

## THE IMPACT OF SALES PROMOTION AND PERCEIVED VALUE ON REPURCHASE INTENTION: A CASE STUDY ON SAMUDRA SUPERMARKET CONSUMERS IN MALANG CITY

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### ABSTRACT

This study aims to examine the impact of sales promotion and perceived value on repurchase intention among consumers of Samudra Supermarket in Malang. A quantitative approach was applied using data from 110 respondents, selected through purposive sampling. The data was analyzed using Smart PLS software to test the hypotheses. The findings reveal that sales promotion does not significantly influence repurchase intention, while perceived value has a positive and significant effect on repurchase intention. These results highlight the importance of perceived value in fostering customer loyalty, suggesting that Samudra Supermarket should focus on improving customer perceptions of value to encourage repeat purchases.

**Keywords:** sales promotion; perceived value; repurchase intention

### INTRODUCTION

Samudra Supermarket is one of the retail businesses that plays an important role in meeting the daily needs of the people of Malang City. Although it has only been operating for more than a year and has one branch in this city, this supermarket has strived to become the main choice for consumers looking for quality products at competitive prices. Over time, Samudra Supermarket continues to strive to adapt to changes in consumer preferences and behaviour, including implementing various marketing strategies to maintain its competitiveness. One of the factors that influence the sustainability of a retail business is repurchase intention or the intention to repurchase from consumers. Repurchase intention is one of the main indicators in assessing the level of consumer satisfaction and loyalty to a brand or business. The higher the repurchase intention, the more likely consumers are to shop again, which of course will increase revenue and business sustainability in the long term.

Repurchase intention According to Kotler and Keller (2016), repurchase intention is how much consumers make purchases of brands and services, or how likely consumers are to switch from one brand to another. If the benefits felt by consumers are not commensurate with the sacrifice to get them, then the urge to buy will be higher. Repurchase intention according to Peburiyanti and Sabran (2020) refers to the tendency of buyers who have previously purchased to buy the same product again. Both definitions can be concluded that repurchase intention is the tendency to buy back a product that is driven by satisfaction with previous purchases. According to Ferdinand (2002), repurchase intention is formed by indicators of transactional interest, referential interest, preferential interest, and explorative interest.

Sales promotion, according to Kotler and Keller (2016), is a key element in marketing campaigns, consisting of a set of short-term incentives designed to stimulate faster purchases of specific products or services by consumers. Armstrong and Kotler (2013) identify three main types of sales promotion: rebates, price packs, and promotional products. Rebates offer

consumers a refund after purchase, price packs provide discounts for bulk buying, and promotional products include free items or samples to attract attention. These strategies aim not only to boost short-term sales but also to enhance brand awareness and build long-term consumer relationships by offering compelling value propositions.

According to Kotler & Keller (2016), perceived value is a useful concept that applies in many situations and offers valuable insights. Perceived value is how consumers view the worth of a product based on the benefits they receive compared to the costs or sacrifices they make, such as money spent. In simple terms, it is the customer's judgment about whether the product's benefits are worth the price paid for it. This concept helps explain why consumers decide whether to purchase a product or not. According to Sweeney and Soutar (2001), indicators that can form perceived value include emotional value, social value, quality/performance value, and value of money.

Sales promotion and perceived value are both critical factors that influence repurchase intention. This statement is supported by previous studies conducted by Taufik & Lestari (2023) and Cipto & Erdiansyah (2020) which stated that sales promotion and perceived value influence repurchase intention. This study aims to examine how sales promotion and perceived value influence repurchase intention among Samudera Supermarket consumers in Malang City.

## RESEARCH METHODS

### Type of Research

This study uses a quantitative method, which according to Sugiyono (2018) is rooted in the positivist approach. Positivism refers to a scientific method based on objective, measurable, logical, and systematic concepts and observations. This quantitative approach is used to produce numerical data that can be analyzed statistically to answer research questions. In this study, an explanatory research approach was applied, namely a type of research that aims to explain the causal relationship between variables to test previously formulated hypotheses. This approach helps reveal the influence of independent variables on dependent variables measurably and objectively.

### Population and Sample

According to Sugiyono (2018), population is a generalization area consisting of objects or subjects that have certain quantities and characteristics determined by researchers to be studied and conclusions drawn. In this study, the population in question is consumers who have made purchases at Samudra Supermarket. However, because the number of the population is not known with certainty, a sampling approach was taken. Sugiyono (2018) also stated that a sample is part of a population that meets certain criteria and can represent the population. To determine the number of samples, this study uses the formula from Ferdinand (2014), namely by multiplying the number of variable indicators by 10. Because this study uses 11 indicators, the minimum number of samples required is  $11 \times 10 = 110$  respondents. This number is expected to adequately represent the characteristics of the population to produce valid data.

### Sampling Technique

This study uses a non-probability sampling technique, specifically the purposive sampling method. This technique is used to select samples based on certain criteria that have been determined by the researcher. The respondent criteria in this study include: being at least 18 years old, domiciled in Malang City, and having made purchases at Samudra Supermarket at least twice. Respondents were invited to fill out a survey via Google Form, which was distributed online by the researcher. This approach ensures that the selected sample is relevant to the objectives of the study.

## Data Analysis

According to Sugiyono (2016), data analysis techniques include a series of activities carried out after data from all respondents or other data sources are collected. In this study, data analysis was carried out using PLS (Partial Least Square), and data processing was carried out through the Smart PLS 3.0 program. PLS aims to test predictive relationships between constructs by seeing whether there is an influence or relationship between the constructs.

## RESULT AND DISCUSSION

### Outer Model

#### Convergent validity test

According to Hair et al. (2022), a good loading factor value is above 0.7. However, a loading factor value between 0.4 and 0.7 can still be considered if the AVE (Average Variance Extracted) value is more than 0.5.

**Table 1.** Loading Factor

Sales Promotion	SP.1	0.805	Valid
	SP.2	0.856	Valid
	SP.3	0.785	Valid
Perceived Value	PV.1	0.804	Valid
	PV.2	0.765	Valid
	PV.3	0.808	Valid
	PV.4	0.733	Valid
Repurchase intention	RI.1	0.776	Valid
	RI.2	0.817	Valid
	RI.3	0.835	Valid
	RI.4	0.711	Valid

Furthermore, the AVE (Average Variance Extracted) value shows that each variable has a value above 0.5 as shown in the table below.

**Table 2.** Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)	Result
Sales Promotion (SP)	0.666	Valid
Perceived Value (PV)	0.606	Valid
Repurchase intention (RI)	0.618	Valid

Based on table 2, it shows that the AVE value of each construct is more than 0.5 so it is said to be valid. Then, based on Tables 1 and 2, it can be found that all indicators of sales promotion, perceived value, and repurchase intention variables meet the convergent validity test.

#### Discriminant validity test

Discriminant validity is assessed by examining the cross-loading values. An indicator is considered valid if its cross-loading value is greater than 0.7. In other words, the correlation between each item's statement and its own variable must be higher than the correlation with other variables. This ensures that each indicator is more closely related to its own construct than to any other, confirming that the constructs are distinct from one another.

**Table 3.** Cross Loading

	Sales Promotion	Perceived Value	Repurchase Intention
SP1	<b>0.805</b>	0.577	0.403
SP2	<b>0.856</b>	0.644	0.668
SP3	<b>0.785</b>	0.526	0.776
PV1	0.569	<b>0.804</b>	0.662
PV2	0.398	<b>0.765</b>	0.594
PV3	0.615	<b>0.808</b>	0.688
PV4	0.616	<b>0.733</b>	0.635
RI1	0.534	0.688	<b>0.776</b>
RI2	0.517	0.679	<b>0.817</b>
RI3	0.539	0.627	<b>0.835</b>
RI4	0.526	0.614	<b>0.711</b>

Based on Table 3, it can be observed that all three variables, sales promotion, perceived value, and repurchase intention have passed the discriminant validity test. This indicates that each variable is distinct and its indicators are more strongly correlated with their respective constructs than with other variables.

### Reliability test

Reliability analysis is conducted by reviewing the values of cronbach's alpha and composite reliability. In this context, a variable is considered reliable if both the cronbach's alpha and composite reliability values are greater than 0.7.

**Table 4.** Cronbach's Alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability
Sales Promotion	0.751	0.857
Perceived Value	0.783	0.860
Repurchase Intention	0.792	0.866

Based on Table 4, it is shown that all research variables have cronbach's alpha and composite reliability values greater than 0.7. Therefore, it can be concluded that the instruments used in this study to measure the variables are considered reliable.

### Inner Model

Once the validity and reliability of the outer model testing have been confirmed, the next step is to conduct inner model testing. This analysis is performed to assess and validate the structural model used in this study and to test the hypotheses proposed.

### R-square testing

**Table 5.** R-Square Test

	R-Square
Repurchase intention	0.704

Based on the table 5, R-Square value of 0.70 for repurchase intention indicates that 70% of the variance in repurchase intention is explained by the independent variables in the model. The remaining 30% of the variance could be attributed to factors not included in the analysis, highlighting potential areas for further investigation.

### Hypothesis testing

The relationships between the variables will be tested using a structural model. Hypothesis testing will be based on the t-statistic and p-value. If the p-value is below 0.05, the hypothesis will be accepted.

**Table 6.** Direct Relationship

	<b>T statistics</b>	<b>P values</b>
<b>Sales Promotion → Repurchase intention</b>	1.408	0.160
<b>Perceived Value → Repurchase intention</b>	6.865	0.000

The test results for the first hypothesis reveal that sales promotion does not significantly influence repurchase intention. This conclusion is supported by a t-statistic value of 1.408, which is lower than the t-table value of 1.679, and a p-value of 0.160, which exceeds the significance threshold of 0.05. Therefore, the hypothesis suggesting that sales promotion affects repurchase intention is rejected. The result of testing the second hypothesis is the effect of perceived value on repurchase intention shows a t-statistic of 6.865. The p-value of 0.000 is less than 0.05 and the t-statistical value of 6.865 is greater than the t-table of 1.679. These results indicate that the perceived value has a positive and significant influence on repurchase intention. The hypothesis which states that the perceived value effects on repurchase intention is accepted.

### Impact of sales promotion on repurchase intention

The results of the study showed that sales promotion had no effect on repurchase intention indicating that the repurchase intention of Samudra Supermarket consumers did not depend on the presence or absence of sales promotions. Although sales promotions attract consumers' attention, they are not enough to encourage them to make repeat purchases. This finding is in line with research by Tri Dharmawan & Jaolis (2021) and research by Peburiyanti & Sabran (2020). Both studies show that sales promotion has no effect on repurchase intention. The similarity of these results indicates that sales promotion is not always a determining factor in creating repurchase intention. Repurchase intention is more influenced by other factors that can encourage customers to return to the supermarket even without promotions.

### Impact of perceived value on repurchase intention

The results of the study show that perceived value has a positive and significant effect on repurchase intention, indicating that consumer perceptions of the benefits and value received are the main factors in repurchase decisions. Consumers who feel they get adequate value from a product or service tend to be more loyal and willing to make repeat purchases. This finding is consistent with the research of Osama Achra et al. (2024) and Yucha & Febrianti (2024), which also found a significant relationship between perceived value and repurchase intention.

## CONCLUSION

This study reveals that perceived value has a positive and significant influence on the repurchase intention of Samudra Supermarket consumers in Malang City. This shows that consumer perceptions of the value of products and services at Samudra Supermarket, such as the quality of goods and benefits obtained, are key factors in encouraging repeat purchases. On the other hand, sales promotion does not have a significant effect on repurchase intention, indicating that the promotion carried out is not the main consideration for consumers to return

to shopping. Thus, Samudra Supermarket management is advised to continue to increase the value perceived by consumers to generate repurchase intention.

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