






Enhancing Repurchase Intentions in Local Fast Food Chains: Unraveling the Influence of Product Innovation and Digital Marketing

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Abstract. This study aims to determine the Effect of Product Innovation and Digital Marketing on Repurchase Intentions at a local fast-food chain in Indonesia. The type of research used in this research is verification by describing and explaining the variables studied and then concluding. The sample in this study used a purposive method of 200 respondents. The analysis technique used is Structural Equation Modeling (SEM) analysis. The findings of this study indicate that the description of Product Innovation and Digital Marketing on Repurchase Intentions is in a reasonably high category. Product Innovation and Digital Marketing positively and significantly influence Repurchase Intentions. The results of this study show that the application of Product Innovation and Digital Marketing encourages the Repurchase Intentions of local fast food in Indonesia. Digital Product Innovation and Digital Marketing positively and significantly influence local fast-food consumers' Repurchase Intentions in Indonesia.

Keywords: *Product Innovation, Digital Marketing, Repurchase Intentions.*

1 INTRODUCTION

The rate of growth and development of the food and beverage business globally cannot be separated from the emergence of various food and beverage brands from certain countries, which has become a culinary trend in many countries. Consumer consumption patterns, influenced by different human lifestyles and technological advances, influence the emergence of food or drink trends in society [1]. Recently, the need for fast food in Indonesia has increased. So now we see more and more fast food restaurants. The more types of fast food restaurant brands result in higher competition. The strategy to save the company in this competition is to increase consumer repurchase intention behaviour. The food industry in Indonesia has considerable potential to develop due to increasing market demand, increasing purchasing power, and changes in the lifestyle of Indonesian people [2]. In previous research in 2015, it was known that the frequency of Indonesian people eating at fast food restaurants, but there are many choices of franchised types of fast food in Indonesia. Many foreign fast-food franchises dominate market competition in the food industry. This is a problem that local fast-food companies

must resolve to be able to balance and compete with the quality of service provided to consumers. So, in the end, local fast food can become a host in their own country [3]. Data from the top brand index show a low intention to repurchase local fast food. A top brand is a form of appreciation for consumer choice products based on the criteria of top of mind share (strength of the brand in the minds of consumers), top of market share (strength of the brand in a market), and top of commitment share (strength of the brand to make repeat purchases). Another measure for seeing the development of a company. This is in line with research conducted by Trivedi, which stated the same thing regarding high/low repurchase intention in a company, which will impact the continuity of the company's operation in the future [4].

The strategy carried out by local fast food is to develop variations and innovations in its products. Local fast food offers a variety of menu choices, such as cheap main menu packages, including fried chicken, rice and drinks, and other choices, such as burgers, french fries and drinks. Second, there is a family package menu according to the package's name, namely the family package, so it can be enjoyed with family or friends. Then there is the sides menu, which offers several choices such as burgers, French fries, chicken pop, chicken strips, crispy fried chicken, cheesy fries, various flavours of ice cream, onion rings, corn soup, and perkedel, and provides various kinds of local chilli sauce. Based on the description of the problems raised, it is necessary to research Repurchase Intentions in Local Fast Food Chains: Unraveling the Influence of Product Innovation and Digital Marketing.

2 METHOD

This research used a marketing management approach to analyze the influence of Product Innovation and Digital Marketing on Repurchase Intentions among local fast food consumers in Indonesia. Respondents in this research were local fast food consumers in Indonesia. The type of research used is verification research using Structural Equation Model (SEM) Analysis. The sample used was 200 respondents using purposive sampling.

3 RESULTS AND DISCUSSION

This research uses verification analysis assisted by using IBM Statistical Product for Service Solutions Model specification, a stage related to model despecification, a stage related to forming an initial structural equation model before estimation is carried out. This research uses a model based on previous research regarding Repurchase Intention, which can be influenced by Product Innovation[5-10] and Digital Marketing [11-14]. The initial model specifications in this research are shown in Figure1 as follows::

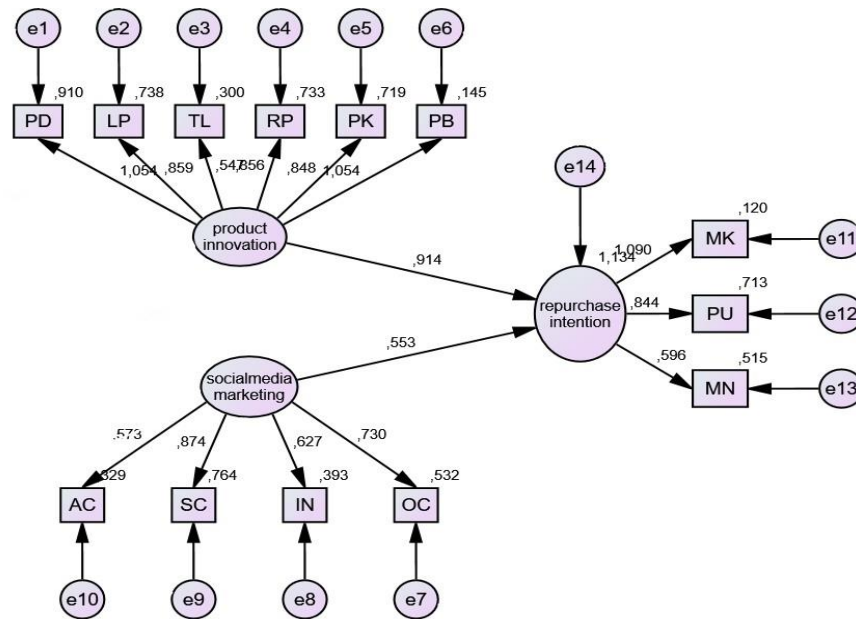


Figure 1. The initial model specifications

After the initial model is created, the data obtained through the basic assumption testing stage can be added to the research model for the next SEM testing stage. The data in this research were obtained from 200 samples with 36 statements consisting of 20 statements for the Product Innovation variable, 10 Digital Marketing statement items, and 6 statement items for the Intention to Repurchase variable.

The construct reliability (CR) value is 0.97, and the variance extract (VE) value is 0.89. This means that the variable has good reliability because it meets the assumptions of the value of construct reliability (CR) > 0.70 and variance extract (VE) > 0.50. The following is Table 24, Validity and Reliability of the Digital Marketing Exogenous Construct Measurement Model.

This stage of structural model analysis is closely related to the evaluation of causal relationship parameters and the influence between exogenous and endogenous latent variables. The following is Figure 4.9 of the structural model of the influence of Product Innovation and Digital Marketing on Repurchase Intentions with the estimated parameters of the standardized loading factor of the structural model after carrying out the goodness of fit (GOF) test.

The overall model fit test is carried out to evaluate the general degree of fit or goodness of fit. In goodness of fit testing, several criteria need to be met according to experts' opinions. The goodness of fit testing criteria and cut-off values used in this research are shown in table 1:

Table 1. The goodness of fit evaluation results in measuring the influence of product innovation and digital marketing on return intention.

No	Goodness Of Fit Measure	Cut off Value	Results	Model evaluation
Absolute Fit Measure				
1.	Statistic Chi Square (X^2)(df=46)	$X^2 \text{ hit} < X^2 \text{ Tabel}$ ($X^2 \text{ Tabel} = 81,400$)	134,572	No Fit
2.	Goodness of Fit Index (GFI)	$GFI \geq 0,90$ good fit, $0,80 \leq GFI < 0,90$ marginal fit	0,912	Good Fit
3.	Root Mean Square Error of Approximation (RMSEA)	$\leq 0,08$	0,098	No Fit
Incremental Fit Measure				
4.	Tracker Lewis Index (TLI)	$TLI \geq 0,90$ good fit, $0,80 \leq TLI < 0,90$ marginal fit	0,901	Good Fit
5.	Adjusted Goodness of Fit (AGFI)	$\geq 0,90$	0,826	No Fit
6.	Comparative Fit Index (CFI)	$CFI \geq 0,90$ good fit, $0,80 \leq CFI < 0,90$ marginal fit	0,942	Good fit
Parsimonious Fit Measure				
7.	Parsimonious Goodness of Fit Index (PGFI)	$PGFI < GFI$	0,461	Good Fit
8.	Pasimonious Normed of Fit Index (PNFI)	More High	0,540	Good Fit

Table 1 Evaluation Results of the Goodness of Fit Model for Measuring the Effect of Product Innovation and Digital Marketing on Repurchase Intentions is still not fit because the Chi-Square, RMSEA and AGFI values are not fit. In contrast, the GFI, TLI, CFI, PGFI and PGNI values have good fit results.

Based on the results obtained, it is known that the C.R. value of the Product Innovation variable on Repurchase Intention is 3.708. This value is > 1.96 , which means there is a relationship between Product Innovation and Repurchase Intention. Meanwhile, the output probability value shows the sign (***) and the P value is < 0.05 , which means there is a significant influence of Product Innovation on Repurchase Intention. So this

supports H0 to be rejected, and the hypothesis that Product Innovation influences Repurchase Intentions is accepted.

This research shows that the Product Innovation variable significantly influences the intention to repurchase fast food products. Research shows that product innovation positively and significantly affects repurchase intentions. Research shows that product innovation has a significant effect on repurchase intentions. Product Innovation is one of the factors used to solve the Repurchase Intention problem in this research because Product Innovation is an important strategy to retain consumers and maintain a business's long-term operation. Several previous studies also stated that Product Innovation is part of the factors influencing repurchase intention.

4 CONCLUSION

Digital Marketing positively and significantly influences the repurchase intention of local fast food consumers in Indonesia. The highest contribution of the Digital Marketing dimension to Repurchase Intention is the accessibility dimension, which is correlated with the reuse dimension. Product Innovation and digital marketing positively and significantly influence the repurchase intention of local fast-food consumers in Indonesia in the high category. In contrast, the rest is influenced by variables not examined in this study.

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