

Original Article

The Effect of Price and Service Quality on Repurchase Intention Through Purchase Decision as an Intervening Variable in Photography Service Company

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Abstract: Intensifying competition in the photography service industry has compelled firms to better understand the determinants of customer retention. This study examines the effects of price and service quality on repurchase intention, with purchase decision as an intervening variable, using empirical evidence from SayHello Picture. A survey method was used to adopt a quantitative research design. The data were also gathered through structured online questionnaires previously utilized on 204 respondents who had used the services of the SayHello Picture. Analysis of the data was done with descriptive statistics and covariance Structural Equation Modeling (SEM) with AMOS. The findings indicate that price and quality of service have positive and important impacts on purchase decisions. In their turn, purchase decisions positively but significantly affect repurchase intention. These observations point to the fact that consumers are empowered by fair and competitive pricing that is backed by the constant high quality of service which in turn increases their purchase decisions and increases their intentions to repurchase. In line with this, the price optimization and the constant enhancement of the service quality by the photography service providers are advised as a way of building the sustainable customer loyalty.

Keywords: Price, Service Quality, Purchase Decision, Repurchase Intention.

I. INTRODUCTION

The creative services market and especially photography and video have also witnessed a booming growth in paces with the increasing need of good quality visual recordings. Photography services are no longer used for personal events like weddings and family gatherings, but are also being applied to business promotion, branding, and digital media content. This has increased competition within the photography service operations and firms are forced to use viable strategies to draw in new customers, keep the existing ones, and foster relationships with them over the long run. Customer retention is a strategic imperative in very competitive service markets. Repurchase intention indicates consumers' readiness to use a service again based on their prior experience and value. SayHello Picture is a photography service provider that is struggling to promote repeat business. Early findings show that even with the provision of different service packages, the repurchase rate of the company is rather low. This situation highlights the importance of systematically assessing the factors that influence consumers' buying choices and, consequently, their repurchase intention, especially price and service quality, which are generally considered the most important factors in consumer behavior in service sectors.

Based on the background, this study seeks to address the following research questions:

1. Does price significantly influence repurchase intention at SayHello Picture?
2. Does service quality significantly influence repurchase intention at SayHello Picture?
3. Does price significantly influence purchase decisions at SayHello Picture?
4. Does service quality significantly influence purchase decisions at SayHello Picture?
5. Do purchase decisions significantly influence repurchase intention at SayHello Picture?

II. LITERATURE REVIEW

A) Repurchase Intention (RI)

Kotler and Keller (2019) define repurchase intention as a condition that emerges when consumers perceive that product or service performance meets or exceeds their expectations, leading to satisfaction and encouraging repeat purchases. Similarly, Tjiptono and Chandra (2016) define repurchase intention as consumers' intention to repurchase a product or service based on prior consumption experiences. Bahar and Sjahrudin (2019) identify four dimensions of repurchase intention: transactional intention, referential intention, preferential intention, and exploratory intention.

B) Purchase Decision (PD)

According to Tjiptono (2008), a purchase decision involves a multi-stage process encompassing problem recognition, information search, alternative evaluation, and final selection. Kotler and Keller, as adapted by Indrasari (2019), further explain that purchase decisions consist of several sub-decisions, including product choice, brand choice, distribution channel choice, purchase timing, and purchase quantity.

C) Price (P)

The price refers to the monetary value that consumers must sacrifice to obtain a product or service (Sardjono, 2015). In service contexts, price functions not only as a cost indicator but also as a signal of value and quality (Indrasari, 2019). Key indicators of price perception include affordability, competitiveness, and congruence between price, quality, and perceived benefits (Kotler & Armstrong, 2016).

D) Service Quality (SQ)

Service quality is defined as the overall excellence of a service in fulfilling or exceeding customer expectations (Indrasari, 2019). Ani et al. (2021) emphasize that service quality is closely associated with customer satisfaction, which arises from comparisons between expected and perceived service performance. Core dimensions of service quality include reliability, responsiveness, attention, and accuracy.

Drawing on the literature, this study proposes a conceptual framework in which price and service quality influence repurchase intention both directly and indirectly through purchase decisions. Accordingly, the following hypotheses are formulated:

- H1: Price has a positive and significant effect on purchase decisions.
- H2: Service quality has a positive and significant effect on purchase decisions.
- H3: Price has a positive and significant direct effect on repurchase intention.
- H4: Service quality has a positive and significant direct effect on repurchase intention.
- H5: Purchase decisions have a positive and significant effect on repurchase intention.

II. RESEARCH METHODOLOGY

This study employs a quantitative, causal research design. Data were collected using an online questionnaire administered to 204 respondents who had previously utilized SayHello Picture’s services. All measurement items were assessed using a five-point Likert scale. Because 24 observations were identified as outliers, these data were excluded from the list of respondents. Consequently, the final number of respondents was 180. The sample size satisfies the minimum requirements for covariance-based Structural Equation Modeling (SEM) (Sugiyono, 2018). Data analysis was conducted using SEM with the Maximum Likelihood estimation method in AMOS version 22. The analytical procedures included descriptive analysis, confirmatory factor analysis, structural model evaluation, and hypothesis testing, including mediation analysis using the Sobel test. This research has applied primary and secondary data. Primary data of this research are obtained directly from the resources by distributing the questionnaires. Secondary data for this research include library studies, journals, literature related to the problems, and other documentation obtained from an online system.

III. RESULTS AND DISCUSSION

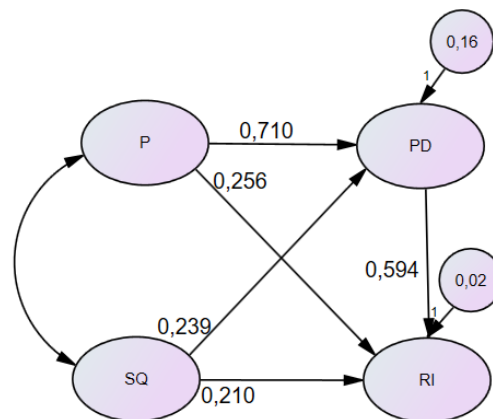


Figure 1. Structural Equation Model Showing Relationships Among P, SQ, PD, and RI

Table 1: Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
PD	<---	P	,870	,148	5,893	***	Significant
PD	<---	SQ	,353	,142	2,484	,013	Significant
RI	<---	SQ	,265	,082	3,235	,001	Significant
RI	<---	P	,268	,115	2,332	,020	Significant
RI	<---	PD	,509	,101	5,049	***	Significant

Table 2: Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
PD	<---	P	,710
PD	<---	SQ	,239
RI	<---	SQ	,210
RI	<---	P	,256
RI	<---	PD	,594

Table 3: Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
PD	,840
RI	,980

P : Price
 SQ : Service Quality
 PD : Purchase Decision
 RI : Repurchase intention

Based on the output of the table Regression Weight above, it indicates that all the effects are significant due to the value of $CR < 1,96$ and $P > 0,05$ (Ghozaly, 2017). The empirical findings indicate that price and service quality have significant positive effects on purchase decisions. Purchase decisions, in turn, exert a significant positive influence on repurchase intention. The price and service quality have significant positive effects on Repurchase Intention.

The results indicate that price has a positive and significant effect on purchase decisions for SayHello Picture services. Consumers consider price affordability and its alignment with perceived quality and benefits as key factors in making purchase decisions. This finding is consistent with the value-for-money theory, which posits that price serves as an indicator of value and a signal of quality; therefore, the balance between price and perceived benefits plays an important role in shaping consumer perceptions and purchase decisions.

Service quality has been proven to have a positive and significant effect on purchase decisions for SayHello Picture services. Professionalism, effective communication, and positive service experiences enhance consumer trust and confidence in selecting the service. This finding aligns with the SERVQUAL concept, which suggests that high service quality can create satisfaction, strengthen trust, and encourage purchase decisions, both functionally and emotionally.

Price has a significant effect on consumers' repurchase intention, whereby the alignment between price, quality, and perceived benefits encourages consumers to reuse SayHello Picture services. This finding supports the value-for-money concept, which emphasizes that perceptions of price fairness play a crucial role in generating satisfaction and stimulating repeat purchase behavior.

Service quality has a positive and significant effect on consumers' repurchase intention, as satisfaction with service delivery, photographic outcomes, and overall service experience motivates consumers to reuse SayHello Picture services. This finding is consistent with the Service Quality concept, which states that superior service quality enhances satisfaction, trust, and customer loyalty, thereby fostering sustained repurchase behavior.

Purchase decisions have a positive and significant effect on consumers' repurchase intention. Consumers who feel confident and satisfied with their purchase decisions tend to develop positive value perceptions, which in turn encourage repeat purchases. This finding aligns with the consumer decision-making model, which asserts that purchase decisions reflect consumers' levels of satisfaction and confidence in their choices. These results are consistent with value-for-money theory and service quality theory, suggesting that consumers are more likely to repurchase services when perceived benefits align with pricing and service performance.

IV. CONCLUSION AND SUGGESTIONS

The findings indicates price and service quality have positive and significant effects on purchase decisions and repurchase intention for SayHello Picture services. The price plays an important role in shaping consumer perceptions through affordability and value for money, while service quality enhances trust, satisfaction, and confidence in the service provider. Furthermore, purchase decisions significantly influence repurchase intention, suggesting that consumers who are satisfied and confident in their initial decisions are more likely to repeat purchase. Overall, the results highlights the importance of maintaining competitive pricing and delivering high-quality services to encourage sustainable consumer loyalty. This study concludes that price and service quality play pivotal roles in shaping purchase decisions and repurchase intentions in the photography services industry. From managerial perspective, photography service providers should prioritize consistent service quality and transparent, competitive pricing strategies to enhance perceived value and foster long-term customer loyalty. Future research is encouraged to incorporate additional variables, such as brand image, customer satisfaction, trust, and customer experience, and to apply mixed-method approaches to achieve a more comprehensive understanding of consumer behavior in creative service industries.

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