

## The Effect of Marketing Mix on Repurchase Intention of Hydroponic Farm Vegetable Products

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### Abstract:

The goal of this study was to examine how the 7P and 4C marketing mix affected how satisfied consumers were with the vegetable products from Koltivare Hydroponic Farm, to analyze the effect of the 7P and 4C marketing mix on the repurchase intention of Koltivare Hydroponic Farm vegetable products, and to analyze the effect of repurchase intention on the repurchase intention of Koltivare vegetable products. Koltivare Hydroponic Farm and analyzing the marketing mix (7P and 4C) have an effect on repurchase intention, which is mediated through consumer satisfaction with Koltivare Hydroponic Farm vegetable products. Structured equation modeling with partial least squares (SEM-PLS) was the methodology employed in this study, and the SmartPLS 3.0 software was used to run the analysis tools. According to the study's findings, the variables of product, pricing, advertising, people, tangible proof, procedure, and cost directly affect consumer satisfaction. Then there is a direct influence of place, physical evidence, and communication variables on repurchase intention and a direct influence of consumer satisfaction variables on repurchase intention. While the indirect effect shows the results of variables that have an influence on repurchase intention with intervening variables namely product, price, people, and process, the mediation effect of this research is full mediation.

**Keywords:** farm product, marketing mix, consumer satisfaction, repurchase intention.

## INTRODUCTION

The agricultural environment around urban areas is synonymous with the use of agriculture on narrow land. The use of agriculture on narrow land can be done easily by the community using farming methods from conventional agriculture or modern agriculture. Farming is considered one of the oldest human activities for survival, and in the context of modern life, it is now a recreational activity. This happens because agriculture always grows and develops on the basis of basic human needs, which require food to be consumed every day. Therefore, over time, agriculture has innovated a lot, from conventional farming with the use of extensive soil and land media to farming without using land and without extensive land called hydroponics (Girsang, 2019).

Hydroponics has great potential to develop in the business world because of the high profits generated from the hydroponic business. This is supported by the increase in the market for hydroponic vegetables by up to 20% per year, so that it becomes a business opportunity for businesses to meet public demand to consume hydroponic vegetables. In addition, the Provincial Government of DKI Jakarta, in an interview with the Acting Head of the Maritime and Agriculture Food Security Service (KPKP) in 2021, noted that the community's vegetable needs in the capital city reach 1,500 tons per day and that there will be great potential in business opportunities. Therefore, Crowde Hydroponic Greenhouse, with the product name Koltivare Hydroponic Farm, takes this business opportunity and has the goal of increasing vegetable food security in urban areas, especially in the City of Bekasi and DKI Jakarta, as the company's target market (Ali et al., 2016).

Product, price, place, promotion, labor (people/participants), physical proof, and processes found in Koltivare Hydroponic Farm vegetable goods are the seven Ps that make up internal factors based on the marketing mix. Anything that can be sold on the market, bought, used, or eaten to satiate the wants or needs of consumers is a product. Vegetable products from Koltivare Hydroponic Farm have problems with product appearance, such as yellow and dry leaves. Koltivare Hydroponic Farm seeks to reduce prices by buying raw materials directly so that its vegetable products have competitive selling prices. However, the price of shipping is a problem because the farther the production location is from the delivery location, the higher the costs incurred by consumers (Junifar, 2021).

Seeing the consumer's perspective through the marketing mix and increasing interest in repurchasing vegetable products, Koltivare Hydroponic Farm needs to pay attention to consumer satisfaction first so that there is continuity of sales from the consumer's side, buying products continuously. The definition of satisfaction is an endeavor to complete or improve something (Wicaksono et al., 2020). When a person compares their views of a product's performance or results to their expectations, they are said to have experienced either joy or disappointment, according to the definition of consumer satisfaction. Bringing up consumer satisfaction so that consumers make repeat purchases continuously requires trust and comfort when consumers buy Koltivare Hydroponic Farm vegetable products. This demonstrates the connection between the marketing mix and, repurchase intention, and consumer satisfaction, so strong evidence is needed through research (Manafzadeh & Ramezani, 2016).

Consumers deciding to purchase Koltivare Hydroponic Farm vegetable products have several considerations, including availability and ease of obtaining products, testimonials or references from other consumers for products, the basis of consumer needs for vegetable consumption, and clear information regarding products that consumers can easily find. Koltivare Hydroponic Farm's vegetable products have 16 product variations, but in making a purchase decision, consumers have their own tastes and want convenience in buying the product they want. This is a problem, so companies need to maintain product availability and ease of transactions for consumers. Therefore, it can be concluded that there are problems related to the marketing of Koltivare Hydroponic Farm vegetable products and the need for marketing mix analysis of the problems that occur in the company, namely repurchase intention and consumer satisfaction in buying products.

## LITERATURE REVIEW

### Marketing Mix

The marketing mix is a strategic marketing instrument that can be managed to elicit the desired response from the target audience. The marketing mix includes all the variables a head of marketing division can control in

order to affect consumer demand for goods and services. The marketing mix is a collection of tools that businesses use to consistently achieve their marketing goals in their target markets. These tools allow marketing to mold the features of the services that are provided to clients. Both short-term tactical programs and long-term strategic plans can be created using these instruments. To achieve organizational goals, the creation of the marketing mix's components must be a blend of science and art (Mudiantono, 2015).

### **Consumer Satisfaction**

Customer sensations, whether in the form of pleasure or discontent, that result from comparing a product with consumer expectations of the product are referred to as consumer satisfaction. Consumers will undoubtedly feel unsatisfied if the product's look does not match what they had anticipated; but, if the product meets or exceeds their expectations, they will experience satisfaction or pleasure. As a result, it is possible to state that happiness or discontent with a product is determined by an assessment of the experience of using or consuming it (goods or services) (Sudibyo et al., 2015).

### **Repurchase Intention**

When the performance of the company's product or service and the customer's willingness to use it again in the future are compatible, repurchase intention is a component of consumer purchasing behavior. Following the purchase of goods, they were offered or needed, customers make decisions on whether to repurchase those goods. A behavior known as "buying interest" is one that arises in reaction to items that show consumers' willingness to make purchases. Purchase intention is the final stage of a somewhat complicated buying decision process. This process starts with the emergence of a need for a product, followed by an information search, after which consumers will evaluate the product, which then raises their intention to buy before finally deciding to buy (Reinartz, 2009).

## **METHODOLOGY**

Data of both the qualitative and quantitative varieties were used in this study. This study is a form of survey research in which a questionnaire is utilized to collect data and information in order to learn more about the marketing mix from internal 7P components and 4C external factors. The nonprobability sampling approach was the sampling methodology employed in this study. The study's sampling method was then purposive sampling. In this study, observation, questionnaires, and interviews were the primary data gathering methods. In this work, we used SEM (Structural Equation Modeling) data analysis tools, which are controlled by the SmartPLS version 3.0 software. Partial Least Square (PLS), also known as structural equation analysis from SEM, is a type of analysis that integrates a number of statistical methods to examine numerous very complex relationships at once.

## **CASE STUDIES**

The study's findings on the factors that make up the marketing mix product, price, place, promotion, physical evidence, people, process, consumer, cost, communication, and convenience show the effects of those factors on consumer satisfaction. These factors include product, price, promotion, people, physical evidence, process, and cost. These findings are consistent with earlier research showing that the marketing mix, which includes the following elements: product, price, promotion, physical evidence, people, and process, has a direct impact on consumer satisfaction. However, the location variable in this study is different because it has no bearing on consumer satisfaction. Also, in accordance with findings from earlier study, the results are different, namely that the consumer and cost variables have an influence on consumer satisfaction, while in this study the consumer variable has no effect on consumer satisfaction. However, there are similarities in the communication and convenience variables, which have no effect on consumer satisfaction. Therefore, differences in research results and the results of place, consumer, communication, and convenience variables that have no effect on consumer satisfaction can be used as a reference for further research.

The marketing mix, consisting of 7P and 4C, experienced several changes in each indicator of the variables tested.

Indicators that were eliminated for significant variables included the remaining 4 indicators out of 7, namely variations in types of vegetables (PD1), vegetables containing non-chemical pesticides (PD2), fresh leaf color (PD4), and unbroken stems or petioles (PD6). The four indicators have an influence on the product variable, with the greatest influence respectively based on the outer weight value data in Appendix 4, namely PD6 of 33.9%, PD1 of 31.5%, PD4 of 31.4%, and PD2 of 30.9 %, so that companies need to maintain and improve product quality by focusing on maintaining the quality of vegetable stems so they don't break, maintaining the availability of product variations, products do not contain chemical pesticides, and the appearance of leaves is not dry or yellow. While the indicators that do not affect the product variable have been eliminated, the company can improve these indicators so that customer satisfaction increases with the products provided. These signs include the product's PD3 durability, PD5 wilted leaf look, and PD3 product purity from adherent soil contaminants (PD7). The results of the variables that affect repurchase intention, namely place, physical evidence, and communication, are shown by the marketing mix variables, which include product, price, place, promotion, physical evidence, people, process, consumer, cost, and convenience. These findings support earlier research showing that the marketing mix directly influences repurchase intention in the place variable, whereas product, price, promotion, people, physical evidence, and process have no such direct influence. This study differs from previous ones in that physical evidence and communication factors have a direct impact on repurchase intention. For additional study, the findings of studies on variables related to products, prices, promotions, personnel, processes, consumers, costs, and convenience can be used as a guide.

This variable is not taken into account by customers of Koltivare Hydroponic Farm vegetable products when influencing repurchase intention, according to research that has no effect on repurchase intention. The suitability of the indicators and variables of validity and reliability in Tables 6 and 10 does not automatically make consumers interested in making repeat purchases. Needs or other situations that are more urgent are the reasons consumers no longer pay attention to these variables. As during the current COVID-19 pandemic, many people have experienced a decrease in income, so people will prioritize meeting urgent needs or replacing products with lower prices and better quality. This is because Koltivare Hydroponic Farm's vegetable products are products that have superior quality but higher prices compared to conventional vegetable products, which are classified as cheaper. In order to improve the internal and external aspects of the product, businesses must thoroughly evaluate the marketing mix variables that have no bearing on customers' intentions to repurchase. To do this, they must examine how consumers feel about purchasing vegetables from Koltivare Hydroponic Farm. Even if there are numerous variables that have no influence, the results of the marketing mix hypothesis, which consists of the 7P and 4C, are being tested on repurchase intention. However, there are still variables that influence repurchasing interest, including place, physical evidence, and communication. This shows that consumers still have an interest in making repeat purchases by looking at the condition of the place or location, the physical evidence of the available facilities and infrastructure, and good communication between sellers and buyers. In the place variable, there are 4 out of 6 indicators that have an influence on the place variable, with the biggest influence successively being the availability of parking spaces that can be used by consumers (PL4), of 37.6%; store purchases that can be accessed by consumers (PL5), 33.7%, the availability of private transportation (PL2), 30.8%, and the locations of competitors with products identical to yours that are located relatively far away (PL6), 24.9%. The company has achieved the segmentation aim based on location, according to the questionnaire's results, namely the Bekasi City and DKI Jakarta areas. Therefore, companies need to increase the number of company locations and sales stores to increase repurchase interest because consumers view the location as important and it has an influence on repurchase intention.

The results of the t-statistical test between the variables of consumer satisfaction and repurchase intention ( $3.538 > 1.96$ ) and the p-value ( $0.000 < 0.05$ ) show that  $H_0$  is rejected and  $H_{23}$  is accepted, namely that consumer satisfaction influences repurchase intention, which can be used to explain the results of the direct effect test of the intervening variables on the endogenous variables. The path coefficient value is 0.571 in a positive direction, meaning that the effect of consumer satisfaction (Y1) on repurchase intention (Y2) is positive and significant. Hypothesis testing on exogenous variables on endogenous variables reveals that consumer happiness, the intervening variable, has a considerable impact on repurchase intention. The impact on repurchase intention is evident in the consumer satisfaction measure. These findings are in line with Reva Nanda's research (2021) on the factors that directly influence consumer pleasure and repurchase intent.

The variable model of customer satisfaction's test findings shows a reduction in the number of indicators from the

initial six indicators to four indications. The missing indicators are consumer satisfaction with the location of the garden (KK2) and customer satisfaction with the store atmosphere (KK3). This can be interpreted to mean that consumers feel the location of the garden is not strategic enough, and the atmosphere at the location of the garden also tends to be uncomfortable, so it has an impact on a lack of consumer satisfaction. Based on the observations made, the researchers observed that the location of the garden was indeed in a residential area, so accessing it was a little difficult because they had to pass through a narrow road. Apart from that, the atmosphere of the garden is also a little dirty because of the footholds that visitors must pass; if it rains, the road will be muddy and difficult to pass.

Testing the model on consumer satisfaction variables still leaves four indicators that have influence. These four indicators have the biggest influence, respectively: conformity of consumer expectations for service quality (KK4) of 32.2%, consumer satisfaction with service quality (KK1) of 31.5%, conformity of consumer expectations for store atmosphere (KK6) of 28.7%, and conformity of consumer expectations for the location of the garden (KK5) of 28.6%. From the test results on this model, consumers feel that the service quality implemented by the company is in accordance with consumer expectations, and consumers are also satisfied with the quality provided. Even though the indicators that eliminated the location of the garden and store atmosphere were felt to be lacking, consumers considered the location and store atmosphere to be in accordance with their desired expectations. Because there is soil where the garden is located, consumers believe that the road should be a little uncomfortable. This will ensure that the conformance assessment of the anticipated results has an impact. With consumer pleasure acting as an intermediary variable, the marketing mix variables of product, price, place, promotion, tangible proof, people, process, consumer, cost, communication, and convenience display the effects of variables that affect repurchase intention. The place variable is the only one in the marketing mix that has an indirect impact on repurchase intention with consumer satisfaction acting as an intervening variable, contrary to earlier research that found that product, price, promotion, people, physical evidence, and process have no impact on repurchase intention with consumer satisfaction acting as an intervening variable. Differences in research results and the results of the place, promotion, physical evidence, consumer, cost, communication, and convenience variables that have no effect on repurchase intention can be used as a reference for further research.

According to the test results, consumer satisfaction acts as a mediating variable between the product, price, people, and process factors and repurchase intention. Testing the product's impact on user satisfaction yielded important results. Hence the product's impact on future purchase intent is minimal. As a result, the mediation effect that results is "full mediation." When examining the impact of price, people, and process on consumer satisfaction, it also shows a significant effect, and the effect of price, people, and process on repurchase intention is not significant, so that the mediation effect has the same result, namely "full mediation." Therefore, consumer satisfaction is an important variable in this study because if there is no testing carried out on the marketing mix variables of place, price, people, and process on consumer satisfaction, then these variables cannot influence consumer repurchase intention in buying Koltivare Hydroponic Farm vegetable products.

## CONCLUSION

The findings of the study lead to the following conclusions: Consumer satisfaction is directly influenced by the following factors: product, pricing, promotion, people, tangible proof, procedure, and cost. Meanwhile, the place, consumer, communication, and convenience variables do not have a direct effect on consumer satisfaction. Place, physical evidence, and communication directly influence repurchase intention. Repurchase intention, however, is unaffected by the variables of product, pricing, promotion, people, process, consumer, cost, and convenience. Repurchase intentions are directly influenced by consumer happiness. Consumer satisfaction has a mediating effect on the relationship between product, price, people, and process that allows them to indirectly influence repurchase intention. This is known as "full mediation" or using consumer pleasure as a key intervening variable in testing.

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