

The Role of Product and Service Quality in Driving Repurchase Intention: The Mediating Influence of Customer Satisfaction among Millennial Consumers at Imperial Kitchen & Dimsum

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Abstract: This study examines the influence of product and service quality on repurchase intention, with customer satisfaction as a mediating variable, among millennial consumers at Imperial Kitchen & Dimsum in Jakarta. Applying the Stimulus Organism Response (SOR) framework, it explores how perceived quality is cognitively and emotionally processed into behavioral outcomes. Data were collected from 141 respondents using purposive sampling. The data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM), an approach suitable for predictive and theory development purposes. Results show that product quality significantly affects both satisfaction and repurchase intention, while service quality only influences satisfaction. Customer satisfaction mediates the relationship between perceived quality and repurchase intention. These findings highlight the pivotal role of satisfaction as a psychological mechanism transforming quality perceptions into consumer loyalty, emphasizing the need for casual dining establishments to improve both product excellence and emotional service engagement.

Keywords: Product Quality, Service Quality, Customer Satisfaction, Repurchase Intention, Millennial Consumers, SOR Theory

1. INTRODUCTION

Indonesia's food and beverage industry continues to expand in line with rising incomes and urban lifestyles, especially among millennials. In culinary exploration, millennial consumers value unique dining experiences, prioritize comfort, and are drawn to visually appealing food especially for sharing on social media. According to the 2020 Population Census by Statistics Indonesia (BPS), millennials (born 1981–1996) represent the second largest generational cohort in Indonesia (25.87%), just below Generation Z (27.94%). This demographic dominance demands that businesses, especially in the casual dining sector, understand millennial preferences and loyalty drivers.

However, Imperial Kitchen & Dimsum has experienced a decline in transactions and unmet sales targets in Jakarta. This situation indicates the need to evaluate factors that influence repurchase intention. Product quality and service quality are primary factors affecting consumer behavior, while the mediating role of customer satisfaction also warrants investigation. This study employs the Stimulus Organism Response (SOR) theory to analyze how external stimuli (product and service quality) are internally processed (satisfaction), resulting in behavioral responses (repurchase intention).

Problem Formulation

The research questions formulated in this study are as follows:

1. Does product quality have a positive influence on consumers' repurchase intention?
2. Does product quality have a positive influence on customer satisfaction?
3. Does service quality have a positive influence on consumers' repurchase intention?

4. Does service quality have a positive influence on customer satisfaction?
5. Does customer satisfaction have a positive influence on consumers' repurchase intention?
6. Does customer satisfaction act as a mediating variable in the relationship between product quality and repurchase intention?
7. Does customer satisfaction act as a mediating variable in the relationship between service quality and repurchase intention?

2. LITERATURE REVIEW

Product Quality

Product quality refers to a product's capacity to meet or exceed customer expectations through key attributes such as taste, reliability, durability, appearance, and conformity to specifications. In the context of the food and beverage industry, particularly restaurants, product quality plays a crucial role in shaping consumer perceptions and satisfaction. According to Veas-Gonzalez et al. (2024), product quality in restaurant settings can be assessed through several indicators: (1) This restaurant serves healthy food; (2) Food items are tasty; (3) It has varieties of menus; (4) This restaurant provides fresh food; (5) It maintains proper food temperature.

Service Quality

Service quality encompasses reliability, responsiveness, empathy, assurance, and physical aspects. In the casual dining context, Teangsompong et al. (2023) identify indicators of service quality such as: (1) The staff are friendly; (2) The staff is very helpful; (3) Staff provide fast and timely service; (4) I feel comfortable with the service of the staff.

Customer Satisfaction

Customer satisfaction is a cognitive and emotional evaluation of the consumption experience influenced by product and service quality. According to Teangsompong et al. (2023), customer satisfaction indicators include: (1) I am satisfied with my experience with a food; (2) I feel like I made the right decision go to this food; (3) Compared to my expectation, I am satisfied with my food; (4) Compared to other food vendors, the chosen food is the best.

Repurchase Intention

Repurchase intention reflects the consumer's tendency to make repeat purchases in the future based on positive experience and high satisfaction. Mariana Gonzales et al. (2025) list indicators such as: (1) I consider this restaurant as my first option; (2) I intend to continue eating at this restaurant soon; (3) I will continue to buy products from this restaurant, even if the prices increase slightly; (4) I don't mind paying more for the benefits I currently receive from this restaurant.

The Stimulus Organism Response (SOR) Theory

The Stimulus Organism Response (SOR) theory provides a foundational framework for understanding consumer behavior by conceptualizing the influence of external stimuli on internal cognitive and affective processes that ultimately lead to behavioral responses. According to McQuail (2010), this model posits that individuals respond to stimuli based on how they internally process and evaluate those inputs. In the context of this study, product quality and service quality function as the external stimuli (S) that interact with the consumer's internal evaluation mechanisms (O), such as satisfaction, perception, and emotional reaction. These internal processes subsequently lead to a behavioral response (R), which is reflected in the consumer's repurchase intention. The theory implies that when consumers perceive the stimuli to be favorable such as experiencing a high-quality product or exceptional service, they are more likely to develop satisfaction, which in turn increases the likelihood of repeated purchase behavior. Thus, consumer satisfaction serves as a crucial mediating variable that connects external marketing stimuli to the behavioral intention to repurchase.

3. RESULT AND DISCUSSION

This study employs a quantitative approach with a causal-comparative design and a survey method. The population comprises millennial consumers (born between 1981 and 1996) who have previously made purchases at Imperial Kitchen & Dimsum outlets in Jakarta. Using a purposive sampling technique, a total of 141 valid responses were obtained. The demographic profile of respondents reveals that the majority are female (70.6%), emphasizing the dominant role of women in food and beverage purchasing decisions and their relevance as a primary target market. Regarding monthly expenditure, 48.1% of respondents spend more than IDR 7.5 million, indicating strong purchasing power, while the remaining 51.9% reflect a wider spending spectrum, still demonstrating the potential for repeat purchases when value, service quality, and satisfaction are perceived. In terms of occupation, most respondents are private employees (53.9%), followed by entrepreneurs (21.2%) and non-working individuals (17.1%), suggesting that the brand attracts consumers with relatively stable incomes, consistent with its market positioning and product characteristics.

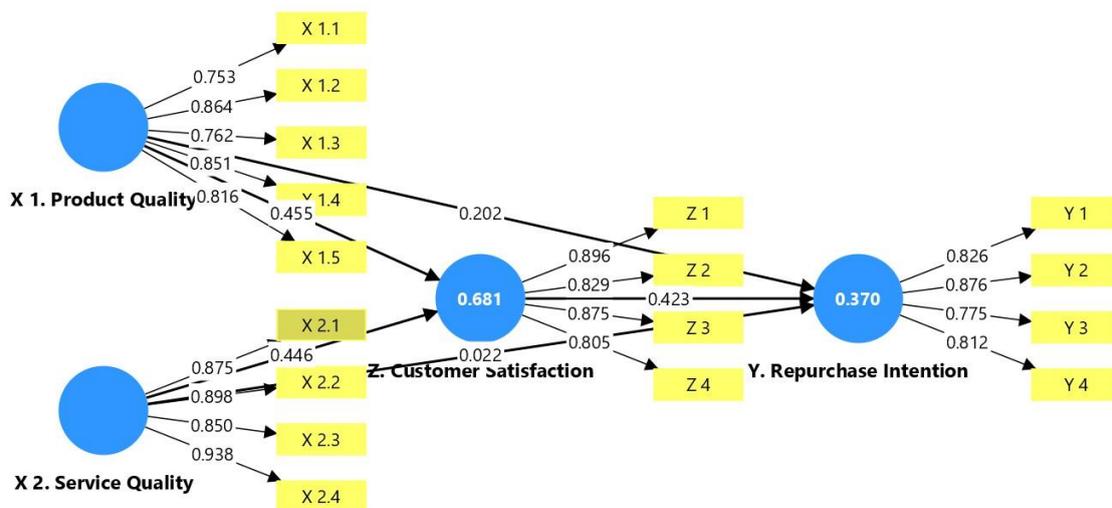


Figure 1. Model Struktural Partial Least Squares Structural Equation Modeling (PLS-SEM) (references: results in SmartPLS)

Table 1 Measurement Model: Validity And Reliability Test

Variable	Cronbach Alpha	Composite Reliability	AVE
Product Quality (X1)	0.869	0.905	0.657
Service Quality (X2)	0.913	0.939	0.794
Customer Satisfaction (Z)	0.874	0.913	0.677
Repurchase Intention (Y)	0.844	0.893	0.726
Product Quality (X1)	0.869	0.905	0.657

(references: test results in SmartPLS)

The values of Cronbach’s Alpha and Composite Reliability (CR) for all constructs are above 0.70, indicating that the instrument has good internal reliability. In addition, the Average Variance Extracted (AVE) values also exceed the threshold of 0.50, which means that each construct demonstrates adequate convergent validity.

Table 2 Heterotrait-Monotrait Ratio (HTMT) Test

Variable	Product Quality (X1)	Service Quality (X2)	Repurchase Intention (Y)	Customer Satisfaction (Z)
Product Quality (X1)				
Service Quality (X2)				
Repurchase Intention (Y)				
Customer Satisfaction (Z)				

Kualitas Produk (X1)				
Kualitas Pelayanan (X2)	0.766			
Intensi Pembelian Ulang (Y)	0.614	0.534		
Kepuasan Konsumen (Z)	0.858	0.839	0.663	

(references: test results in SmartPLS)

The correlation matrix indicates positive relationships among all constructs. Customer satisfaction shows strong correlations with product quality (0.858) and service quality (0.839), suggesting both factors substantially influence satisfaction. Repurchase intention is more strongly correlated with customer satisfaction (0.663) than with product quality (0.614) or service quality (0.534), highlighting satisfaction’s key role in driving repurchase behavior.

Table 3 Hypothesis Testing

Path	Coefficient	t-statistic	p-value	Result
H1: Product Quality → Repurchase Intention	0.202	1.838	0.033	Supported
H2: Product Quality → Customer Satisfaction	0.455	4.773	0.000	Supported
H3: Service Quality → Repurchase Intention	0.022	0.188	0.425	Not Supported
H4: Service Quality → Customer Satisfaction	0.446	5.426	0.000	Supported
H5: Customer Satisfaction → Repurchase Intention	0.202	1.838	0.033	Supported

(references: test results in SmartPLS)

Table 4 Mediation Test

Path	Indirect Effect	t-statistic	p-value	Result
H6: Product Quality → Satisfaction → Repurchase Intention	0.192	2.496	0.006	Supported
H7: Service Quality → Satisfaction → Repurchase Intention	0.188	2.898	0.004	Supported

(references: test results in SmartPLS)

The structural model evaluation shows that product quality significantly influences repurchase intention and customer satisfaction, supporting H1 and H2. In contrast, service quality does not directly affect repurchase intention (H3 not supported), although it significantly impacts satisfaction (H4 supported). This finding suggests that while millennials appreciate courteous and prompt service, it is not the primary factor influencing their repeat patronage; rather, their loyalty is more strongly driven by the actual dining product. Service plays a complementary role by enhancing satisfaction, which then becomes a gateway for fostering repurchase intention. Satisfaction also mediates the effects of product and service quality on repurchase intention, supporting H5, H6, and H7.

These findings align with the Stimulus Organism Response (SOR) model, where product and service quality act as external stimuli (S), customer satisfaction represents the internal psychological state (O), and repurchase intention is the behavioral response (R). In this context, perceptions of product and service quality are cognitively and affectively processed by consumers, resulting in internal evaluations in the form of satisfaction. When the stimulus elicits positive emotions and a strong perception of value, the organism generates loyal responses such as repurchase intention or recommendations. This internal processing is a crucial bridge in shaping behavioral decisions, especially for millennials who prioritize experiential value, comfort, and authenticity. SOR theory emphasizes that stimuli from the environment are not automatically translated into behavior; they must first be filtered, interpreted, and internalized by the organism. The quality of this internal process determines whether the external stimulus produces a favorable response. In the dining context, this underscores the importance of aligning external offerings with consumers’ internal expectations and emotional triggers.

4. Conclusion

This study confirms the importance of product and service quality in forming satisfaction, which in turn influences repurchase intention among millennial consumers. Results indicate that satisfaction is a key mediator between perceived quality and loyalty. Practically, casual dining businesses should focus not only on product excellence but also on delivering a comprehensive dining experience, including empathetic service and emotional value, to foster sustainable consumer loyalty.

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