THE INFLUENCE OF MARKETING MIX AND SERVICE QUALITY ON CORPORATE REPUTATION AND ITS IMPACT ON REPURCHASE DECISION

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Abstract. Retail business is a growing Industry in Indonesia. Among others there are two important variables in retail business: Marketing mix and service quality. This research are aimed first to know and to analysis the influence of marketing mix and service quality on corporate reputation and its impact on repurchase decision directly and indirectly. Secondly, to analysis which variables affect mostly on corporate reputation and on repurchase decision. The research approaches using quantitative approach with survey method. Tool for the statistical test used structural equation modeling (SEM) with LISREL 8.7 software. There are 200 respondents involved, mostly are middle income people. Method of sampling used non probability sampling method in particular by accidental sampling. The results: Marketing mix directly influenced corporate reputation and repurchase decision directly and indirectly mediated by corporate reputation. In the other hand, service quality directly did not influence corporate reputation it also did not influence decision to repurchase directly and indirectly through corporate reputation. Lastly, corporate reputation directly influenced repurchases decision. Implication of the research it is obvious in retail industry customer decision on repurchase is highly based on and influenced by marketing mix, especially pricing policy and decision.

Key words: *Retail industry, marketing mix, service quality, corporate reputation, decision to repurchase.*

Abstrak. Bisnis ritel merupakan industri yang sedang bertumbuh di Indonesia. Dari sejumlah variabel tedapat dua variabel yang penting dalam bisnis ritel, yaitu: Bauran pemasaran dan kualitas layanan. Penelitian ini bertujuan: Pertama, untuk mengetahui dan menganalisis pengaruh bauran pemasaran dan kualitas layanan terhadap reputasi perusahaan dan menganalisis dampaknya terhadap keputusan belanja ulang, baik secara langsung maupun tidak langsung. Kedua, untuk menganalisis variabel mana yang paling memengaruhi reputasi perusahaan dan keputusan belanja ulang. Penelitian ini menggunakan pendekatan kuantitatif dengan metoda survey. Alat untuk uji statistik menggunakan *structural equation modeling* (SEM) dengan *software* LISREL 8.7. Sejumlah 200 responden dilibatkan, umumnya masyarakat berpenghasilan sedang. Metode pengambilan sampel menggunakan metode *non probability sampling* yaitu *accidental sampling*. Hasil penelitian menunjukkan: Bauran pemasaran secara langsung memengaruhi reputasi perusahaan dan keputusan berbelanja ulang baik secara langsung mupun tidak langsung dengan dimediasi oleh reputasi perusahaan. Namun kualitas layanan secara langsung tidak memengaruhi reputasi perusahaan, juga tidak berpengaruh terhadap keputusan berbelanja ulang baik secara langsung maupun tidak langsung melalui reputasi perusahaan. Selanjutnya reputasi perusahaan secara langsung memengaruhi keputusan berbelanja ulang. Implikasi penelitian bahwa dalam industri ritel keputusan konsumen berpenghasilan sedang untuk berbelanja ulang dipengaruhi oleh bauran pemasaran, terutama kebijakan dan keputusan penetapan harga.

Kata Kunci: *Industri ritel, bauran pemasaran, kualitas layanan,reputasi perusahaan, keputusan berbelanja ulang.*

INTRODUCTION

Competition in each business line faced by companies today is increasingly stringent, so the management is called to be more careful in determining their competitive strategies to win the competition. The company management is required to be able to design and implement a marketing strategy that is able to create, maintain, improve its number of consumers and keep the profitable relationship for a long time. Consumer response is the ultimate test of whether a marketing strategy will succeed (Solomon, 2007). Company can set the marketing mix to adjust with its target market and company objectives.

With the rapid competition in the retail market, consumers increasingly have many choices and smarter at spending money. Consumers actually buy items in an amount corresponding to their needs. In addition to the number of items that fit their needs, consumers also adjust the price of the goods with their economic capabilities. Consumers are increasingly aware of the need which must come first and which should be postponed. They have criteria on their purchase decisions (Solomon, 2007). This allows consumers to choose the preferred retail company and matched with their desires. So that consumers can easily switch to other modern retails or remain loyal to the current retailer because it fits with their aspirations.

Modern retail market is a sale of goods or household items (including daily necessities) directly to consumers for consumption, where the sale is made at retail and by way of self-service (consumers take their own goods off the shelf merchandise and pay to the cashier). That is why the market with such format is also called Supermarkets. The existence of this modern market is also followed by consumer behavior shopping shift from traditional market towards the modern market. Nowadays consumer buying behavior is more complex, retail companies as well face fierce competition in retail market. As Schiffman and Kanuk (2007) stated that consumer decision making is a process of integration that combines the knowledge to evaluate the behavior of two or more alternatives, and select one, the result of this integration is a choice, served cognitively Therefore, this is a challenge for marketing scientist on formulating marketing strategy at retail industry. With the right strategy opens a big opportunity.

Many factors contributed to consumer decision to purchase, one of them is promotional activities in the form of sales promotion, as consumers are sensitive to price (Shamout, 2016). Other research finding showed that demographic factors affecting consumer behavior in retail market (Jha, 2013). While study by Jain (2015) showed that major factors affecting consumer purchase decision are lifestyle, motivation, personality, convenience and value delivered to the customer. Retail business does not stop with purchase decision, repurchase decision is another challenge. Retail decision makers strive to keep their customers as this is a way to maintain business sustainability. Repurchase according to Varra *et al.* (2014) is possible with establishing and managing relationships with customers through adapting organizations' offering and through constantly providing value and enhancing satisfaction.

Elements that contributed to influence repurchase decision have been studied partially. Besides marketing mix other variables such as service quality) and corporate reputation are variables that need to take into account for consideration to study factors

affecting decision to purchase in retail industry (Abd-El-Salam *et al.*, 2013; Ali *et al.*, 2012). Mistri and Bhatt (2013) emphasizing on the important of service quality as it deliver multiple benefits such as it is critical determinant of competitiveness, long term profitability, repurchase intention, consumer satisfaction and help positioning in a competitive environment. Another variable that indicates to influence repurchase decision is corporate reputation. Tsou *et al.* (2015) argued that reputation is an important consideration during the purchasing decision process. As consumer responses to a given offering are highly correlated with the consumers' opinions of the corporate's reputation. Corporate reputation is one of the leading indicators to satisfy and retain existing customers. Apart from the effort to explain the causal effect on this subject, Han and Ryu (2012) argued that a theory particularly designed to explain repurchase decision formation is lacking. Therefore, research to explore knowledge about factors affecting repurchase decision is open widely.

The purpose of this research in general is to understand how factors such as the marketing mix, service quality and corporate reputation affect consumer decision to repurchase in retail market and to understand the variables of corporate reputation as a mediating variable between independent and dependent variables in the decision to repurchase. While the specific objectives of this study are to determine: The influence of marketing mix in retail industry on corporate reputation, the influence of marketing mix directly on decision to repurchase and indirectly through corporate reputation, the influence of service quality on corporate reputation, the influence of service quality directly on the decision to repurchase and indirectly through corporate reputation, and finally the influence of corporate reputation on the decision to repurchase.

THEORETICAL FRAMEWORK

Marketing Mix. Marketing is an important part for the survival of the company, so the company should be oriented and puts consumers with all their needs as a starting point in the field of business. Marketers must use all his ability to determine the goods and services according to the needs and desires of consumers.

Many experts give the notion of marketing, although their definition is different but has the same purpose. The difference is caused by the different angle of view. *"Marketing is the management process that seeks to maximize returns to shareholders by developing and implementing strategies to build relationships of trust with high-value customer and to create sustainable differential advantage"* (Doyle, 2008:71) or *" The process by which companies create value for customers and build strong customer relationships in order to capture value from customer in return" (*Kotler, 2014:32).

From the definition above shows the similarity that the actual marketing is a business activity that aims to give satisfaction to the needs and desires of consumers through the exchange process and to build strong and profitable relationship with customers. Event marketing is a whole system of integrated action since the idea of a product or service exists and is still going after the product is sold, so it is not just the buying and selling alone but covers all activities of the company. Besides understanding of marketing, Kotler (2014: 32) also put forward the concept of marketing as: "*A philosophy in which achieving organizational goals depend on knowing the needs and wants of the target markets and delivering the desired satisfactions better than competitors do.*"

Marketing mix is a set of marketing tools the firm uses to pursue its marketing objectives (Kotler and Keller, 2012) combined tactical decision about variety of

products, pricing policy, promotion and place which refers to how the firm distributes its offer, and includes choices about channels, coverage, location, transport and stock level and controlled by the company to produce the desired response from target customers (Doyle, 2008). Marketing mix is a combination of variables or activities that constitute the core of the marketing system in which there are four elements or variables as strategy reference called marketing mix, consist of product, price, promotion and place or distribution. Retail business is part of distribution value from the perspective of marketing mix. This relate to the question on how product and services can reach consumer hand effectively and efficiently. Although Marketing mix in retail industry might have some adjustments (Azeem and Sharma, 2015), however Kotler and Keller (2012) view on marketing mix are still relevant (Pour *et al*., 2013) which can be applied in general situation.

Service Quality. One effort to create, care for and improve the relationship with customers is to provide quality of services consistently and better value at every opportunity and provide services that are superior to competitors. Zeithaml *et al.* (2009:4) stated services is "*Deed, Processes, and performances provided or coproduced by one entity or person for another entity or person*". Customers' perceptions of service quality result from a comparison of their before-service expectations with their actual service experience. The service will be considered excellent, if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet them (Naik *et al*., 2010). Therefore, service quality is "*A critical element of customer perceptions*" (Zeithaml *et al*., 2009:111). This can be said that quality of service established by the comparison between the ideal and the perception of the performance and consumer perceptions of service quality can be seen from the confidence (trust) of consumers towards the company.

Parasuraman *et al.* (1988) developed SERVQUAL which is an advanced model for measuring service quality. In SERVQUAL model, there are 5 dimensions presented in seven-point Likert scale. They measured especially functional service quality through empirical studies in banking, credit card, repair and maintenance, and long-distance telephone services. Service quality gives importance to the realization of a superior service. The dimensions of Service quality include: Reliability, Responsiveness, Assurance, Empathy, and Tangibles. Quality of care is perceived as how big a gap between perception (desire) with the actual that they receive. Service quality is a function of what is actually received by the customer (technical quality), and how the service is delivered (functional quality). According to the literature review, it can be said that SERVQUAL was the most used model when measuring service quality (Naik *et al*., 2010). Although too many criticisms about SERVQUAL made in the past years (Yarimoglu, 2014), it has become the most widely applied scale in researches.

Given the retail business is a business that does not just focus on selling products, but also provides customer service then service quality indicator becomes one of major points in the retail business in order to reap customers as many as possible. Schiffman and Kanuk (2007:177) argued that "*Perception of high service quality and high customer satisfaction lead to higher levels of purchase intentions and repeat buying*". Therefore, service quality is an important factor due to the increase in service level leads to increase of consumer satisfaction which is at the same time benefitted for the company. Therefore, company initiatives is very important as Abd-El-Salam *et al.,*

(2013) pointed out that Service quality is created, provided and delivered by company as service provider.

Corporate Reputation. In addition to providing quality of service to consumers, corporate reputation is a factor that often affects the buyer's decision. The concept of corporate reputation emerged from corporate image in 1950's and evolved into corporate identity in 1970's and 1980's. Corporate reputation conveys significantly important message to number of stakeholders including consumers in their purchase decision (Ali *et al.*, 2012). Therefore, developing and retaining a strong corporate reputation is essential for retailing organizations in order to attract and keep their customers. Corporate reputation can be improved by focusing on customer satisfaction (Bontis *et al.*, 2007). The reputation is obtained in accordance with the impression of knowledge and understanding of someone about something. Consumers tend to shape the company's image is based on references to those obtained from a marketing and environmental stimulus.

Corporate reputation has been defined by many authors in various ways. Fombrun (1996) stated that reputation is based on collectively held beliefs about company ability and willingness to satisfy the interest of various stakeholders. It is the general impressions of stakeholders regarding any corporation that arise in one's mind when they hear the name of business institutions. In addition to the name that appears impression can also be influenced by the architecture, the variety of products or services offered, tradition, ideology which affect about feeling of quality. Ali *et al.* (2012) viewed reputation as socially shared impression and a consensus about how firm will behave in any given situation.

Repurchase Decision. Purchase behavior has recently gained much attention from marketers and researchers because of the significant role it plays in anticipating operational success and achieving sustainable competitive advantage (Shareef *et al.,* 2008). Further, Purchase decision can be defined as a continuous process, which refers to thoughtful, consistent action undertaken to bring about need satisfaction. Purchase decision can be viewed symbolically in terms of emotional responses, sensory pleasures, daydreams, or aesthetic considerations (Shareef *et al.*, 2008).

Repurchase decision is a response to the stimulus of the object of study in this respect at Carrefour in Lebak Bulus area as retailer. Repurchase behavior indicates to customer loyalty which is customer's willingness to continue buying from the same retailer (Doyle, 2008). It can be interpreted as the behavior of consumers who only buy a product over and over again without including the aspect of feeling in it from the same retailer. Obviously in making the purchase of a product or service consumers simply repeated from the same retailer. Further, it contains also aspects of consumer preferences on the retailer brand.

RESEARCH METHODOLOGY

Type and Research Approach. This research uses a quantitative approach to test the hypothesis. The method used in this research is survey method with descriptive research, data collected from respondents' answers on the proposed statement in the questionnaire. According to Malhotra (2010) Survey is a research technique in which the information retrieved from respondents using questionnaires. The goal is to assure that the results obtained can be generalized. This research is conclusive type with the

intent to examine the effect of the marketing mix and service quality to the decision to repurchase with the value of the corporate reputation as a mediating variable.

Population and Sample. The population in this study is that consumers who shop at Carrefour of Lebak Bulus area, South Jakarta. Because of the population is not known, then the sampling technique using Non probability sampling methods, in this case incidental sampling.

The sample size plays an important role in the estimate and the interpretation of results. The sample size as in other statistical methods is considered to produce the basis for estimating the sampling error. Sample size refers to the number of elements to be included in the study. For conclusive research larger size is required (Malhotra, 2010). For the purpose of this research 200 respondents of consumers are invited to participate.

Types and Sources of Data. The type of data analyzed in this study using primary data which obtained by distributing questionnaires to consumers in Carrefour and selected respondents who considered appropriate that at the time of filling the questionnaire respondents had to provide their own decisions. The questionnaire is divided into two parts. First consists of questions that are of personal data and the second part is the questions used to determine the variables of the marketing mix factors, service quality, corporate reputation and repurchase decision.

While this type of data in this study is qualitative data were quantified using a scale. Scale is used to quantify the scale using Semantic Differential Scales, the scale of which connects two words that contradict each other, where respondents choose points that indicate its opinion (Santoso, 2015). The variables analyzed are the respondents' response, including the scale of the level of point (Itemized Rating Scales) formed semantic difference scale, using a 5 point levels (1 = Strongly disagree till 5 = Strongly agree).

Method of Analysis. Validity test is done with the intention to see the extent to which the accuracy of the measuring device to measure what to be measured. A tool can be said to be successful running a measuring function if it can show the measuring results carefully and accurately. Quality measuring instrument is determined by the quality of items. A measuring instrument that contains items those are of high quality although small numbers would be much more useful than a measure that contains dozens of items of low quality. Items that are of low quality will not only reduce the function of the measuring instrument, but it would give a misleading measurement results.

A reliability test criteria steadiness or consistency level of a measuring instrument (questionnaire). A questionnaire can be said to be steady when the measurement is repeatedly able to give the same result (with records of all conditions do not change). In this study, reliability was measured using Cronbach alpha technique.

Factor analysis is an analytical technique that involves interdependence between variables that basically tries to simplify the problem for easy interpretation by the depiction of the relationship pattern or data reduction. This is done by identifying the structure contained in the set of observed variables (Hair *et al.,* 2006).

Factor analysis is designed to identify factors or to identify specific variables suspected to affect or explain the performance of the measuring instrument. In other words, a factor analysis is one technique that can determine the structural equation modeling. This study used confirmatory factor analysis. This analysis was conducted to

test empirically or confirm the accuracy of the model structure, which is built on a concept of a particular theory.

Research Model Test. Testing the model in this study carried out jointly with hypothesis testing. This test is performed to determine whether the model has been built in accordance with the data used in the study. Structural Equation Modeling (SEM) is a tool to test the model (Wijanto, 2008). SEM is a technique that combines aspects of multivariate regression and factor analysis, to be able to estimate a series of relationships associated simultaneously. SEM can test a series of corresponding relationships simultaneously, while other multivariate techniques can only test one relationship only (Hair *et al.,* 2006).

RESULTS AND DISCUSSION

Instrument Measurement Test. Instrument measurement test in this study used a validity and reliability test. The goal is that the answers of the respondents are not biased with answers from actual sample of respondents. Validity and Reliability Testing of the questionnaire in this study used IBM SPSS ver.22 program. Validity test results found no problems as well reliability test on the results of questionnaires to the sample and the question on the latent corporate reputation and the repurchase decision as the dependent variable. It is evident that none of the validity and reliability coefficient is below 0.1388 of r count. It can be concluded that 34 question items that represent each variable in this study is valid and reliable used as a measuring tool in research.

Description of Data Collection Method. The collection of data through a questionnaire addressed to 200 visitors at Carrefour Lebak Bulus area. In connection with the variables measured in this study is the consumer perception of marketing mix (the product, price, place, promotion mix, service quality, corporate reputation and repurchase decision). The instruments used to measure the variables have been based on reliability and validity.

The process of questionnaires work was conducted for one month during January 2016 in Carrefour Lebak Bulus area. Where questionnaires were distributed directly to consumers at shopping locations, previously respondents were given details of how to fill out a statement in the questionnaire, and if there are less obvious can be directly asked.

Description of respondent data. Description of 200 respondent data by gender is shown as follows: 30.5% male and 69.5% female. Meanwhile, by occupation: Student (5.5%), private employee (46.5%), entrepreneur (10.0%), lecturers / teachers (2.5 %), Government employee (23.0%) and others (12.0%). It can be concluded that generally most of the respondents are middle income. Description of respondent data based on the intensity of shopping: 1 time (38.5%), 2 to 3 times (40.0%), 4 to 5 times (17.0%), 6 to 7 times (4.0%), 8 to 9 times (0.5%), More than 10 times 0 (0.0%).

The statistic shows that majority of the visitors are women (69.5%). Data from occupation point of view mostly private and government employee. The frequency of consumer visits is high enough. More than 60% visited the Carrefour Lebak Bulus area more than twice in one month.

Description of respondents data by age are as follows: 11 to 16 years (3.5%), 16 to 21 years

(3.0%), 21 to 26 years (20.0%), 26 to 31 years (24.0), 31 to 36 years (26.5), more than 36 years (23.0%). It shows that the visitors Carrefour Lebak Bulus area are dominated by adulthood visitors, meaning is more mature in making shopping decision.

Description of respondent data based on the monthly: Less than Rp.1 million (6.0%), Rp.1 million – Rp. 2 million (6.5%), Rp. 2 million – Rp. 3 million (11.0%), Rp. 3 million – Rp. 4 million (22.5%), Rp. 4 million – Rp. 5 million (23.5%), More than 5 million (30.5%). From this figure can be concluded that generally (more than 69.5%) of the respondents are medium to low income people.

Construct Measurement Model of Research Variables. In this section will be discussed each outcome of the constructs model formed by respective latent variables from this study, as follows:

Analysis of Marketing Mix Latent Variable. Based on data result can be concluded the appropriateness of the data used in the model can be said quite good, although the P value does not meet the recommended value, but PMR, RMSEA, GFI, AGFI, NFI and CFI shows that the model is good.

The results of the confirmatory analyses of manifest variables to a latent variable of marketing mix presented in the form of weighting factor, the value of R2 and t count value of each manifest variable of Marketing Mix.

The weighting factors of manifest marketing mix variables ranged from 1.41 up to 1.83. Weighting factor is high relative to the weight of other manifest variable factors, namely price of 1.83. This indicates that the price factor is an indicator of the most dominant form of latent variable of marketing mix, although the difference in value weighting factors with other manifest variables is not too far.

The weight of a manifest variable factors ranging from 0.54 to 0.75. Weighting factor is high relative to the weight of other variable factors manifest resulted by Quality Management manifest variable that is equal to 0.75. This shows that the corporate reputation is shaped more by the quality of self-management in managing the business.

The R2 or the consistency of each manifest variable above shows the value of more than 0.20, so it can be concluded that all manifest variables forming a latent variable qualifies as a measure of reliability (reliable). t value or the value t of each manifest variables > 1.96 so that it can be concluded a valid manifest variables used to form latent variables of corporate reputation.

Analysis of Service Quality Latent Variable. Based on measurement shows the results of the confirmatory analysis using LISREL 8.7 construct such as the size of the latent variables fitness model of Service Quality. Although the value of P - value, does not meet the recommended value, but PMR, RMSEA, GFI, AGFI, NFI and CFI shows that both models are good.

From measurement result it can be seen that the weight of variable factors manifest latent Service Quality ranges from 1.64 up to 1.97. Weighting factor is high relative to the weight of other variable factors manifest generated by the Responsiveness manifest variables of 1.97. This suggests that the ability of members of Carrefour Lebak Bulus in responding to customer needs or respond to any solution to the problems facing the customer becomes the most important factor that felt by customers in terms of service quality.

Analysis of Corporate Reputation Latent Variable. Based on measurement shows the result of the confirmatory analysis using LISREL in form of size fitness constructs latent variable models of Corporate Reputation. Although the value of P -

value, does not meet the recommended value, but PMR, RMSEA, GFI, AGFI, NFI and CFI shows that the model is good.

From measurement result can be seen that the weight of a manifest variable factors ranging from 0.54 to 0.75. Weighting factor is high relative to the weight of other manifest variable factors generated by Quality Management that is equal to 0.75. This shows that the Company Image more shaped by the quality of self-management in managing the business.

The R2 or the consistency of each manifest variable shows the value of more than 0.20, so it can be concluded that all manifest variables forming a latent variable qualifies as a measure of reliability (reliable). The value t of each manifest variables in the table > 1.96 so that it can be concluded a valid manifest variables used to form latent variables Corporate Reputation in this research.

Analysis of Decision to Repurchase Latent Variable. Based on measurement shows the result of the confirmatory analysis in the form of size suitability constructs latent variable models of repurchase decision. It shows p-value of 1.00, so it can be concluded that the appropriateness of the data used by the model is perfect.

From measurement result can be seen that the weight of manifest variable factors repurchase decision ranged from 0.73 up to 0.88. Weighting factor is high relative to the weight of other manifest variable factors generated by the manifest variables of shopping satisfaction is equal to 0.88.

The R2 or the consistency of each manifest variables shows the value of more than 0.20, so it can be concluded that all manifest variables forming latent variables repurchase decision qualifies as a measure of reliability (reliable). The value t of each manifest variable in the table > 1.96 so that it can be concluded a valid manifest variables used to form a latent variable rates.

Analysis of Hypothesis Testing. Path diagrams of confirmatory analysis measurement model are used to measure and check suitability evaluation model for Integrative Model.

Diagram 1: shows the size of the fitness model of integrative model formed by variables of Marketing Mix, Service Quality, Corporate Reputation and Repurchase Decision.

Chi-Square=190.68, df=98, P-value=0.00000, RMSEA=0.069
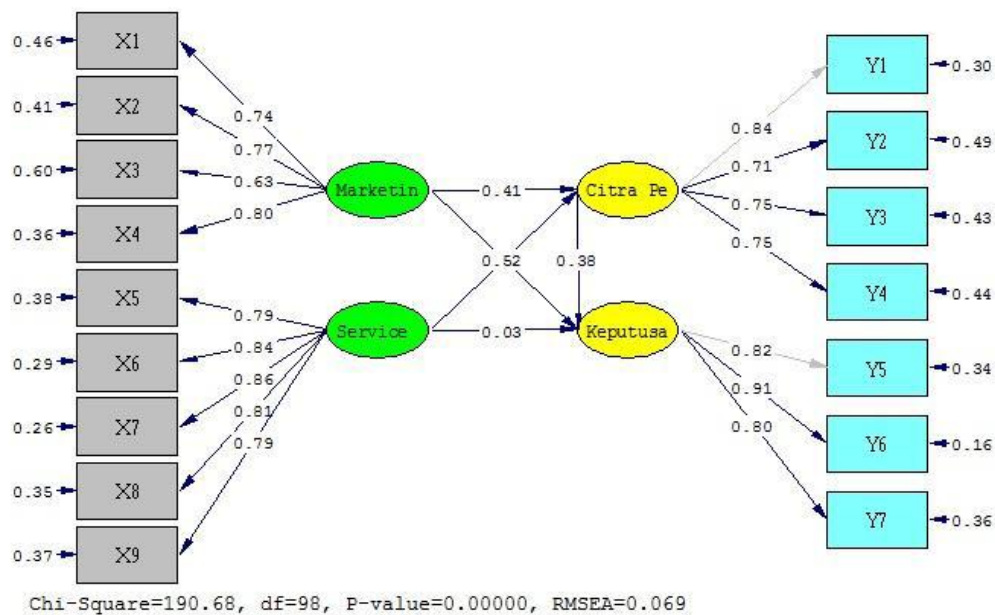
The written equation obtained based on the recapitulation of the value of coefficient gamma for each endogenous latent variable is as follows: (1) CORPORATE REPUTATION = 0,41*MARKETING MIX* + 0,41*SERVICE QUALITY* , Errorvar = 0.36, R2 = 0.64 (2) DECISION TO REPURCHASE = 0.38*CORPORATE REPUTATION * + 0,52*MARKETING MIX* + 0,031*SERVICE QUALITY* , Errorvar = 0.24, R2 = 0.76

The value of the coefficient is generated at the output LISREL showed the influence of variables in this study. There are two kinds of coefficients showing a relationship between variables these are the coefficient λ (lamdha) and the coefficient y (gamma). The coefficient λ (lamdha) shows the relationship between the manifest variables to a latent variable. Coefficient y shows the relationship between the dependent and independent variables.
As for knowing a variable has a significant effect or not viewable t - counted. If t count> (greater than) 1.96 then the variable is said to have a significant effect.

Endogenous Latent Variable Value of Corporate Reputation. Testing results are presented recapitulation of weighting factor, gamma coefficient and the calculated value t count for each independent variable of Marketing Mix and Service Quality on the dependent variable of Corporate Reputation.

Based on the t count analysis, Marketing Mix variables influencing variables significantly since the Corporate Reputation t count is 2.56 which means greater than 1.96. Also seen that the variable of Service Quality also has a positive effect on the variable value of Corporate Reputation that indicated by the gamma value (y) which is positive, i.e. 0.41.

Based on the analysis of t count, for variable of Service Quality also significantly affect the value of the variable for t count its 2.51 which means greater than 1.96.

Endogenous Latent Variables of Repurchase Decisions. Testing results are presented recapitulation weighting factor, gamma and t count coefficients for each independent variable on the dependent variable value of the repurchase decision.

Based on the analysis of the t-test values of variables affect consumer perception of the value of repurchase decision variables significantly for t - counted 3.39 (marketing mix), 2.22 (service quality), 3.68 (corporate reputation), which means greater than 1.96.

Variable of Marketing Mix, Service Quality, and Corporate Reputation considered to have a direct influence positively to Consumer Repurchase Decisions. The coefficient of the estimated path for each variable is 0.52; 0.03; and 0.38. These four variables are able to explain the diversity of values that occur at the Consumer Repurchase Decisions by ($R^2 = 0.76$) 76 percent. It means that the remaining 24 per cent is explained by other variables that are not included in the model.

Results of hypothesis test. From the research hypothesis 1 (one) which is the influence of marketing mix on the corporate image (reputation) on the decision to repurchase then (H1) is accepted. This evidence is shown by the t value of the influence of marketing mix to corporate reputation that is 3.39 and multiplied it by the t value of the influence of the corporate image to the repurchase decision that is t value of 3.68 produce new grades of 12.47.

Path analysis:

Influence path	t Value	t Path	Result
Marketing Mix → Corporate Reputation → Repurchase decision	3.39 x 3.68	12.47	Sig

With the value of t > 1.96, the H1 is accepted. It means that there is the influence of marketing mix variables on the corporate reputation in the decision to repurchase.

From the research Hypothesis 2 (two), namely the effect on service quality to the corporate reputation in the decision to repurchase (H2) was rejected. This is evidenced by the t value of the influence of service quality to corporate reputation that is 0.22 and multiply it by the t value of the influenced of corporate reputation on the repurchase decision of 3.68 produced new value that is t 0.80.

Path analysis:

Influence path	t Value	t Path	Result
Service Quality → Corporate Reputation → Repurchase decision	0.22 x 3.68	0.80	rejected

With the value of t < 1.96, the H2 is rejected. It means that service quality variable did not influence corporate reputation in repurchase decision.

From the research hypothesis 3 (three) that is the direct influence of marketing mix to the decision to repurchase (H3) is accepted. This is evidenced by the t value of the influence of marketing mix on the repurchase decision is 3.39. With the value of t> 1.96, the H3 is accepted. It means that there is a direct influence of marketing mix to the decision to repurchase.

From the research hypothesis 4 (four) that there is a direct influence on service quality against the decision to repurchase (H4) was rejected. This is evidenced by the t value of the influence of service quality on the repurchase decision is 0.22. With the value of t < 1.96, the H4 is rejected. It means that the direct influence of service quality on the repurchase decision is not significant.

Path analysis:

Influence path		Value of t	Result
Marketing Mix Repurchase decision	→	3.39	Sig
Service Quality Repurchase decision	→	0.22	Rejected

From the research hypothesis 5 (five) that there is direct influence of corporate reputation on repurchase decision (H5) is accepted. This is evidenced by the t value of the influence of corporate reputation on repurchased decision is 3.68. With the value of t > 1.96, the H5 is accepted.

Path analysis:

Influence path	Value of t	Result
Corporate reputation → Repurchase decision	3.68	Sig

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Discussion. The research result showed that marketing mix influence corporate reputation and influence consumer decision to repurchase. Among the elements of marketing mix price is the most influencing element. This is one of the most important results from this research that in retail business for middle income people price is everything. It is the most important element in marketing mix that influences consumer decision to repurchase. Research by Kusumawatia *et al.,* (2016) showed similar result that price is the only element in service marketing mix which influence consumer to purchase. Andreti et al. (2013) also showed that price offered and kind of promotion influence consumer buying decision to purchase at convenience store, besides service quality provided.

This research result also showed that service quality has no significant effect in influencing consumer's decision to repurchase. It is obvious that for this segment of market (middle income) consumer decision on repurchase depends on how attractive the pricing policy and decision. In the other hand, for this market segment service quality did not matter, as far as price can meet the consumer expectation. This is one of the reasons why service quality did not influence consumer decision to repurchase. This finding is just the opposite with mainstream research finding which generally found the positive relationship between service quality and corporate reputation. Kim (2010) finding showed that service quality is better seen as creating reputation and service quality influenced consumer commitment (to repurchase). Similar finding also shown by Andreti et al. (2013) that service quality is one among other factors influenced customer buying decision at convenience store. Furthermore, Mistri and Bhatt (2013) suggested that high quality of service is considered an essential determinant of the long term profitability, positively influence repurchase intention. Therefore, this research has shown a special case to indicate and proof the important of market segmentation and targeting in marketing strategy.

Corporate reputation is also an important element which led to repurchase decision. This is in line with Bontis *et al.* (2007) finding that customer satisfaction enhances reputation in the service environment. It was also discovered that reputation partially mediates the relationship between satisfaction and loyalty. Further, corporate reputation directly influenced customer loyalty. Repurchase behavior is one of indicators of loyalty. Another research by Jabkar and Arslanagic-Kalajdzic (2013) showed that the importance of corporate reputation increase in service, not just in pre-purchases but also in maintaining relationship. The role of corporate reputation in retail industry supported by Jung and Seock (2016) confirmed that negative corporate reputation significantly aggravates consumers' attitudes and purchase intention. The results imply that marketing managers need to manage a negative reputation carefully because negative corporate reputation aggravates consumers' cognitive process. Therefore, reputation is a well establish signal with strong bonding effect when it comes to the purchase and post-purchase experience. This is another proof of the important of corporate reputation in retail industry.

CONCLUSION

Based on analysis and discussion it can be concluded that in retail market focusing on middle income target market marketing mix directly influenced corporate reputation. Marketing mix also influenced the decision to repurchase directly and indirectly through corporate reputation. In the other hand, there is no effect of service quality on corporate reputation. There is also no effect of service quality on the decision to repurchase directly and indirectly through mediation of corporate reputation. Furthermore, corporate reputation directly influenced the decision to repurchase.

Implication of the research is that to be success in retail business should know very well its consumer target market. Specific consumer target has also specific purchasing behavior. Middle income consumers have their own preference prior to the repurchase decision as price is the most concern.

Future studies are suggested to find specific customer behavior at retail industry to include other additional independent/dependent variables that theoretically affected by the interest or intention to repurchase, e.g. customer loyalty variable.

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