>2.71</td>
<td>2.29</td>
<td>0.85</td>
<td>.54</td>
</tr>
<tr>
<td>PU4</td>
<td>0.67</td>
<td>0.55</td>
<td>3.65</td>
<td>13.32</td>
<td>2.71</td>
<td>2.29</td>
<td>0.85</td>
<td>.54</td>
</tr>
<tr>
<td>PU5</td>
<td>0.62</td>
<td>0.62</td>
<td>3.65</td>
<td>13.32</td>
<td>2.71</td>
<td>2.29</td>
<td>0.85</td>
<td>.54</td>
</tr>
</tbody>
</table>

Source: Data processed

From Table 2, the Construct Reliability (CR) value of price fairness (PF) variable of 0.88 (greater than 0.7) means that the entire indicator is valid. Also, the value of Variance Extract (VE) of 0.60 (greater than 0.5) means the variable is reliable. The CR value of product quality (PQ) variable is 0.88 (greater 0.7), and the VE is 0.59 (greater than 0.5). Therefore, all indicators are valid and reliable. Similarly, the CR value of satisfaction (Sat) variable is 0.87 (greater 0.7), while the VE is 0.57 (greater than 0.5). This means that all indicators are valid and reliable. The re-purchase variable CR value (Rep) is 0.85 (greater than 0), while the VE is 0.54 (greater than 0.5). This means that all indicators are valid and reliable.

In conclusion, there is a variety of reliability. This means that all variable indicators examined in confirmatory factor analysis (CFA) have good reliability and validity. Standardized loading factor (λ), the most dominant indicator in the price fairness (PF) variable is PF5. Furthermore, a Standardized loading factor greater than 0.83 reflects the statement of the promotion price information in line with the actual pay. Based on product quality, the statement PQ5 is the feature offered in line with the product received by consumers. The most dominant indicator in the satisfaction variable is K4, or on the product’s customer contentment level of 0.87. Similarly, the most dominant indicator in the re-purchase variable is PU2 or on the Tokopedia online shopping
recommendation of 0.86. This is seen from the standardized loading factor, which is greater than others.

### 3.3 Structural Model Analysis

**Model Overall match test**

<table>
<thead>
<tr>
<th>Table 3. The Goodness of Fit (GOF) Structural Equation Model (SEM)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Degree Match Sizes</th>
<th>Acceptable match rate</th>
<th>GOFsil Estimasi</th>
<th>ingkat Descriptionkan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>Small value</td>
<td>287.19</td>
<td>Poor</td>
</tr>
<tr>
<td>Pvalue</td>
<td>P &gt; 0,05</td>
<td>0.034</td>
<td></td>
</tr>
<tr>
<td>NCP</td>
<td>Small value</td>
<td>105.19</td>
<td>Poor</td>
</tr>
<tr>
<td>Interval</td>
<td>Narrow interval</td>
<td>64.20; 154.07</td>
<td></td>
</tr>
<tr>
<td>RMSEA</td>
<td>RMSEA &lt; 0,08</td>
<td>0.066</td>
<td>Good Fit</td>
</tr>
<tr>
<td>ECVI</td>
<td>Small value and close ECVI saturated</td>
<td>M =2.45</td>
<td>Good Fit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>S = 2.84</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>I = 31.36</td>
<td></td>
</tr>
<tr>
<td>AIC</td>
<td>Small value and close to AIC saturated</td>
<td>M = 363.19</td>
<td>Good Fit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>S = 420.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>I = 4641.48</td>
<td></td>
</tr>
<tr>
<td>CAIC</td>
<td>Small value and close CAIC saturated</td>
<td>M = 555.38</td>
<td>Good Fit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>S =1260.83</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>I = 4721.56</td>
<td></td>
</tr>
<tr>
<td>NFI</td>
<td>&gt; 0,90</td>
<td>0.94</td>
<td>Good Fit</td>
</tr>
<tr>
<td>NNFI</td>
<td>&gt; 0,90</td>
<td>0.97</td>
<td>Good Fit</td>
</tr>
<tr>
<td>PNFI</td>
<td>&gt; 0,50</td>
<td>0.80</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt; 0,90</td>
<td>0.97</td>
<td>Good Fit</td>
</tr>
<tr>
<td>IFI</td>
<td>&gt; 0,90</td>
<td>0.97</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CN</td>
<td>CN &gt; 200</td>
<td>107.57</td>
<td>Poor</td>
</tr>
<tr>
<td>SRMR</td>
<td>&lt; 0,05</td>
<td>0.059</td>
<td>Poor</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt; 0,90</td>
<td>0.85</td>
<td>Marginal Fit</td>
</tr>
</tbody>
</table>

*Source: Data processed*

From Table 3, the average GOF size indicates a good match. Therefore, the overall match of the model is very good and meets the test hypothesis.
**Structural coefficient of the equation**

The causal equation above, the large t-value of its absolute value > 1.96 means that the path coefficient is significant.

**Table 4. Structural form equation analysis**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Loading factor</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Fairness (PF) affects satisfaction (Sat)</td>
<td>0.24</td>
<td>2.79</td>
</tr>
<tr>
<td>Product Quality (PQ) affects satisfaction (Sat)</td>
<td>0.52</td>
<td>5.37</td>
</tr>
<tr>
<td>Price Fairness (PF) affects re-purchase (Rep)</td>
<td>0.19</td>
<td>2.39</td>
</tr>
<tr>
<td>Product Quality (PQ) affects re-purchase (Rep)</td>
<td>0.37</td>
<td>3.92</td>
</tr>
<tr>
<td>Satisfaction (KEP) affects re-purchase (Rep)</td>
<td>0.40</td>
<td>3.89</td>
</tr>
</tbody>
</table>

Source: Data processed

**Co-efficient of determination (R²)**

The Structural Form Equation is seen in the respective $R^2$ values of the equation. Structural Equations.

\[
\text{Sat} = 0.24 \times \text{PF} + 0.52 \times \text{PQ}, \quad \text{Errorvar.} = 0.57, \quad R^2 = 0.43 \\
(0.087) \quad (0.097) \quad (0.13) \quad 2.79 \quad 5.37 \quad 4.56
\]

\[
\text{Rep} = 0.40 \times \text{Sat} + 0.19 \times \text{PF} + 0.37 \times \text{PQ}, \quad \text{Errorvar.} = 0.37, \quad R^2 = 0.63 \\
(0.10) \quad (0.078) \quad (0.094) \quad (0.079) \quad 3.89 \quad 2.39 \quad 3.92 \quad 4.71
\]

The $R^2$ value shows how large each independent variable explains its dependence:

1. Satisfaction has an $R^2$ of 0.43. This shows that price fairness (PF), and product quality (PQ) explain 43% of the variant of satisfaction (Sat), while the rest is explained by other factors.
2. Re-purchase (Rep) has an $R^2$ of 0.63. This indicates that price fairness (PF), satisfaction (Sat), and product quality (PQ) explain the 63% variant of satisfaction (Sat), while the rest is explained by other factors.

**Indirect Effect**

**Table 5. Direct, Indirect and Total Effects**

<table>
<thead>
<tr>
<th>Variable Latent</th>
<th>Direct effect</th>
<th>Indirect effect</th>
<th>Total effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sat $\leftarrow$ PF</td>
<td>0.24</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sat $\leftarrow$ PQ</td>
<td>0.52</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rep $\leftarrow$ PF</td>
<td>0.19</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rep $\leftarrow$ Sat</td>
<td>0.40</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rep $\leftarrow$ PQ</td>
<td>0.37</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rep $\leftarrow$ Sat $\leftarrow$ PF</td>
<td>-</td>
<td>$0.24 \times 0.4 = 0.096$</td>
<td>$0.096 + 0.19 = 0.286$</td>
</tr>
<tr>
<td>Rep $\leftarrow$ Sat $\leftarrow$ PQ</td>
<td>-</td>
<td>$0.52 \times 0.4 = 0.208$</td>
<td>$0.208 + 0.37 = 0.578$</td>
</tr>
</tbody>
</table>

Source: Data processed

From Table 5, the effect of price fairness (PF) on re-purchase (Rep) through satisfaction (Sat) shows a value of 0.826. This is greater than the direct impact of price fairness (PF) on the re-purchase (PU), which is 0.19. It shows that satisfaction displays the influence of price fairness
(PF) on re-purchase (Rep). The impact of product quality (PQ) on re-purchase (Rep) through satisfaction (Sat) shows a value of 0.578. This is greater than the direct impact of product quality (PQ) on re-purchase (Rep), which is 0.37. Therefore, satisfaction displays the influences of product quality (PQ) on re-purchase (Rep).

**H1: Price fairness (PF) influences satisfaction (Sat)**

The Structural Model data processing results in Table 4 show that the output of t-value of 2.79 is greater than t-table 1.96 (2.79 > 1.96). Therefore, price fairness variable (PF) has a positive and significant effect on satisfaction (KEP).

Prices agreed with products received are comparable to those offered by the company (Tang, 2008). Moreover, prices are deemed reasonable when the products purchased meet consumer expectations. This study was in line with Hassan et al., (2013); Fata & Khairsti (2015); Suwan & Septina (2011) Munusamy et al. (2011); Ali et al. (2010); Hanif et al. (2010), which showed that price fairness is significant and positive towards customer satisfaction.

**H2: Product quality (PQ) influences satisfaction (Sat).**

The result of the t-value output of 5.37 is greater than the t-table 1.96 (5.37 > 1.96). This means that the product quality (PQ) variable has a positive and significant effect on satisfaction (KEP).

The high sales rate indicates that the company has a higher consumer level. The consumer level is increased by delivering products that meet their expectations (Berlianto, 2019; Riski, 2013). Keeping consumers from getting bored is the company's task, which is achieved through continuous innovation. Additionally, the company should always know the wishes of consumers. This research is in line with Lasander (2013); Tumangkeng (2014), Haryanto (2013); Saidani & Samsul (2012); Liao et al., (2011); Lin et al., (2011); Chen & Cheng (2009); Hsieh et al., (2010), Park et al., (2010) Gao et al., (2012), which showed that product quality has a significant and positive influence on satisfaction. Therefore, good product quality increases customer satisfaction.

**H3: Price fairness (PF) influences re-purchase (Rep).**

The Structural Model data processing results showed an output of t-value of 2.39, greater than t-table 1.96 (2.39 > 1.96). This means that the price fairness variable (PF) has a positive and significant effect on re-purchase (PU).

The prices fairness perceived by consumers determines the level of satisfaction with the suitability of the offered price, which triggers the intention of re-purchase (Arindita & Anik, 2016). The re-purchase is directly affected by price fairness. This research is in line with (Dai, 2010; Herrmann et al., 2007; Kim et al. 2011; Liao et al. 2008), which showed that price fairness has a significant and positive influence on re-purchase.

**H4: Product quality (PQ) influences re-purchases (Rep).**

T-value data processing result of 3.92 is greater than t-table 1.96 (3.92 > 1.96), meaning that the product quality (PQ) variable has a positive and significant effect on re-purchase (PU).

Higher product quality increases consumer purchases (Arindita & Anik, 2016; Mijiana & Inge, 2013). This means that product quality influences re-purchase (Priambudi & Idris, 2019; Aryani, 2016). Additionally, according to (Margareth, 2019; Basrah, 2012; Trisnawati et al., 2012; Siyatimah & Hendar, 2012; DWI & Firman, 2015), product quality has a significant and positive effect on re-purchase. This research is in line with Chen & Cheng, 2009; Gera 2011).

**H5: Satisfaction (Sat) affects the re-purchase (Rep).**

The Structural Model data processing results show that the output of t-value of 3.89 is greater than t-table 1.96 (3.89 > 1.96), meaning that the satisfaction variable (KEP) has a positive and significant effect on re-purchase (PU).
Higher satisfaction increases online customer re-purchases (Saragih & Rizky, 2012), (Tan et al., 2019; Permadi et al., 2017). This means that an increase in consumer satisfaction increases re-purchases. These findings are in line with (Diana & Farida, 2014; Wen et al., 2011; Zeng et al., 2009; Lin et al., 2010; Chen et al., 2010; Liao et al., 2011).

4. Conclusions

The research on Tokopedia e-commerce used 4 variables. Price fairness and product quality were exogenous variables. Satisfaction and re-purchase were intervening and endogenous variables, respectively. Specifically, this research examined price fairness, product quality on satisfaction and re-purchase. This was a quantitative that used a Structural Equation Model (SEM) with SPSS and Lisrel software for data analysis. Using a sample of 149 respondents the study showed that the reasonableness of price fairness had a significant and positive effect on satisfaction. The price fairness perceived by consumers while using e-commerce is significantly and positively influenced by product quality through satisfaction. A company should present products that match consumer expectations. Price fairness has a significant and positive influence on re-purchases. Consumer perception of price fairness triggers the intention to re-purchase the product offered. Furthermore, product quality has a significant and positive impact on re-purchases. Higher product quality increases re-purchase intention. Satisfaction variable has a significant and positive effect on purchases. High consumer satisfaction increases the re-purchase rate at Tokopedia, while satisfaction mediates price fairness and product quality for re-purchase. The results also show that product quality and price fairness affect consumer satisfaction, which makes them want to re-purchase the product.

References


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