

# Strategic Insights for JNE: Boosting Repurchase Intentions through Service and Return Management

Chairul Anwar<sup>1</sup>, Muhammad Anas Arba'ani<sup>2</sup>, Samsul Arifin<sup>3</sup>

{choirulmm0@gmail.com<sup>1</sup>, anasbaani3@gmail.com<sup>2</sup>, samsul@unisnu.ac.id<sup>3</sup>}

Magister Manajemen, Universitas Islam Nahdlatul Ulama Jepara<sup>1,2,3</sup>

**Abstract.** This research analyzes the influence of customer service, online returns policy, and delivery time on the repurchase intentions of JNE customers in Jepara. Using quantitative methods and a sample of 97 respondents, questions were used to gather data, which was then subjected to multiple linear regression analysis. The findings indicate that while delivery time has no discernible impact on repurchase intention, customer service and online return policies do. An adjusted R<sup>2</sup> of 35.9% indicates that the majority of the variation in customers' intentions to repurchase is explained by the independent factors. These findings provide important insights for improving logistics service strategies.

**Keywords:** Customer Service, Online Return Policy, Delivery Time, Repurchase Intention

## 1 Introduction

Repurchase intention is an important indicator that reflects the level of customer satisfaction with a product or service that they have used previously [1]. When customers are satisfied, they tend to return to make repeat purchases. This is very important for companies because the costs of retaining old customers are much lower than attracting new customers [2].

The logistics services industry in Indonesia has experienced rapid growth in recent years. The turnover of around 400 companies that are members of the Association of Indonesian Express Delivery, Postal, and Logistics Services Companies (Asperindo) reached IDR 60 trillion in 2012 and continued to increase in the following years. Economic improvement in an area will have a very big role in the welfare of society [3]. Asperindo is optimistic that the national logistics market will grow by 14.7% with an estimated value of IDR 1,849 trillion this year.

This growth is influenced by the increasing demand for business mobility support services, which are used by delivery and logistics service providers to compete for consumers and build a positive image in society.

Repurchase intention for the same product or service is considered important for the company's survival. Apart from just getting new customers, companies must strive to create and maintain

repurchase intentions from customers [4]. In the competitive goods delivery service industry, as seen in companies such as JNE, J&T, TIKI, and POS Indonesia, understanding the factors that influence repurchase interest is very important to increase customer loyalty and maintain market share.

This research focuses on JNE in Jepara, where there are indications of a decrease in purchasing intensity for JNE delivery services. Based on previous research, there are inconsistencies in research results regarding the influence of customer service, online return policy, and delivery time on repurchase intention. For example, [5] research shows that customer service has no effect on repurchase intention, while [6] believes otherwise. The same thing happens with online return policy and delivery time, where research results vary.

The aim of this research is to identify and analyze the factors that influence repurchase interest in JNE delivery services in Jepara, with a focus on customer service, online return policy, and delivery time. This research also aims to fill the existing research gap by providing a deeper understanding of the relationship between these factors and repurchase intention.

## **2 Literature Review**

Service marketing has become a fundamental aspect in the sustainability and development of companies in the modern era. Kotler, as quoted by [7], defines marketing as a series of activities designed to facilitate exchange to satisfy consumer needs and desires. This definition emphasizes the importance of identifying target market needs and efforts to satisfy them effectively. Furthermore, Kotler, translated by [8], emphasized that marketing is the process of identifying and fulfilling human and social needs profitably. This concept expands the understanding of marketing from just sales to a more holistic and consumer-oriented process.

In this context, marketing is no longer seen as an activity limited to buying and selling transactions but rather as a process that includes various aspects such as value creation, offers, and exchange of products or services. This is in line with the view that modern marketing must be able to create sustainable relationships with customers, not just focus on short-term sales.

Repurchase intention is an important indicator of customer loyalty and the effectiveness of marketing strategies. Peter and Olson (2014) define it as the consumer's tendency to make repeat purchases. Keller, as quoted by Sulistyari (2012) [9], expands this definition by emphasizing the possibility of customers buying a brand or switching from one brand to another. This understanding is important because it shows that repurchase intention is not only about repeat purchases but also about brand preference and loyalty.

Factors that influence repurchase interest, according to [10], include cultural, psychological, personal, and social aspects. Cultural factors include the influence of culture, subculture, and social class that shape consumer perceptions and behavior. Psychological factors involve individual learning experiences, attitudes, and beliefs that influence purchasing decisions. Personal factors include age, occupation, economic situation, and lifestyle that shape consumer preferences. Meanwhile, social factors include the influence of reference groups, family, and social roles that influence purchasing decisions. Understanding these factors is very important for companies in designing effective marketing strategies and retaining customers.

In the realm of customer service, customer service plays a vital role as the front line of interactions with consumers. [11] defines customer service as any activity aimed at providing satisfaction to customers through services that can fulfill customers' desires and needs. More than just providing information, customer service functions as the spearhead in retaining old customers and attracting new customers. [11] describes customer service functions, which include front-line officers, liaison officers, salesmen, servicing, advisors, maintenance, and handling complaints. These functions emphasize the strategic role of customer service in building and maintaining long-term relationships with customers.

The quality of service provided by customer service can significantly influence customer loyalty. Fast, accurate, good, and friendly service is the key to creating a positive experience for customers. This is not only limited to physical aspects but also includes service capabilities and ethics that can build customer trust and loyalty.

In the context of e-commerce, online return policies are an important element that influences purchasing decisions and consumer trust. [12] define online return policy as a rule for managing the process of returning or exchanging goods that are unsuitable or damaged. [13] highlight the role of return policies as a tool to reduce consumer risk and increase demand. Loose return policies (return policy leniency) not only allow refunds or exchanges of goods but also impose minimal restrictions on consumer return activities [14].

Furthermore, [15] show that a good returns policy can influence consumer purchasing behavior and build trust. This is in line with relational signaling theory, which states that a loose return policy can function as a costly signal that shows seller commitment and increases consumer trust [16]. [17] strengthen this argument by showing that return policies are a costly signal for current purchases that can influence future purchase intentions.

On-time delivery (delivery time) is a critical aspect of customer satisfaction, especially in the context of e-commerce. [18] defines it as sending orders completely and precisely according to the time agreed between the shop and the customer. On-time delivery not only affects current customer satisfaction but can also impact future purchasing decisions and a company's reputation.

Identified several factors that can influence the timeliness of delivery, including the number of officers, peak season, completeness of the address, and suitability of the recipient's name. These factors emphasize the importance of efficient operational management and clear communication with customers to ensure on-time delivery.

[23] Trisetiawan (2014) expands the concept of delivery accuracy by emphasizing not only timeliness but also quantity accuracy and suitability of packaging contents. This shows that delivery quality includes various aspects that are interrelated and influence overall customer satisfaction.

[19] highlighted the importance of determining delivery schedules and routes in distribution management. This decision not only affects shipping costs but also the quality of service provided to customers. Optimizing delivery schedules and routes is becoming increasingly important given the increasing complexity of supply chains and customer expectations for fast and on-time delivery.

This literature shows that in the digital era, service marketing has developed into a more complex and multidimensional concept. Not only does it focus on product quality, but it also covers aspects such as excellent customer service, flexible returns policy, and prompt delivery. Effective integration of all these elements is key to creating a positive customer experience, increasing satisfaction, encouraging repeat purchases, and ultimately contributing to a company's long-term success.

### 3 Methods

In this study, a quantitative research design was used. The population consisted of JNE Jepara branch customers who had made multiple purchases. A sample size of 97 respondents was determined using Rao Purba's formula with a 10% margin of error. An accidental sampling technique was used to select respondents. A questionnaire with a Likert scale was used to gather data. Multiple linear regression analysis is the strategy used for data analysis. The software SPSS version 23 was used to handle and analyze the data.

## 4 Results and Discussion

### 4.1 Results

#### *Validity Test and Reliability Test*

**Table 1.** Validity Test Results

Variable	Indicator	$r_{count}$	$r_{table}$	Information
Customer Service	X1.1	0,608	0,1680	Valid
	X1.2	0,542	0,1680	Valid
	X1.3	0,287	0,1680	Valid
	X1.4	0,285	0,1680	Valid
	X1.5	0,360	0,1680	Valid
Online Return Policy	X2.1	0,546	0,1680	Valid
	X2.2	0,678	0,1680	Valid
	X2.3	0,372	0,1680	Valid
	X2.4	0,263	0,1680	Valid
Delivery Time	X3.1	0,646	0,1680	Valid
	X3.2	0,606	0,1680	Valid
	X3.3	0,655	0,1680	Valid
	X3.4	0,691	0,1680	Valid
Repurchase Intention	Y.1	0,873	0,1680	Valid
	Y.2	0,827	0,1680	Valid
	Y.3	0,608	0,1680	Valid

**Table 2.** Reliability Test Results

Variable	Cronbach Alpha	Standard Value	Information
Customer Service	0,697	0,60	Reliable
Online Return Policy	0,721	0,60	Reliable
Delivery Time	0,794	0,60	Reliable
Repurchase Intention	0,843	0,60	Reliable

The validity and reliability tests showed that all question items and variables met the required criteria to be considered valid and reliable measures.

*Multiple Linear Regression Analysis*

**Table 3.** Multiple Linear Regression Results

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.455	1.818		.800	.426
Customer Service	.458	.075	.538	6.090	.000
Online Return Policy	.210	.085	.211	2.467	.015
Delivery Time	.119	.061	.165	1.143	.055

a. Dependent Variable: Repurcase Intention

The multiple regression analysis produced the equation:

$$Y = 1.455 + 0.458X_1 + 0.210X_2 + 0.119X_3$$

(1)

*Hypothesis testing*

**Table 4.** F Test Results

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.932	3	38.644	18.925	.000 <sup>b</sup>
	Residual	189.903	93	2.042		
	Total	305.835	96			

- a. Dependent Variable: Repurchase Intention  
 b. Predictors: (Constant), Delivery Time, Online Return Policy, Customer Service

**Table 5.** t Test Results

		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta		
1	(Constant)	1.455	1.818		.800	.426
	Customer Service	.458	.075	.538	6.090	.000
	Online Return Policy	.210	.085	.211	2.467	.015
	Delivery Time	.119	.061	.165	1.143	.055

a. Dependent Variable: Repurchase Intention

The F and t-tests indicated that customer service and Online Return Policy significantly and positively influenced Repurchase Intention, while Delivery Time did not have a significant effect.

#### *Coefficient of Determination*

**Table 6.** Determination Coefficient Values

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.616 <sup>a</sup>	.379	.359	1.429

a. Predictors: (Constant), Delivery Time, Online Return Policy, Customer Service

b. Dependent Variable: Repurchase Intention

With an adjusted R<sup>2</sup> value of 0.359, the independent variables accounted for 35.9% of the variation in Repurchase Intention.

## **4.2 Discussion**

The results of this research provide in-depth insight into the influence of customer service, online return policies, and delivery times on repurchase intentions of JNE delivery service customers. The main findings show that customer service and online return policies have a

positive and significant influence on repurchase intention, while delivery time does not show a significant influence.

#### *The Influence of Customer Service on Repurchase Intention*

Repurchase intention is very positively impacted by customer service. This aligns with the notion that good customer service leads to customer satisfaction and retention [6], although it contradicts [5]. Theoretically, customer service influences repurchase intention by meeting customer needs and expectations [11]. Providing assurance, tangible evidence of quality service, and consistent courteous staff can increase customers' intentions to use the service again.

#### *The Effect of Online Return Policy on Repurchase Intention*

The online return policy also has a significant positive effect on repurchase intention. This supports [20] but contradicts [5]. Lenient return policies can reduce perceived risk and promote purchase decisions [21]. The high rating for product returns indicates that JNE effectively handles issues like incorrect deliveries, increasing customer confidence and satisfaction.

#### *The Effect of Delivery Time on Repurchase Intention*

Repurchase intentions among JNE's clients were not considerably impacted by delivery delay, contrary to predictions. This contradicts [22] but aligns with [5]. While timely deliveries are important for satisfaction [18], other factors like returns and customer service may take precedence for repurchase decisions. The reliability rating suggests JNE is trusted for deliveries, but issues like delays and lack of communication likely reduce the impact of delivery time on repurchasing decisions.

## **5 Conclusion**

This research provides significant insights into the factors influencing repurchase intentions among JNE customers in Jepara. The study highlights that customer service and online return policies significantly and positively impact repurchase intentions. Effective customer service meets customer expectations, fostering satisfaction and retention, while lenient online return policies reduce perceived risks and enhance customer confidence. On the other hand, delivery time, contrary to expectations, did not show a significant impact on repurchase intentions. This suggests that while timely delivery is important, other factors like returns and customer service play a more crucial role in driving repeat purchases. The findings underscore the need for logistics companies like JNE to focus on enhancing customer service quality and implementing flexible return policies to boost customer loyalty and repurchase intentions.

## **Acknowledgments**

I would like to express my deep gratitude to God Almighty for His grace and guidance so that this journal can be completed well. I would like to express my thanks to those who have provided support and assistance during the process of writing this journal. I am very grateful to my family, who always provide endless prayers, encouragement, and moral support. I would like to express my sincere thanks to my academic supervisor, who has provided valuable

direction, guidance, and suggestions throughout the writing of this journal. I also thank my friends and colleagues at the UNISNU Master of Management who have provided support and assistance in various aspects of this research. Hopefully the help and support that have been given will be rewarded in kind by God Almighty.

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