

mobile home service

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Service Quality, Store Image, Price Consciousness, and Repurchase Intention on Mobile Home Service

Abstract

In facing fierce business competition, car maintenance workshops deal with it by creating new services often called mobile home services because there are many customers who are constrained by their time to do car services. To win business competition, many services are made to comply with the needs and desires of their customers by paying attention to service quality and store image to provoke repurchase intention because nowadays many customers are also more aware of prices. The purpose of this study is to analyze the effect of service quality, store image, and price consciousness on repurchase intention for mobile home services. This type of research uses a quantitative approach through survey methods. The population in this study is the customers who use car repair shops in the past one year with a sample size of 55 respondents. Data analysis techniques in this study uses Structural Equation Modeling (SEM) assisted with Smart PLS (Partial Least Square) software. The results show that service quality has a positive effect on price consciousness, store image has a positive effect on price consciousness, and price consciousness has a positive effect on repurchase intention on mobile home services.

Keywords: Service quality, store image, price consciousness, repurchase intention

1. Introduction

In 2016, the category of economic activities or business fields that are engaged in wholesale and retail trade, repair and maintenance of cars and motorcycles constitutes 12.25 million businesses or companies (Badan Pusat Statistik, 2016). Currently, automotive industry is one of the leading manufacturers in Indonesia, as seen from the production capacity and sales of cars which have increased from year to year. A safe and comfortable vehicle is needed for traveling markets. To maintain the safety and comfort, all vehicles need regular maintenance, so that the vehicles are always in good condition. Some people often neglect to conduct regular car maintenance. Many vehicles are being serviced after damaged. In fact, doing routine maintenance is important in order to extend the life of the car, to know the components that have exceeded the life span, and to keep the car in top condition.

There are various factors that influence the repurchase intention of the customer and one of them is price consciousness. Car maintenance services are a type of business that has been around for some time and certainly faces very tight competition. Therefore, it is important for car service providers to pay attention to the pricing factor. Nowadays, customers tend to consider prices as the main consideration in choosing a maintenance service. Often, the quality of service offered by various sellers is similar, so prices become a major consideration in buying the services. Rihn, Khachatryan, & Wei (2018) describe price consciousness as the price of a product or service that becomes a determining factor in buying interest, and the relationship between price awareness and buying behavior can make price communication more effective. targeting to more price awareness consumers. An understanding of price consciousness must also be balanced with the presentation of the best quality service. Rizkalla & Suzanawaty (2012) explain that consumers' awareness of the price set by the company are service quality and store image.

In this modern era, all vehicle maintenance services are expected to be practical, convenient, and fast. The car maintenance workshops are currently trying to create new service, namely home service to match with the customer expectations. Sometimes, customers need maintenance and repair of their cars, but they are always constrained by time and busy schedules, so this condition creates a new service opportunity called a mobile home service. Mobile home services are called-services to repair minor damages that can be fixed directly at the location of the damage. These services are designed to serve consumers who experience an emergency on the trip. In the long run, these services can increase the variety of services offered by the workshops, and increase the repurchase intention. In many circumstances, these mobile home service has helped many customers with limited time to conduct regular maintenance for their cars by requesting the mechanics to handle directly the maintenance in the customers' home, such as replacing the battery and other minor parts.

In requesting the mobile home services, many customers consider the workshops' reputable image and their service quality. Wu, Yeh, and Hsiao (2011) explain that store images play an important role in creating price consciousness

in consumers' minds. When the customer realizes that the customer is using good reputable services from a workshop, the price awareness will increase. Some facts from various previous studies and the above phenomena, this research will also seek the influence of a new type of service quality to attract more customers to stay loyal so as not to switch to other workshops, and to attest the workshops' image regarding to the strength of the workshops in providing services and the relationship between service quality and store image to repurchase intention through price consciousness.

2. Hypothesis Development

2.1. Service Quality towards Price Consciousness

Rizkalla and Suzanawaty (2012) explain that service quality has a significant positive effect on price consciousness. This is due to the fact that customers have a tendency to compare expectations with actual conditions; in this case, consumers must already have an expectation or expectation of service quality before visiting a store (Zeithaml, Bitner, & Gremler, 2009). These expectations are then evaluated, one of which is towards price. When a customer has experienced a service, he will evaluate the results with the amount of money spent on the service. The customer becomes aware of the price set by the workshop. Low prices are one of the important factors that can attract customers, so the possibility for customers to use services will be higher. The results of research conducted by Wu, Yeh, and Hsiao (2011) also show the same result, in which service quality has a significant positive effect on price consciousness. When the customers feel that the quality of service provided is indeed high, their perception on high service price will drop. Conversely, if the perceived service quality is not comparable to the price set, the customer will consider the price to be expensive even though it is not.

H1: It is suspected that service quality has a positive effect on price consciousness.

2.2. Store Image of Price Consciousness

According to Wu, Yeh, and Hsiao (2011), store image has a significant positive effect on price consciousness. The store image undermines the reputation built by the seller and the way of the community towards a store itself. Store image can also describe the condition of the store at that time, including the view of the price of goods sold at the store, the quality of store services, completeness of goods, as well as various other matters relating directly to the store. This image is very important because it shapes the perception of the public and directly influences the price consciousness that the public has of the store. When the public thinks that the store image is bad, the community will assume that the price set by the store is high, although in reality, the price can be said to be competing with other stores. Rizkalla and Suzanawaty (2012) explain similar results, where store image has a significant positive influence on price consciousness. This means that the higher the store image in the public's perspective, the higher the price consciousness of the store will be. In this case, as long as a store becomes well-known, the store will be the customer's top choice and will get a lot of ratings. One of the main assessment points is price. Customers will begin to realize the price level set by the store and compared directly with the store image that has been formed. Therefore, the hypothesis formulated is:

H2: It is suspected that store image has a positive influence on price consciousness

2.3. Price Consciousness of Repurchase Intention

In their research, Uslu and Huseynli (2018) explain that price consciousness will have a significant positive effect on repurchase intention. This is because repeat purchases generally occur for consumers who realize and understand the reasons for making purchases, and one of the factors that is the reason for the purchase consideration is price. Price-conscious customers generally have realized all considerations that are included in the set price by the seller, starting from the comparison between price and benefits, the difference between the tag prices offered by competitors, and the different levels the price itself. These considerations will support a repurchase intention, especially the pricing is suitable for the customers. Perng, Thing, and Fong (2014) also find the same thing in his research, in which price consciousness will have a significant positive effect on repurchase intention. In that research, it is known that price consciousness is a consideration based on customer's past experience. The customer will be more conscious on prices of a product or services after re-studying the price factor based on the previous purchases. This makes price consciousness to be the drive for repurchase intention.

H3: It is suspected that price consciousness has a positive effect on repurchase intention

Based on the constructed hypothesis, the research framework is depicted below:

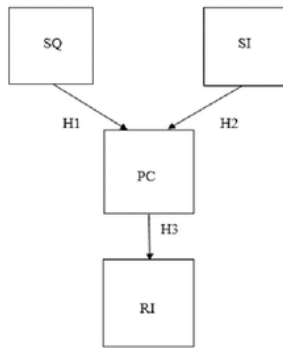


Figure 1. Research Framework

Source: (Parasuraman et al., 1985); (Sinha, 1999); (Berman & Evans, 2004); (Huang, Yen, Liu, & Chang, 2014)

3. Research Method

This research uses a quantitative method with a causal design. This type of research requires to collect the data through a survey. The quantitative research method according to Sugiyono (2018) is "a research method based on the philosophy of positivism, used in examining specific samples and research populations", and sampling techniques are generally carried out by random sampling, whereas data collection conducted by utilizing the research instruments used, the analysis of the data used is quantitative or can be measured with the aim of testing hypotheses that have been predetermined. The population of this research is the customer of some car workshops and the samples of this research are the customers who have used the service in the past 1 year, and has used a mobile home service at least once. The instrument to collect the data is a questionnaire. Questionnaires are distributed to respondents, then collected, sorted, and processed. The questionnaire uses a Likert scale where respondents' answers have been limited from strongly disagree (1) to strongly agree (5). The measurement scale, which is the Likert scale, is namely "the scale used to measure the attitudes, opinions, and perceptions of a person or group of people" (Nazir, 2005). The variables to be measured are translated into research indicator. In this study, the researchers is assisted with PLS (Partial Least Squares) to analyze the data. PLS (Partial Least Square) is one of the variant-based SEM statistical methods designed to solve multiple regressions when specific problems occur in data, such as small research sample sizes, missing data, and multi collinearity (Abdilah & Jogiyanto, 2009). PLS is one of the analysis techniques of Structural Equation Modeling (SEM) with a calculation process that is assisted by the SmartPLS software application program.

4. Discussion

4.1. The Outer Model Evaluation

There are two types of validity test in PLS SEM, namely convergent validity and discriminant validity. Convergent validity is a measure of indicators that are influenced by latent constructs or reflect variations in latent constructs (Ghozali, 2014). This can be seen from the correlation between the indicator and its construct value. Convergent validity occurs if the scores obtained from two different instruments that measure the same construct have a high correlation. Indicators are considered reliable if the value of the measurement correlation > 0.7 . The rule of thumb used for convergent validity is a loading value > 0.7 (Ghozali, 2014). However, in this study the development of a scale measuring loading values of 0.5 to 0.6 is considered valid (Abdillah & Jogiyanto, 2009). The result of the convergent validity is presented in Table 1.

Table 1. Convergent Validity Test Results

Variable	Indicator	Score Loading	Remark
	The car workshop provides time for consulting services	0,555	Valid
	The car workshop has enough experience to understand the complaints I have	0.760	Valid

Service Quality	The car workshop has the ability to act according to the problem I am complaining about	0.765	Valid
	The car workshop has skilled employees to repair	0.754	Valid
	The car workshop has employees who are polite and friendly in serving	0.726	Valid
	The car workshop always listens to my complaints without interrupting	0.677	Valid
	The car workshop has work equipment that is practical or portable for service needs outside the workshop	0.628	Valid
Store Image	The car workshop has sophisticated work equipment	0.675	Valid
	The car workshop has a strategic location so it is easily accessible	0.607	Valid
	The car workshop is located in a location that is often bypassed	0.702	Valid
	The home service services provided can meet my needs	0.828	Valid
	The price set by the car workshop to get home service can be said to be affordable	0.706	Valid
Price Consciousness	The tag price reflects the quality of work at home service	0.710	Valid
	I usually compare prices before buying any services	0.620	Valid
	I compared the price and services of the car workshop with other workshops	0.798	Valid
	Price is always a consideration in all my buying activities	0.760	Valid
Repurchase Intention	I am willing to use home service routinely	0.688	Valid
	I want to try other services offered by the home service	0.849	Valid
	I plan to use the home service again in the future	0.777	Valid

In Table 1, the measured indicators of the service quality variable (X1), the store image (X2), the price consciousness (Z), the repurchase intention (Y) are all above the value of 0.5, therefore, all indicators are considered valid. Therefore, the 17 indicators that measure service quality (X1), store image (X2), price consciousness (Z), and repurchase intention (Y) are declared as a valid construct measurement tool because they have convergent validity values above 0.5.

4

Discriminant validity test is assessed from the value of cross loading measurements with the construct. If the correlation value between the indicator and its construct is higher than the correlation value between other indicators and other constructs, then it shows that the latent construct predicts the size of the block better than the size of the other blocks, then the indicator meets the requirements of discriminant validity (Abdillah & Jogiyanto, 2009). The results of processing the discriminant validity output data or cross loading are shown in the table below:

Table 2. Cross Loading

	Service Quality	Store Image	Price Consciousness	Repurchase Intention
X1.1	0.555	0.354	0.271	0.246
X1.2	0.760	0.380	0.441	0.463
X1.3	0.765	0.459	0.326	0.313
X1.4	0.754	0.482	0.352	0.349

X1.5	0.726	0.482	0.259	0.251
X1.6	0.677	0.474	0.504	0.503
X1.7	0.628	0.507	0.543	0.542
X1.8	0.675	0.475	0.304	0.369
X2.1	0.362	0.607	0.199	0.202
X2.2	0.482	0.702	0.526	0.561
X2.3	0.523	0.828	0.522	0.528
X2.4	0.443	0.706	0.373	0.410
X2.5	0.509	0.710	0.398	0.373
Y1	0.206	0.449	0.703	0.714
Y2	0.592	0.553	0.841	0.856
Y3	0.541	0.465	0.787	0.791
Z1	0.150	0.403	0.670	0.666
Z2	0.580	0.514	0.837	0.804
Z3	0.541	0.465	0.791	0.787

In Table 2, it can be observed that the cross loading indicator values are higher on the variables it forms than to other variables. Thus all indicators in this study have met the discriminant validity measurement requirements.

Partial Least Square reliability test in SEM uses two methods, namely Composite Reliability and Cronbach's Alpha. The value of composite reliability in this study must be greater than 0.7 although, in many cases, the value of 0.6 is still acceptable. Cronbach's Alpha measures the lower limit of a construct's reliability value while composite reliability measures the actual value of a construct's reliability (Abdillah & Jogiyo, 2009).

Table 3. Composite Reliability

	Composite Reliability	Cronbach's Alpha
Service Quality (X1)	0.903	0.880
Store Image (X2)	0.883	0.836
Price Consciousness (Z)	0.839	0.711
Repurchase Intention (Y)	0.839	0.711

In Table 3, it can be seen that the composite reliability value for the service quality (X1) variable is 0.903; store image variable (X2) of 0.883; variable price consciousness (Z) of 0.839 and variable repurchase intention (Y) of 0.839. All variables are stated as reliable as a measurement tool in this study because they have a composite reliability value above the provisions of 0.7. Furthermore, in Table 3, it can be observed, too, that the Cronbach's Alpha value for the service quality (X1) variable is 0.880; store image variable (X2) of 0.836; variable price consciousness (Z) of 0.711 and variable repurchase intention (Y) of 0.711. All variables are stated as reliable as a measurement tool in this study because they have a Cronbach's alpha value above the rule of 0.7.

The minimum recommended Average Variance Extracted (AVE) is 0.5, but the value of 0.4 is still acceptable. If AVE is less than 0.5, as long as the composite reliability is higher than 0.6, the convergent validity is eligible (Hair, Black, Babin, & Anderson, 2010). Table 4. shows the result of AVE:

Table 4. Average Variance Extracted

	Average Variance Extracted (AVE)
Service Quality (X1)	0.538
Store Image (X2)	0.603
Price Consciousness (Z)	0.636
Repurchase Intention (Y)	0.636

In table 4, it can be seen that the AVE value for the service quality variable (X1) is 0.538, store image variable (X2) of 0.603, price consciousness (Z) of 0.636, and repurchase intention (Y) of 0.636. The overall indicators for each variable are declared valid as a measurement tool in this study because they have an AVE value greater than the minimum score of 0.5.

4.2. The Inner Model Evaluation

The structural model or the inner model in PLS is evaluated using R^2 for the dependent constructs. The value of R^2 is used to measure the level of variation in the changes of the independent variable to the dependent variable. The higher the value of R^2 means the better the prediction model from the proposed research model (Abdillah & Jogiyo, 2014).

The R^2 result of 0.67 indicates that the model is "good", the R^2 score of 0.33 indicates the "moderate" model, and the R^2 value of 0.19 indicates the "weak" model (Abdillah & Jogyanto, 2014).

Table 5. The result of the *R-square* (R^2) test

Variable	R-Square
Price consciousness (Z)	0.424
Repurchase Intention (Y)	0.974

The price consciousness variable (Z) has an R^2 value of 0.424 indicating that the variable is categorized as "moderate". Service quality, store image and price consciousness variables that affect the repurchase intention variable in the structural model have an R^2 value of 0.974 which indicates that the model is "good".

The suitability of the structural model can be seen from the calculation Q^2 :

$$\begin{aligned}
 Q^2 &= 1 - [(1 - R_1^2)(1 - R_2^2)] \\
 &= 1 - [(1 - 0.424)(1 - 0.974)] \\
 &= 1 - [(0.576)(0.026)] \\
 &= 1 - [(0.0149)] \\
 &= 0.985
 \end{aligned}$$

The Q^2 result achieved is 0.985, meaning that the Q^2 value above zero provides evidence that the model has a predictive relevance.

4.3. Hypothesis testing

The hypothesis testing is shown by the result of the T-Statistic, and the result is shown in Table 6.

Table 6. Path coefficient, Standard Error, and T-Statistic

Hypothesis	Direct effect	Original Sample (O)	T-Statistic (O/STERR)	P Values	Remarks
H1	Service Quality → Price Consciousness	0.325	2.095	0.007	Hypothesis accepted
H2	Store Image → Price Consciousness	0.390	3.012	0.003	Hypothesis accepted
H3	Price Consciousness → Repurchase Intention	0.987	90.188	0.000	Hypothesis accepted

From Table 6, the hypothesis testing can be explained as follow:

1. Service quality variable (X1) has a significant effect on price consciousness (Z) because the T-Statistic value is 2.095, which means it is greater than the calculated value of 1.96. Thus, the H1 hypothesis which is "Service quality has a positive effect on price consciousness" is accepted. In this study, the result is similar to some previous studies, in which service quality has a significant positive effect on price consciousness. This result confirms the studies conducted by Rizkalla & Suzanawaty (2012) and Wu, Yeh & Hsiao (2011). The meaning of the results is that the higher the service quality provided by the service provider, the consumer will be more aware of the price set by the seller. All statements describing the service quality variable obtain the mean values which belong the 'agree' category. This means that research respondents consider the service quality provided by some workshops to be of high quality. When the customers need some assistance from mobile home service, the car workshops always listen to customer requests carefully. The consumers feel that the service quality provided are well-matched by the service provider, even though the price is a little more expensive. This is what makes the service quality variable affect the price consciousness variable.

2. Store image variable (X2) has a significant influence on price consciousness (Z) because the T-statistic value is 3.012, which means it is greater than the T-Statistic of 1.96. Thus, the H2 hypothesis which says "Store image has a positive effect on price consciousness" is accepted. In this study, the result is similar to some previous studies in which the store image has a significant positive effect on price consciousness. This result confirms some studies conducted by Rizkalla & Suzanawaty (2012), Wu, Yeh & Hsiao (2011), and Uslu & Huseynli (2018). The meaning of the results is that the better the store image owned by the service provider, the more aware the consumer to the

price set by the seller. In this research, one of the measuring tools that boost the store image of mobile home service providers is the fulfillment of customers' needs. By knowing customer needs, service providers can find out, add to, and improve various provided services to the customers. This also makes consumers realize that the price set by mobile home service provider is indeed comparable to the store image they have.

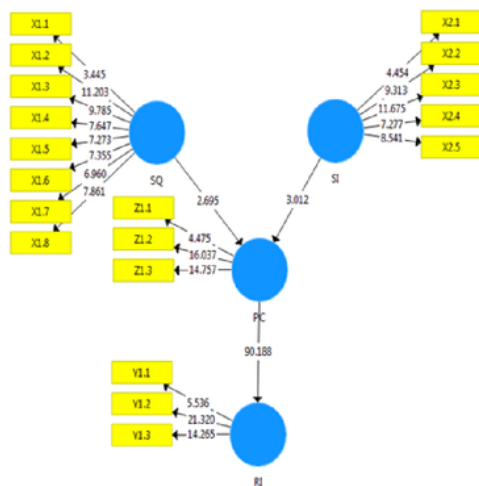
3. Price consciousness variable (Z) has a significant effect on repurchase intention (Y) because the T-statistic value is 90.188, which means it is greater than the T-Statistic of 1.96. Thus, the H3 hypothesis which reads "Price consciousness has a positive effect on repurchase intention" is accepted. In this study, the result is similar to some previous studies, in which price consciousness has a significant positive effect on repurchase intention. This result confirms researches conducted by (Perng, Thing, & Fong, 2014) and (Uslu & Huseynli, 2018). The meaning of the results is that the higher the price consciousness possessed by consumers, the more consumers will also have a repurchase intention. It is found that the respondents have high price consciousness as indicated by the mean value of the total price consciousness variable belonging to the 'agree' category. Significantly positive results from service quality and store image make respondents understand that car workshop has a price offer that is comparable to the quality of service and store image. This triggers the emergence of repurchase intention for car workshop customers. The statement "I want to try other services in home service" illustrates that with the implementation of a new strategy that is home service, car workshop customers will increasingly want to repurchase the service and are willing to pay for the service according to the price offered.

5. Conclusion

This research confirms the effects of service quality and store image on price consciousness and purchase intention. Service quality has a positive significant effect on price consciousness. Store image has a positive significant effect on price consciousness. Price consciousness has a positive significant effect on repurchase intention of the mobile home services that are provided by car workshops or garages. As the business competition is getting severe for car workshops on engine services, some workshops extend their services into mobile home services. This mobile home service can reach the customers who need road assistants because of minor engine problems. Therefore, the service quality and the store image of the workshop send strong effects to the customers in order to purchase the service.

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