

REPEAT ORDER ON THE CONSUMERS OF BOTTLED DRINKING WATER IN SEMARANG, INDONESIA

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REPEAT ORDER ON THE CONSUMERS OF BOTTLED DRINKING WATER IN SEMARANG, INDONESIA

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Abstract

This study aims to examine the influence of product quality, promotion, and brand image on repeat order of bottled drinking water products in Semarang, Indonesia. The reason for choosing Semarang because it is strategic for connecting Jakarta as the capital of Indonesia with Surabaya as the second big city. So it becomes a strategic place for promoting a product such as bottled drinking water to the public. This study found that product quality, promotions and brand image positively affects on the consumers to repeat order bottled drinking water products. Surprisingly promotion variable has the greatest influence compared to other independent variables in influencing repeat order. This study suggests the company's management to consider not only product quality, and brand image but also promotion variable in formulating its marketing strategy. Because the promotion variabel has the greatest influence compared to other independent variables in influencing repeat order.

Keywords: Product quality, promotion, brand image, repeat order, drinking water

INTRODUCTION

The business of bottled drinking water continues to grow along the population grows and healthier lifestyles. Similarly, the development of the business of bottled drinking water in Indonesia is very encouraging and growing rapidly. Nevertheless, the competition in the business of bottled drinking water in Indonesia is very high as indicated by the presence of big companies offering a variety of bottled drinking water products such as Tirta Investama Company with Aqua brand, Akasha Wira International Company under Nestle Pure Life brand, Tirta Tama Bahagia for Club brand, Buana Tirta Abadi Company for Vit brand, and Coca Cola Amatil Indonesia for Ades brand (Top Brand, 2016).

Based on the top brand index for the last three years, Aqua is on the first rank, with a score of 75.2 percent in 2014, then in 2015 still consistent at 75.9 percent, and decreased to 73.4 percent by 2016 (Top Brand, 2016). Top Brand indexes are the awards for top brands category in Indonesia. Other brands which increased over the last 3 years are Vit and Ades. In 2014 the Vit achieved 3.2 percent score; although it has dropped to 2.6 percent in 2015 but has risen considerably in 2016 by 5.5 percent. Meanwhile, Ades continuously increased from 2014 to 2016. It has 2.2 percent in 2014, 2.6 percent in 2015 and raised to 3.4 percent in 2016 (Top Brand, 2016). The fluctuation of each brand enhancement shows a tight competition on the bottled drinking water products. For this reason it needs to execute a comprehensive research concerning the factors influenced the interest of repeat order on bottled drinking waters.

One of the challenges faced by the company today is how to maintain consumer interest in their product so the consumers will not change to competitor

products (Richardson et al., 1996; Amron, 2017). Repeat order creates a passion which continuously captured in the consumers minds and becomes a very strong desire. Consumers make a purchase to actualize their feeling (Ruiz et al., 2008; Amron and Usman, 2016). According to Zeithaml (1988) one factor that influence consumers for repeat order is product quality. Meanwhile, according to Huang and Yang (2015) and Anselmsson et al. (2014) repeat order are influenced by promotion and brand image. Therefore, this study examines ⁶ the effect of product quality, promotion, and brand image toward the repeat order on bottled drinking water in Semarang, Indonesia. The reason for choosing Semarang because it is strategic for connecting Jakarta as the capital of Indonesia with Surabaya as the second big city. So it becomes a strategic place for promoting a product such as bottled drinking water to the public.

This study is useful for company management in making marketing strategy especially the strategy of product promotion. It is also useful for marketers in approaching their consumers so their sales will increase.

TEORETICAL BACKGROUND

The Repeat Order

The repeat order is a behavior shown by consumers in purchasing a particular product based on their experiences in general (Ruiz et al., 2008; Zeithaml, 1988). A high repeat order reflects a ¹ high level of customer's satisfaction when they decide to obtain a product or services (Ruiz et al., 2008; Amron and Mahmud, 2017). The decision to receive or reject a product appears after the consumer tries it (Ruiz et al., 2008). A sense of acceptance on a product arises when the

consumers have a perception that it has a good quality and meet or even exceed their wishes and expectations. The high interest in repurchase will ¹⁸ have a positive impact on the product successful in the market (Richardson et al., 1996).

The repeat order in bottled drinking water is a part of consumer behaviour in meeting their basic needs (Sebastianelli and Tamimi, 2002). Consumers who have already made a purchase on a certain product will have and bring their experience. Consumers who are satisfied and have a good experience tend to buy the same brand. Sometimes, they will easily memorize a brand rather than a product. A company has a main duty to develop the number of loyal customers who will buy and buy again its products (Huang and Yang, 2015). Companies with a large number of loyal customers in repurchase will stay exist and survive in a long time (Ruiz et al., 2008). Products spread on the market should be evaluated temporary so it will always be in the consumers top minded. Evaluation is significant in improving the quality level of products offered to consumers, so they will be pleased to buy the products consistently ²² (Ruiz et al., 2008; Zeithaml, 1988).

The Influence of Product Quality on the Repeat Order

⁵ Product quality is the ability of a product to perform its function (Eiklenborg et al. 2011; Sebastianelli and Tamimi, 2002). Products are considered to have a high quality if they are able to perform their functions properly. Product quality becomes the difference between one product and others. Differences in each product are known from its characteristics in carrying out its function (Eiklenborg et al., 2011). Product quality is important things which must be seriously handled by companies if they want their products win the market competition. If the

company can implement the procedures, they will be able to fulfill consumers' satisfaction and onward they can increase the number of consumers easily. High product quality and consumers acceptance will be the main factor in developing consumers' passion on a product (Sebastianelli and Tamimi, 2002).

Many studies analyzed the influence of product quality toward the repeat order from various aspects. Jusoh and Asqhari (2014) conducted a research about products quality by taking samples from postgraduate students in Malaysia. The result was products quality have a positive influence on repeat purchasing decision. It was in line with Eiklenborg et al. (2011) who stated that product quality has an influence on consumers' repeat order.

H1: Product quality has a positive and significant influences on the consumers repeat order of bottled drinking water.

The Influnce of Promotion on the Repeat Order

Sales promotion is a means of short-term incentives. It is designed to stimulate the purchase of certain products or services faster and wider by consumers (Lam et al., 2001). According to Branch (1990) promotions provide the best price through various promotional instruments such as bid coupons, discounts, prizes, and samples. Another kinds of promotion are displayed advertisement and free delivery goods. In a bigger scoupe, promotions empowering the combinations between business with marketers, so it creates a good and strong image in the of consumers mind (Lam et al., 2001).

Promotion will influence consumer behavior in consuming goods. Consumer behavior to make a purchase immediately is the major priority of promotion (Ailawadi and Neslin, 1998). Promotions will encourage consumers to

buy more, will attract customers to change with the offered products, and will be a media to show product superiority.

Previous researchers have explored the role of promotion on consumer re-repeat order from several aspects. The Huang and Yang (2015) study explored the concept of discount in Taiwan. The result confirms the connection between promotion and consumers' repeat order in a positive direction. The study agreed with Rehman et al. (2017) which confirm that promotions have an influence on consumer interest to repeat order.

H2: Promotion has a positive and significant influences on the customers repeat order of bottled drinking water.

The Influence of Brand Image on Repeat Order

²¹ Brand is the name, term, symbol or design which becomes the identity of a good or service (Pepe and Dion, 2011; Netemeyer et al., 2004). Brand becomes a differentiator of an item among others (Kim and Kim, 2004). While image is a public perception of a company or a particular product. The brands pasted on a product have different images according to the people's perspective. A good or bad image of a company or product is determined by the public opinion in this case is the consumer (Pepe and Dion, 2011).

The consumers standard in choosing or assessing a brand image in general depends on two aspects; a brand must have a positive impression inside, and have a good reputation (Netemeyer et al., 2004). Good brand image has many advantages such as superior product and has different character from competitors (Kim and Kim, 2004).

Many previous researches have been conducted by positioning the brand image as a predictive tool of consumer repeat order. For example, Anselmsson et al. (2014) examined the brand image of Swedish food products; the result was a brand image had the ability to influence consumer repeat order. (Pepe and Dion, 2011) states that there is a positive effect of brand image on consumers in repeat order.

H3: Brand image has a positive and significant correlated with consumer repeat order of bottled drinking water.

METHODOLOGY

To obtain the primary data, this study using questionnaires distributed to 100 respondents in Semarang, Indonesia. This study using purposive sampling with the respondents criteria are a minimum age of 18 years old, consuming bottled drinking water products at least one month, stayed in Semarang, Indonesia. Besides questions, the questionnaire sheet also asks the respondent's identities such as gender, age, education, and employment. The respondents' answers are tabulated and be observed using SPSS tool.

RESULT AND DISCUSSION

Respondent Characteristics

The researcher has been received 100 questionnaires. From all respondents about 52 percent are men and 48 percent are women. There are 44 percent aged between 18 to 30 years old, 28 percent are between 31 and 40 years old, 16

percent around 41 to 50 years old and the remaining 12 percent are over 50 years old. Respondents' educational background with high school level are 62 percent, 30 percent are undergraduate, and the rest 8 percent are postgraduate. Based on their status around 24 percent are students, 40 percent work in private sectors, 17 percent are civil officers, and the rest 19 percent are businessman.

Reliability and Validity Test

Based on the result of reliability test, the researches obtained data that the smallest cronbach's alpha value is 0.628, while the largest value is 0.703. It shows that all variables have cronbach's alpha value higher than 0.6. So it can be concluded that the overall variables in this study are reliable and can be used as research tools.

The validity test shows that all the items of independent variable (X) and dependent variable (Y) are valid because all r count $>$ r table, the smallest r count of this research is 0.256, while the biggest one is 0.545. By r table it shows 0.197 so it can concluded that r count is higher than r table. It means that the questionnaire is suitable as a research instrument.

Multicollinearity Test

The multicollinearity test shows that the tolerance value in this study is bigger than the specified default value of 0.10. As for the VIF value also shows the number under 10, so it can be concluded that there is no multicollinearity among independent variables in the regression model.

Heteroskedasticity dan Normality Test

Heteroskedasticity test has been performed using scatterplots chart. The facts of the test find the spots spread irregularly (random) either above or below the number 0 on the Y axis. So it can be concluded that the influence between product quality, promotion and brand image on the repeat order, there are no heterokedastisitas on the regression model occur.

Normality test in this study has been done by observing the normal probability plot which compares the cumulative distribution of the real data with the cumulative distribution of the normal data. The results show that normality tests are normally distributed. It can be seen from the lines describing the data are spreading around the diagonal line and following the direction of the diagonal line, then the regression model meets the assumption of normality.

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to analyze the influence of independent variables (product quality, promotion and brand image) to the dependent variable that is repeat order. In this study, the regression equation is determined using beta standardized coefficient since each independent variable coefficient is standardized first to get the same coefficient of units (see Table 1.).

Table 1. Multiple Linear Regression Analysis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.751	1.094		.686	.494
	X1	.166	.055	.213	3.002	.003
	X2	.486	.064	.533	7.555	.000
	X3	.322	.050	.454	6.409	.000

a. Dependent Variable: Y

Determination Coefficient (R^2)

Based on the output display of SPSS the researches obtained Adjusted R Square as 0.508. It means that only 50.8 percent of variations in repurchase interest (Y) can be explained by the independent variables in this study. Meanwhile, the remaining 49.2 percent ⁸ is explained by other causes outside the model.

F-Test

⁴ Based on F test, it is found that there is a mutual influence between product quality (X_1), promotion (X_2) and brand image (X_3) which is 35.094 with significance $0.000 < \alpha = 0.05$. A smaller significance value of $\alpha = 0.05$ indicates the acceptance of a hypothesis stating product quality (X_1), promotion (X_2) and brand image (X_3) have significant effect on repeat order (Y).

t-Test

This study found that the value of t count on product quality variables (X_1) is 3.002 and significance value is $0.003 < 0.05$. The value of t count on promotional variables (X_2) is 7.555 and significance value $0.000 < 0.05$. The t value of the brand image variables (X_3) is 6.409 and the significance value is $0.000 < 0.05$. It can be concluded that each H_0 is rejected and H_1 , H_2 , and H_3 are accepted (see Table 1).

Discussion

This study examines the ⁶ effect of product quality, promotion, and brand image on consumers repeat order of bottled drinking water products in Semarang, Indonesia. The results of this study found that each independent variables ie product quality, promotion, and brand image is able to influence the consumers repeat order of bottled drinking water in a positive direction significantly. So the higher the quality of products, promotions, and brand image will be able to increase consumer interest to repeat order the bottled drining water products. Among the three independent variables, promotion is a variable which is able to influence purchasing decisions with a perfect level of significance (see table 1). Surprisingly the promotional variables in this study are able to show their influences exceed other independent variables around 0.533.

Based on the influence of product quality on the repeat order, the results of this study support previous research by Eiklenborg et al. (2011) and Jusoh and Asqhari (2014). ⁵ Product quality is the ability of a product to perform its function (Eiklenborg et al. 2011; Sebastianelli and Tamimi, 2002). High qualified product and consumers acceptance are the main factors in growing the interest of a product. But anyway, this research is different from the other previous ones because the respondents of this study saw that product quality identically associated with the easy-carry packaging design. Therefore, this research suggests the company to create product with practical packaging design so consumer feel is is easy to bring.

In this study, promotion has the greatest influence. For this reason, company's management need to pay special attention to promotion variable. Respondents consider that the promotion is interesting when it can be delivered with many of different media, such as television, newspapers, brochures and

others. The more variable media used, the more respondents will remember and interested to buy again. This study is in line with the research by Huang and Yang (2015), and Rehman et al. (2017). Sales promotion is a means of short-term incentives. It is designed to stimulate the purchase of certain products or services faster and wider by consumers (Lam et al., 2001; Branch, 1990). That's why this study suggests the company's management to promote their products using varied media in order to attract consumers to buy again and again. The researches suggests, besides television, newspapers, and brochures the company should also use online media as a means of promotion.

The influence of brand image on consumer's interest in repeat order of bottled drinking water products in the positive direction are implicated to the company's ability to build a good brand image, so consumers will not doubt anymore to buy bottled products again. This study is along with Anselmsson et al. (2014) ⁷ that brand image has a positive and significant impact on consumer repeat order. ⁷ Brand image is the name, term, symbol or design which is the identity of a product or service (Pepe and Dion, 2011; Netemeyer et al., 2004). Brand becomes a differentiator of an item among others (Kim and Kim, 2004). Respondents of this study feels that companies with trusted brands would automatically differentiate with competitors' products. Respondents believe that a company with a reputable brand is a company which is capable to offer a bottled drinking water with high levels of hygienic water. For this reason, the researches suggests the company's management, to build a brand by referring to the concept of healthy water.

LIMITATION OF THE STUDY

This study has got a limitation in connecting with amount of variation in repurchase interest of bottled mineral water. That only 50.8 percent of variations in repurchase interest ³ can be explained by product quality, promotion, and brand image. Meanwhile, ⁸ the remaining 49.2 percent is explained by other causes outside the model. This study suggested to the next study to add others variable such as price, and place.

This study also suggests using more than 100 respondents for future research.

CONCLUSION AND SUGGESTION

⁶ This study examines the influence of product quality, promotion, and brand image with the customers repeat order of bottled drinking water products in Semarang, Indonesia. The results of this study found that product quality positively affects the consumers repeat order of bottled drinking water products. Likewise, promotions and brand image are able to influence the consumers repeat order of bottled drinking water products. Promotional variables have the greatest influence compared to other independent variables in influencing repeat order. Brand image variables are the second largest variables that affect repeat order. While the product quality has the smallest influence against the interest of repeat order on bottled drinking water products. The results of this study validate the strong ⁴ relationship between product quality, promotion, and brand image on consumer interest in repeat order.

This study suggests the company's management to consider variable of product quality, promotion, and brand image in formulating its marketing strategy.

In addition, the researches advises the marketing departments to socialize the excellences of their product intensively to customers, especially through online media. So they will not doubt any more to decide repeat order the product of bottled drinking water.

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