REPURCHASE INTENTION OF MIE XYZ: THE ROLE OF PRODUCT QUALITY, SOCIAL MEDIA REVIEW AND ENVIRONMENTAL PRACTICES

THESIS DEFENSE

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CHAPTER 1
INTRODUCTION

BACKGROUND

Noodles have become an integral part of the Indonesian diet, enjoyed by people of all ages and backgrounds. According to the World Instant Noodles Association (WINA, 2021), Indonesia is the world's

2nd

largest consumer of noodles, with an impressive 11 million portions consumed annually. This widespread consumption underscores the pivotal role noodles play in the everyday lives of Indonesians.

Mie XYZ, a noodle restaurant that gained immense fame over the past three years With over

100+

Outlet spread on Indonesia.

However, **despite their popularity, Mie XYZ has faced criticism regarding Product quality**. A viral video showing maggots in their food led to scrutiny on social media.

Mie XYZ apologized and urged customers to provide direct feedback if they were dissatisfied (Basri, 2024).

However, the implementation of Cleanliness, Health, Safety, and Environmental Sustainability (CHSE) regulations improved guest satisfaction at their outlets, particularly in Tegal (Sabrina et al., 2021).

PROBLEM STATEMENT

Mie XYZ faced the bad review Accross Internet, **In Place review Mostly 150+ bad review every branch in Jakarta.** Many customers have expressed frustration with the long waiting times. Additionally, there have been concerns about inconsistent food quality, with some customers noting that the noodles are sometimes either overcooked or undercooked, highlighting a need for more consistency.

RESEARCH GAP

Limited Research Focused
research explain about the MIE XYZ On Dine-in repurchase only, withno adding online or platfrom service.

Industry Focused
Unlike previous study which mainly focused on internal factors, such as Price, Service quality, Place, and Etc. in this research combine internal factors and external factors from social media for repurchase intention

Geography Focused
Previous study examine on other cities, such as Bekasi, Lombok, Tegal and Etc. In this research focusing on jakarta based on data from google keyword trends.

RESEARCH QUESTIONS

1. Do food quality affect the repurchase intention of customers at Mie XYZ in Jakarta?

2. Do social media review affect the repurchase intention of customers at Mie XYZ in Jakarta?

3. Do environmental practices affect the repurchase intention of customers at Mie XYZ in Jakarta?

4. Do Customer satisfaction as mediate affect the repurchase intention of customers at Mie XYZ in   Jakarta?

5. Do perceived trust as mediate affect the repurchase intention of customers at Mie XYZ in Jakarta?

RESEARCH OBJECTIVES

1. To investigate the influence of product quality, social media reviews , and environmental practices effects on customer satisfaction .

2. To investigate the influence of product quality, social media reviews , and environmental practices effects on perceived trust.

3. To analyze customer satisfaction effect on repurchase intention at Mie XYZ in Jakarta.

4. To analyze perceive trust effect on repurchase intention at Mie XYZ in Jakarta.

RESEARCH BENEFIT

ACADEMIC

01. looks at why customers keep buying from Indonesian fast food places like Mie XYZ by focusing on food quality, social media, and environmental practices.

02. The research helps explain how things like social media Review customer satisfaction and the decision to buy again in the fast food industry.

PRACTITIONER

03. Helps Mie XYZ improve by identifying ways to enhance food quality and customer satisfaction, leading to repeat business.

04. The research helps boost the local economy by encouraging repeat purchases and creating jobs.

CHAPTER 2
LITERATURE REVIEW

THEORETICAL FRAMEWORK

In 1974, **Mehrabian and Russell introduced the SOR (Stimulus-Organism-Response)** model, which shows how external factors trigger emotional or mental reactions that influence consumer behavior. The model explains that stimuli impact emotions, which then affect buying decisions. Consumers react to these cues by either accepting or avoiding them based on their emotional and mental responses.

Product Quality

High-quality food not only attracts but also retains customers, contributing significantly to the success of fast-food establishments like Mie Gacoan (Maria et al 2023).

Social Media Review

Social media significantly influences consumer trust and purchasing decisions. Positive reviews enhance brand image and credibility, while negative feedback can harm reputation (Septi, 2019).

Environmental Practices

Customers are increasingly aware of environmental impact and prefer brands that practice sustainability. Following CSR guidelines and reducing waste (e.g., avoiding styrofoam) are important for a positive brand image (Imran & Muhammad, 2023)

THEORETICAL FRAMEWORK

Customer Satisfaction

Satisfied customers are likely to return and make repeat purchases. Meeting quality and service expectations leads to higher repurchase intention and customer loyalty (Asian Journal, 2022). Studies show that satisfaction explains a significant portion of repurchase intention (Pandiangan et al., 2021),

Perceive Trust

Trust in a brand affects consumer loyalty and repurchase behavior. Consistent quality and transparent practices build trust, making customers more likely to repurchase (Chaudhuri & Holbrook, 2001). Trust is essential for maintaining positive customer relationships and enhancing brand reputation (Imran & Muhammad, 2023)

Repurchase intention

Customers who are satisfied with their experience are more likely to repurchase. Providing added value and quality services increases repurchase intentions (Henkel et al., 2006; Cronin et al., 2000). Understanding and enhancing factors that drive repeat purchases is crucial for sustained business growth (Hume, 2007).

LIST OF PREVIOUS STUDY

Author	Title	Variables	Method	Result
Ni Putu, Arista Putri, I Gst, Kt, Gd, Suasana. (2022)	Pengaruh Kualitas Pelayanan dan Word of Mouth terhadap Niat Beli Ulang di Rumah Makan Bu Desak, Kabupaten Badung	Service quality, Word of mouth,Repurchase intention	Multiple linear regression analysis	Service quality has a positive and significant effect on consumers' repurchase intentions at Bu Desak's Restaurant. Word of mouth promotion was found to have a positive and significant impact on consumers' repurchase intentions.
Jessalyn M. Alqueza, Kriszia Dimpsy S. Bastasa, Jannalou L. Resos, Marie Love Elizabeth Y. Sombilon, Nelson B. Collamar, Vicente S. Maravilla, Jelissa G. Flores (2022)	Empirical-Based Model for Repurchase Intention among Fast-Food consumers in Cebu City, Philippines	Customers satisfaction, social influence, Emotional loyalty, habit	Multiple linear regression analysis and significant levels	Consumer Satisfaction is the highest perceived predictor, it does not significantly predict intention to repurchase. Social Influence was found to be a significant predictor of intention to repurchase.

LIST OF PREVIOUS STUDY

Author	Title	Variables	Method	Result
Lena Ellitan, Samuel Alfonso Sugiyanto, Andriya Risdwiyanto (2022)	Increasing Repurchase Intention through Experiential Marketing, Service Quality, and Customer Satisfaction	Experiential Marketing; Service quality; Customer satisfaction; Repurchase intention	Structural Equation Model(SEM)	Experiential marketing positively impacts customer repurchase intention in Korean restaurants in Surabaya. Improving experiential marketing efforts can boost repurchase intentions,
Nguyen Minh Ha, LeQuoc Phong, T. V. Thang, Huynh Luong Tam, T.H. Dang, Nguyen Thi Thai Hoa (2022)	Mediating role of corporate reputation in the relationship between corporate social responsibility and repurchase intention	CSR; corporate reputation; fast food restaurant; McDonald's repurchase intention	SPSS and AMOS software	CSR (Corporate Social Responsibility) improves a company's reputation and encourages customers to buy again. A good reputation is important for linking CSR to customers' buying decisions. Poor CSR practices can harm customer behavior.

RESEARCH FRAMEWORK
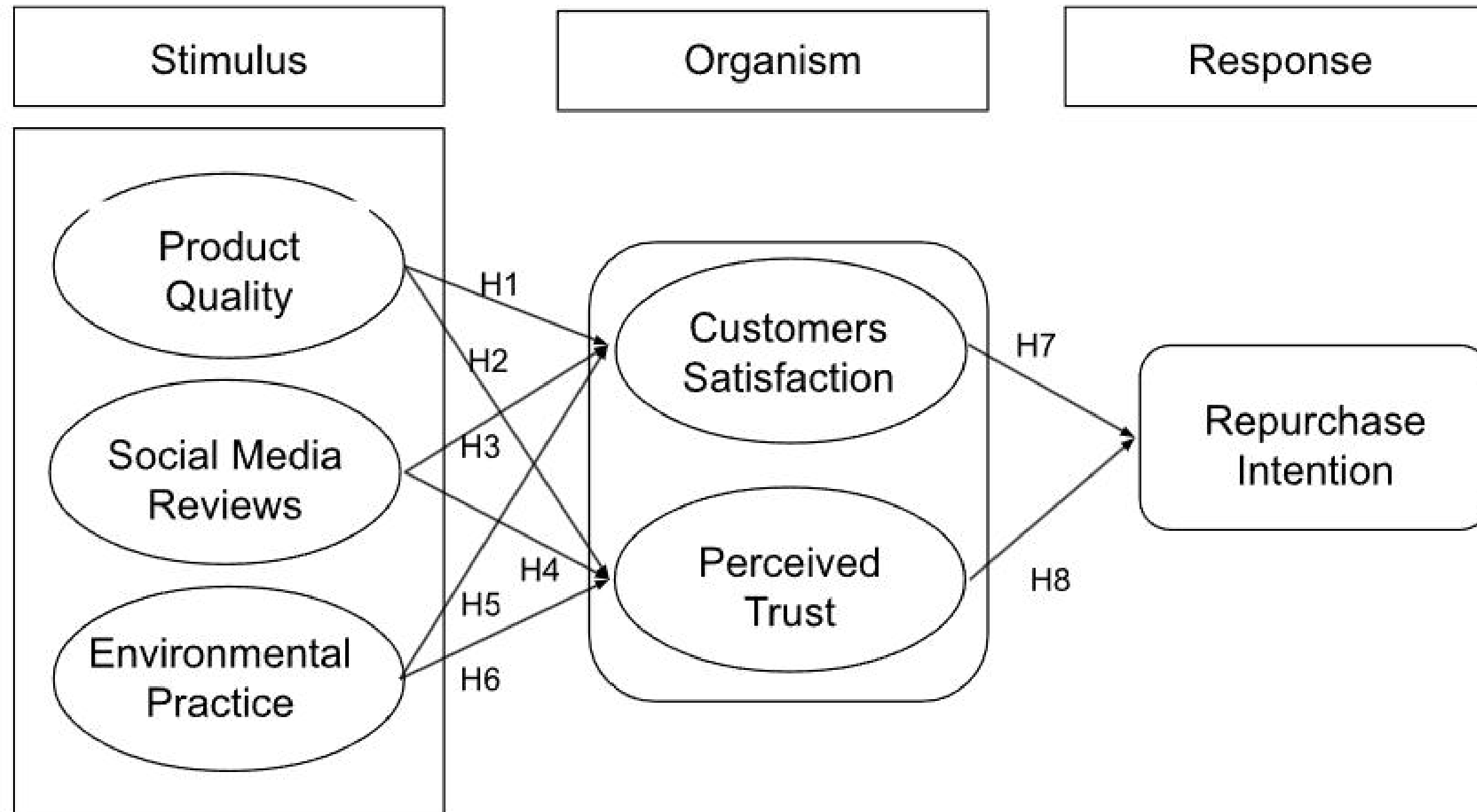
HYPOTHESIS DEVELOPMENT

H1: Product quality positively influences customers satisfaction

H2: Social media reviews positively influences customers satisfaction

H3: Environmental practices positively influences customers satisfaction

H4: Product quality positively influences perceive trust

H5: Social media reviews positively influences perceive trust

H6: Environmental practices positively influences perceive trust

H7: Customers satisfaction positively influences repurchase intention

H8: Perceive trust positively influences repurchase intention

CHAPTER 3
RESEARCH METHOD

RESEARCH DESIGN

Correlational Research

Correlational research is a research approach that examines the degree of association, whether it is positive or negative, between two or more variables (Wilson & Joye, 2017).

Quantitative Research

Quantitative methods refer to a research methodology that involves collecting data in numerical form

VARIABLE

Independent Variable

1. Product Quality
2. Social Media Reviews
3. Environmental Practice

Dependent Variable

1. Customer Satisfaction
2. Perceived Trust
3. Repurchase Intention

POPULATION & SAMPLING

Participants should have dined in at Mie Gacoan at least once in the last 3 months and be active on social media, such as Facebook, Instagram, TikTok, Twitter, or YouTube.

Jakarta

Area

Convenience sampling involves collecting samples from individuals or sources that are conveniently available in the vicinity or through Internet services (Thomas et al., 2017).

DATA COLLECTION METHOD

· The survey was primarily conducted using an online platform in Indonesia, specifically through the google from July to August 2024.

· 5-Likert Scale (1=strongly disagree, 5=strongly agree)

· Respondents should be categorized as Generation Z with the age range between 16 and 25, Millennials with age range between 25-40, and Generation X with the age range between 41-56

DATA ANALYSIS METHOD

A descriptive analysis using statistical methods has been carried out to assess and describe the study participants' characteristics and their perspectives regarding the research variables.

SEM-PLS

Outer Model

1. **Validity**: In the context of PLS-based data analysis, validity assessment involves two key aspects: convergent validity and discriminant validity.

2. **Realibility**: The consistency and accuracy with which a variable that measures what it is intended to measure. Cronbach's alpha, as suggested by Hair, Babin, and Anderson (2014).

Inner Model

In the inner model of the PLS-SEM, formative measurement is the second measurement, and it involves several key steps as outlined below:

1. **Coefficient of Determination (R2)**
2. **Path Coefficient (Œ≤) and T-statistics**

DATA ANALYSIS METHOD

Variable	Code	Items
Product Quality Mendocilla .et.al (2021)	PQ 1	Food packaging of restaurant Mie XYZ seems high quality and hygienic
	PQ 2	Overall, I am satisfied with the quality of the product of restaurant Mie XYZ.
Social Media Reviews Lee, J., & Kim, Y. K. (2020).	SMR 1	The reviews in social media of Mie XYZ matched my impression of the restaurant.
	SMR 2	I read social media review before purchasing a product.

DATA ANALYSIS METHOD

Variable	Code	Items
Environmental Practices Toshmirzaev .et.al (2022)	EP1	The Mie XYZ restaurant uses sustainable materials (ingredients).
	EP 2	Mie XYZ use eco-friendly packaging.
Customers satisfaction Yao, Y. (2020).	CS 1	My choice to choose these Mie XYZ restaurants was a wise one.
	CS 2	I felt that my experience with these Mie XYZ restaurants has been enjoyable and meet my expectations.

DATA ANALYSIS METHOD

Variable	Code	Items
Perceive Trust Shin, Y. H., & Yu, L. (2020).	PT1	I believe Mie XYZ is a reliable company.
	PT 2	I am comfortable sharing my personal information with Mie XYZ (if applicable).
Re-purchase Intention Kim, W. G., & Moon, Y. J. (2009).	RI 1	I have a strong intention to bring my family and friends to visit this restaurant again.
	RI 2	I would be a repeat customer of Mie XYZ.

CHAPTER 4
FINDINGS

DATA COLLECTION

155

Respondents who have dined in and have social media accounts.

Jakarta Area

The survey was primarily conducted using an online platform in Indonesia through

Google Form

from July to August 2024.

5-Likert Scale (1=strongly disagree, 5=strongly agree)

To rigorously test the proposed hypotheses, Partial Least Squares Structural Equation Modeling (PLS-SEM) is employed, as recommended by Fan et al. (2016).

FINDINGS

AGE RANGE		
	Sample	Percentage
<18 years old	0	0%
18-25 years old	33	21,3%
26-34 years old	89	57,4%
35-49 years old	33	21,3%
Total	155	100%

GENDER		
	Sample	Percentage
Male	84	54.2%
Female	71	43.8%
Total	155	100%

FINDINGS

Occupation		
	Sample	**Percentage**
Students	29	18,7%
Private Employee	91	58,7%
Civil Servants	1	0,6%
Entrepreneur	25	16,1%
Housewife	7	4.5%
Lecturer	2	1.3%

Last Education		
	Sample	**Percentage**
Junior High School	1	0.6 %
Senior High School	30	19,4%
Bachelor	107	69%
Master	17	11%

FINDINGS

Income		
	Sample	**Percentage**
Under 2 million	15	9,7%
Rp.2,000,000 -Rp. 4,499,000	17	11%
Rp.4,500,000 Rp.- 5,999,000	70	45.2%
Rp.6,000,000 - Rp.7,999,000	29	18,7%
8 million above	24	15,5%

Reliability,Composite Reliability,& Convergent Validity Result

Cronbach's alpha,, Composite reliability (rho_c), dan Average variance extracted (AVE)

Legend: Cronbach's alpha · Composite reliability (rho_c) · Average variance extracted (AVE)

Categories (x-axis): CS, EP, PQ, PT, RI, SMR
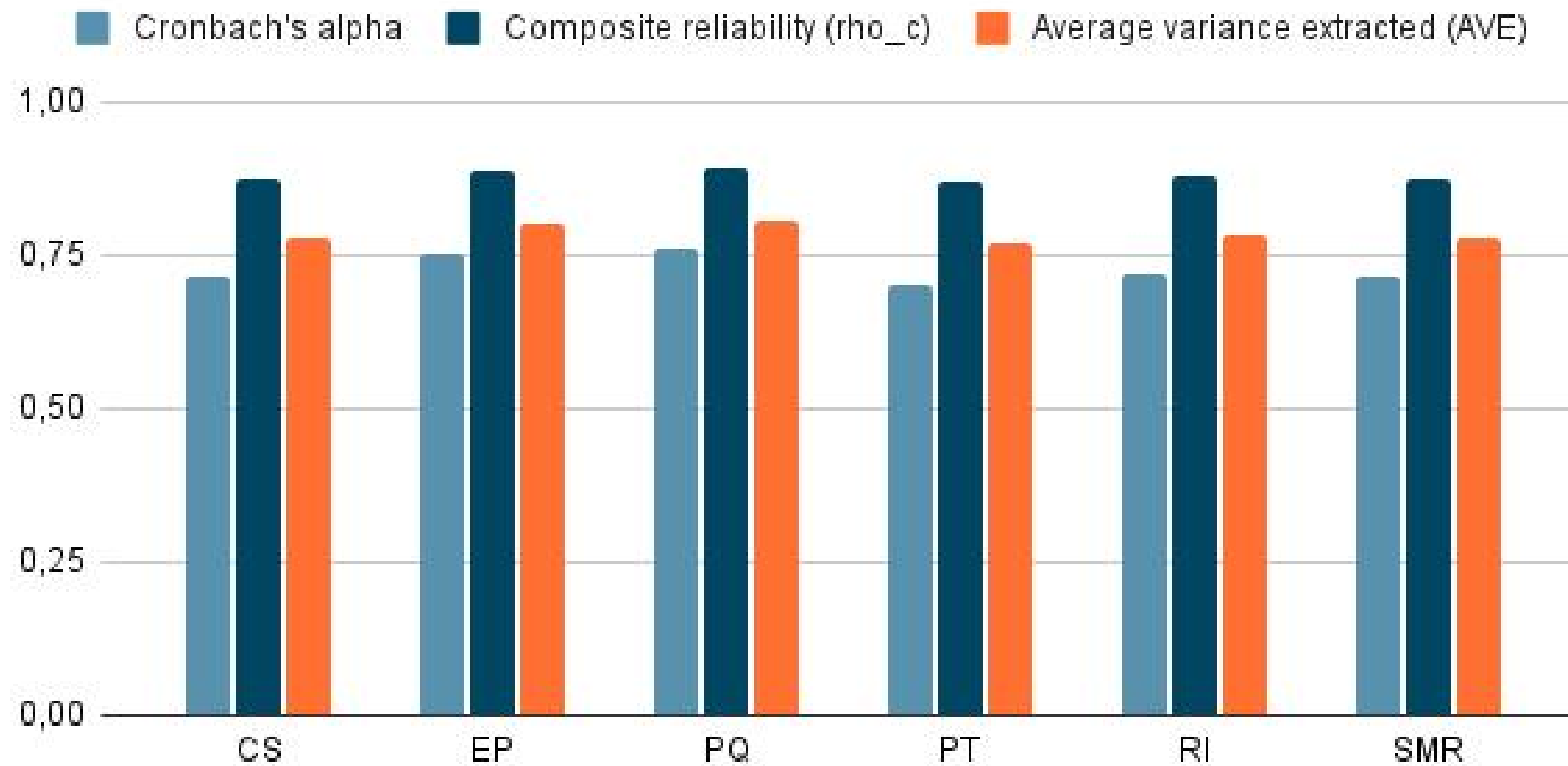
The Cronbach's alpha value is above 0.60, it is deemed acceptable, while a value exceeding 0.70 is considered satisfactory according to Hair et al. (2017).

According to Hair et al. (2014), there are three categories for composite reliability values: acceptable is defined as 0.60 to 0.70, good is defined as 0.70 to 0.95, and too identical is defined as 0.95 and above.

According to Hair et al. (2021), a value of 0.05 is the lowest acceptable AVE value, while any value above 0.07 is regarded as extremely acceptable.

CONVERGENT VALIDITY RESULT

No	Variable	Indicator	Outer Loading	Valid/ Not Valid
1.	Product Quality	PQ 1: Food packaging of restaurant Mie XYZ seems high quality and hygienic	0.904	Valid
2.		PQ 2: Overall, I am satisfied with the quality of the product of restaurant Mie XYZ.	0.893	Valid
3.	Social Media Review	SMR 1: The reviews in social media of Mie XYZ matched my impression of the restaurant.	0.903	Valid
4.		SMR 2:I read social media review before purchasing a product.	0.861	Valid
5.	Environmental Practices	EP 1:The Mie XYZ restaurant uses sustainable materials (ingredients).	0.905	Valid
6.		EP 2:Mie XYZ use eco friendly packaging.	0.884	Valid
7.	Customer Satisfaction	CS 1: My choice to choose these Mie XYZ restaurants was a wise one.	0.906	Valid
8.		CS 2: I felt that my experience with these Mie XYZ restaurants has been enjoyable and meet my expectations.	0.856	Valid
9.	Perceive Trust	PT 1:I believe Mie XYZ is a reliable company.	0.872	Valid
10		PT 2: I am comfortable sharing my personal information with Mie XYZ (if applicable).	0.884	Valid
11	Repurchase Intention	RI 1: I have a strong intention to bring my family and friends to visit this restaurant again.	0.895	Valid
12		RI 2: I would be a repeat customer of Mie XYZ.	0.872	Valid

Sugiyono (2015) suggests that a research pilot can proceed if all indicators are >0.05. From the table, all outer loading values for each variable surpass 0.70. This suggests that the data is valid, indicating a strong level of convergent validity.

DISCRIMINANT VALIDITY RESULT

Multicollinearity Test

Indicator	VIF
PQ1	1.608
PQ2	1.608
SMR1	1.452
SMR2	1.452
EP1	1.566
EP2	1.566
CS1	1.451
CS2	1.451
PT1	1.415
PT2	1.415
RI1	1.464
RI2	1.464

According to Table , this study passes the multicollinearity test because the value of VIF is less than 5 (Hair et al., 2010).

DISCRIMINANT VALIDITY RESULT
CROSS LOADING ANALYSIS

	Product Quality	Social Media Review	Environmental Practices	Customer Satisfaction	Percieve Trust	Repurchase Intention
PQ1	**0.904**	0.580	0.580	0.629	0.570	0.508
PQ2	**0.904**	0.343	0.552	0.564	0.574	0.544
SMR1	0.459	**0.903**	0.548	0.571	0.584	0.513
SMR2	0.455	**0.861**	0.403	0.499	0.476	0.390
EP1	0.563	0.517	**0.905**	0.580	0.661	0.558
EP2	0.565	0.455	**0.884**	0.539	0.591	0.451
CS1	0.633	0.581	0.605	**0.906**	0.651	0.662
CS2	0.531	0.486	0.491	**0.856**	0.465	0.530
PT1	0.516	0.484	0.659	0.534	**0.872**	0.592
PT2	0.600	0.576	0.574	0.592	**0.884**	0.637
RI1	0.513	0.451	0.522	0.636	0.641	**0.895**
RI2	0.522	0.465	0.478	0.566	0.596	**0.872**

According to Ringle et al. (2021) regarding discriminant validity through cross-loading analysis, a particular item should exhibit higher loadings on its designated parent construct compared to other constructs in the study. **As shown on the table, highlighted item (parent's construct) is higher than other constructs**

COEFFICIENT DETERMINATION RESULT

Variable	R_2
Customer Satisfaction	0.569
Percieve Trust	0.597
Repurchase Intention	0.582

· The R-Square-Adjusted value for Customer Satisfaction is 0.569, **indicating that 56.9% of the variance in Customer Satisfaction can be explained by the factors of product quality, social media reviews, and environmental practices.**

The R-Square-Adjusted value for Perceived Trust is 0.597, suggesting that **59.7% of the variance in Perceived Trust can be explained by the factors of product quality, social media reviews, and environmental practice**s.

he R-Square-Adjusted value for Repurchase Intention is 0.582, **indicating that 58.2% of the variance in Repurchase Intention can be explained by the factors of customer satisfaction and perceived trust**.

HYPOTHESIS TESTING RESULT
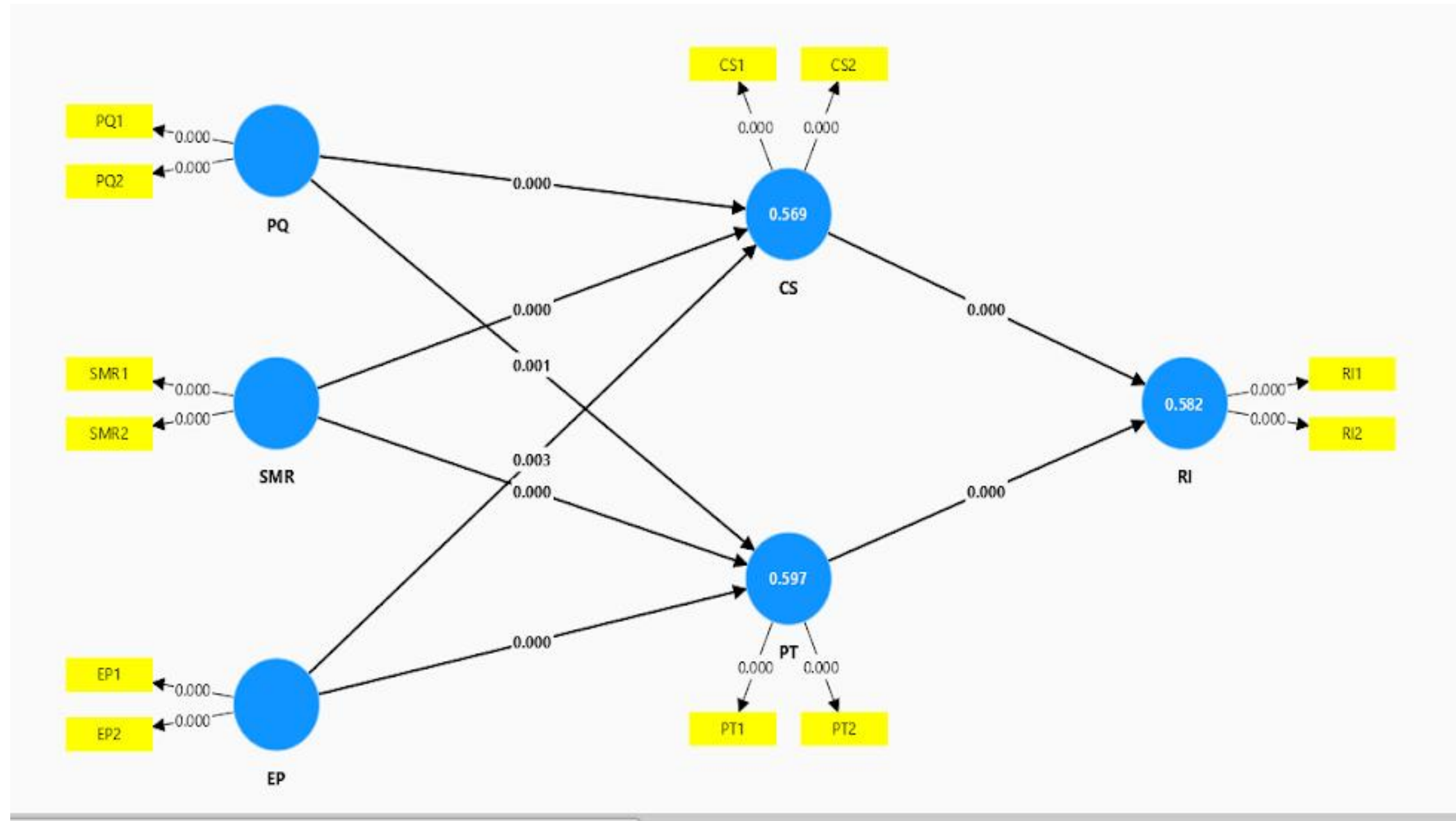
Outer Loading and P

Values

HYPOTHESIS TESTING RESULT

No.	Hypothesis	Original sample (O)	T statistics (|O/STDEV|)	Price values	Result	Hypothesis Result
1.	Product Quality -> Customer Satisfaction	0.364	4.054	0.000	Positive and Significant	Supported
2.	Product Quality -> Percieve Trust	0.249	3.249	0.001	Positive and Significant	Supported
3.	Social Media Review -> Customer Satisfaction	0.291	3.809	0.000	Positive and Significant	Supported
4.	Social Media Review -> Percieve Trust	0.256	3.382	0.000	Positive and Significant	Supported
5.	Environmental Practices -> Customer Satisfaction	0.239	2.700	0.003	Positive and Significant	Supported
6.	Environmental Practices -> Percieve Trust	0.405	5.405	0.000	Positive and Significant	Supported
7.	Customer Satisfaction -> Repurchase Intention	0.394	4.612	0.000	Positive and Significant	Supported
8.	Percieve Trust -> Repurchase Intention	0.448	5.837	0.000	Positive and Significant	Supported

Significant
Product Quality -> Customer Satisfaction

Significant
Product Quality -> Percieve Trust

Significant
Social Media Review -> Customer Satisfaction

Significant
Social Media Review -> Percieve Trust

Significant
Environmental Practices -> Customer Satisfaction

Significant
Environmental Practices -> Percieve Trust

Significant
Customer Satisfaction -> Repurchase Intention

Significant
Percieve Trust -> Repurchase Intention

ANALYSIS AND DISCUSSION

Objective 1

- **PQ > CS = Significant**
- **SMR > CS = Significant**
- **EP > CS= Significant**

- Zetina and David (2024) found that high-quality products make a big difference in customer satisfaction, as seen in Indomaret Kampung Belimbing.

- Eko et al. (2024) found that positive reviews boost customer confidence and satisfaction.

- Companies that use eco-friendly methods can improve their image and attract customers who care about sustainability. Ummi et al. (2024) say that sustainable practices help companies connect with customer values and enhance satisfaction.

Objective 2

- **PQ > PT = Significant**
- **SMR > PT= Significant**
- **EP > PT= Significant**

- Products that meet or exceed expectations make the brand seem more reliable. For example, high-quality green products increase trust (Meenakshi, 2023).

- Social media reviews also help build trust. People use these reviews to check if a product is trustworthy before buying. Felicia's study (2023) shows that social media strongly affects trust.

- Customers trust companies that focus on being eco-friendly. Sharing these practices on social media can increase trust and encourage people to be more sustainable (Bernadeta, 2024).

ANALYSIS AND DISCUSSION

Objective 3

- **CS > RI = Significant**

When customers are happy with the product and service, they are more likely to return to Mie XYZ instead of going to competitors. Improving satisfaction through better service and food is important for encouraging repeat purchases in the food industry (Jin et al., 2023).

Objective 4

- **PT > RI = Significant**

Study on food e-commerce platforms shows that trust is crucial for repurchase intention (Meekyoung and Kyusoo, 2023). In quick-service restaurants, trust also plays a key role. A study on green trust found that both internal factors like brand values and external factors like eco-friendly products affect trust and repurchase intentions (Mawardi et al., 2024).

CHAPTER 5
CONCLUSION& RECOMMENDATION

CONCLUSION

In conclusion, this study found that product quality, social media reviews, and environmental practices all positively impact customer satisfaction and trust at Mie XYZ in Jakarta. **Higher customer satisfaction and trust lead to increased repurchase intentions.** The results indicate that focusing on these areas can significantly boost customer loyalty. Overall, enhancing product quality, leveraging positive reviews, and adopting sustainable practices can help businesses achieve long-term success.

RECOMMENDATION

Research

The study finds that Product Quality, Social Media Reviews, and Environmental Practices all improve Customer Satisfaction and Perceived Trust. Customer Satisfaction and Perceived Trust both strongly influence Repurchase Intention, showing their importance in encouraging repeat purchases.

Practical For Business

Mie XYZ has several strengths from a business perspective. Its high product quality improves customer satisfaction and loyalty. Positive social media reviews attract new customers. The company's focus on eco-friendly practices, like using sustainable packaging, also helps build customer loyalty. These factors make Mie XYZ stand out in the market and appeal to both existing and potential customers.

LIMITATION FOR FURTHER RESEARCH

CURRENT

The study is specific to Mie XYZ and its variables, so the findings may not apply to other fast-food sectors or different types of food establishments.

155 The sample consists of 155 respondents from Jakarta, which may not reflect the views of customers from other regions or cities with different demographics.

5 likert scale

RECCOMMENDATION

Broaden the sample size and adopt a more targeted approach.

Incorporate offline distribution approaches to avoid misunderstanding and bias

Respondents were chosen based on their familiarity with Mie XYZ, frequent patronage, and active social media use, which limits the generalizability of the study's conclusions to other customer segments or locations.

THANK YOU