Analysis of Factors Affecting NCT Dream Albums Repurchase Intentions (Case Study of Itsminionskr)

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ABSTRACT

The growing phenomenon of K-pop in Indonesia has led to an increase in retail stores selling K-pop merchandise, including albums. One of such retail stores is Itsminionskr, which recorded an increased sale of K-pop idol NCT Dreams' albums during 2022. This study aims to identify the characteristics of NCT Dream fans in the Itsminionskr store, analyze the effects of service quality, brand image, price perception, and electronic word of mouth (EWOM) on consumer satisfaction, and examine the impact of consumer satisfaction on repurchase intentions at Itsminionskr. The research was conducted in July–August 2023 in Jabodetabek with a sample of 109 respondents. This study used primary and secondary data. Data processing techniques included descriptive analysis and SEM-PLS using SmartPLS4.0. The results showed that the majority of respondents were students who spent <IDR500,000 in one-time album purchase and were dominated by Jakarta domiciles. Service quality, brand image, price perception, and EWOM had a positive and significant effect on customer satisfaction. Brand image was the variable that most influenced consumer satisfaction in Itsminionskr store. Consumer satisfaction had a positive and significant impact on repurchase intentions in Itsminionskr store.

Keywords: Brand Image, Consumer Satisfaction, Electronic Word of Mouth (EWOM), K-Pop Merchandise, Repurchase Intention.

1. INTRODUCTION

The rapid development of technology has led to easy access to the internet. Various industrial sectors utilize technology and the internet to support business activities, including the entertainment industry. Entertainment is one of the primary reasons for using the internet worldwide, accounting for 41% of internet usage [1]. One of the countries that utilizes technological advances to develop the entertainment industry is South Korea. According to IFPI (2023) [2], South Korea's K-pop is ranked third in Southeast Asia.

NCT Dream is one of the K-pop boy groups that attracted attention because it managed to become "The Youngest 3rd Million Seller" in K-pop history. According to Jung [3] in the Hanteo Chart report, NCT Dream sold its first album, "Hot Sauce," with 1,010,766 copies in the first week. On January 27, 2022, Twitter released 7.8 billion tweets about K-pop worldwide throughout 2021 [4]. Indonesia then became the country with the Most K-pop fans, indicating it is a perfect target market for the K-pop industry. A survey conducted among K-pop fans in Indonesia found that the reason they like K-pop is because of the music or song lyrics by 77.15%, followed by the appearance reason by 71.45% [5].

At the same time, there is an increasing number of K-pop retail stores in Indonesia, both online and offline. Itsminionskr, located in North Jakarta, is one of the online K-pop retail stores that

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sells a variety of K-pop merchandise. Itsminionskr offers a diverse range of K-pop merchandise. Based on interviews conducted with the owner of Itsminionskr, NCT Dream album sales on Glitch Mode, Beatbox, and Candy albums were Itsminionskr's highest sales during 2022. Figure 1 shows NCT Dream album sales at Itsminionskr with NCT Dream Glitch Mode album sales of 478 albums, Beatbox of 762 albums, and Candy of 1,401 albums.
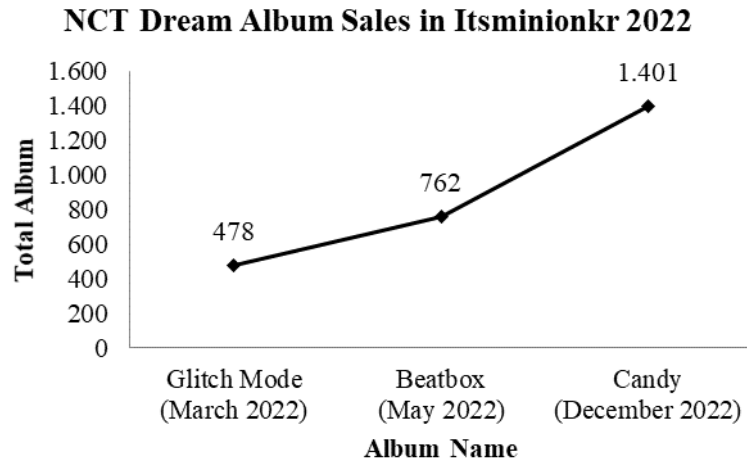
NCT Dream Album Sales in Itsminionkr 2022

Figure 1. NCT Dream album sales data at Itsminionskr store in 2022.

The increased sales turnover earned by Itsminionskr, resulting from the higher sales of NCT albums, is illustrated in Figure 2.

NCT Album Turnover in Itsminionkr 2022

Figure 2. Sales turnover of NCT Dream's last three albums on Itsminionskr store in 2022.

According to Lidwina [6], K-pop idol fans in Indonesia exhibit a desire for continuous or repeated purchases. Basically, consumer satisfaction is the main factor in forming repurchase intentions because, with a sense of satisfaction that arises in consumers, this becomes a store evaluation material for consumers in making decisions to repurchase [7]. Pritjahjono et al. [8] stated that consumer satisfaction is influenced by the purchasing experience that consumers have had. According to the theory developed by Ajzen [9] on the Theory of Planned Behavior (TPB), an individual's intention to perform a behavior is influenced by three factors, namely attitude, subjective norms, and perceived behavioral control. Consumer satisfaction factors include service quality, price perception, brand image, and electronic word of mouth [10]. These are what underlined the need to conduct this research.

2. RESEARCH OBJECTIVE AND RESEARCH METHOD

2.1 Research objective

This study aims to identify the characteristics of NCT Dream fans in the Itsminionskr store, analyze the effects of service quality, brand image, price perception, and electronic word of mouth (EWOM) on consumer satisfaction, and examine the impact of consumer satisfaction on repurchase intentions at Itsminionskr.

2.2 Research method

The research was conducted from July 10 to August 10, 2023, by collecting primary and secondary data. Primary data were obtained from a survey by sending online questionnaires to respondents, while secondary data were synthesized from literature studies of journals, books, and previous research.

The research employed a non-probability sampling technique, specifically purposive sampling. The study's respondents were Jabodetabek residents aged 16-40, both men and women, who had purchased NCT Dream albums at least once during the three NCT Dream comebacks in 2022 at Itsminionskr. The number of samples required for SEM analysis is five times that of the indicator [11], resulting in 95 samples for this study.

The research employed a descriptive analysis method and was analyzed quantitatively using the Structural Equation Modelling-Partial Least Squares (SEM-PLS) approach. Quantitative analysis was carried out using SmartPLS 4.0 software. SEM modeling is a causal relationship approach used to measure relationships that cannot be directly observed or involve latent variables. SEM aids in completing research related to aspects of measurement and structural models, where the measurement model confirms the validity and reliability values. In contrast, the structural model helps explain the causality of research variables [12]. This study had six latent variables, namely service quality, brand image, price perception, EWOM, customer satisfaction, and repurchase intentions, with the research model being shown in Figure 3.
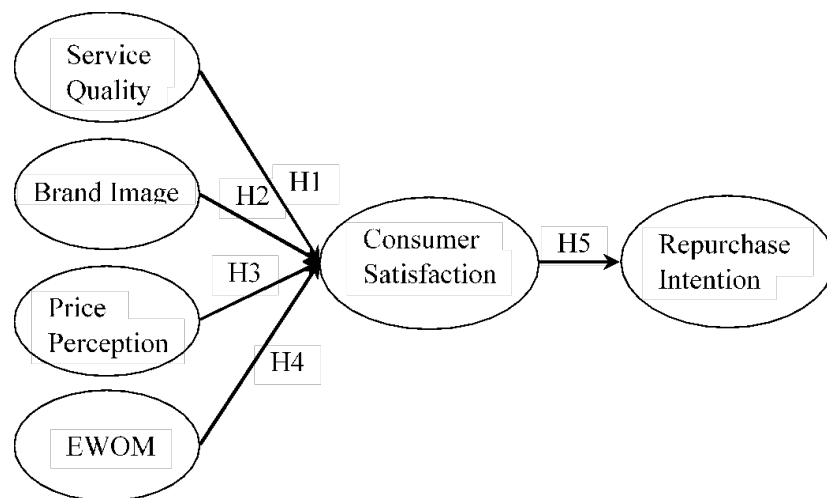

Figure 3. Research model.

The six variables, as shown in Figure 3, are elaborated in more detail as nineteen indicators, as presented in Table 1.

Table 1: Research variables and indicators.

Variable	Indicator	Code	Reference
Service Quality	1. Have fast service. 2. Provide friendly service. 3. Deliver service in accordance with the order.	KP1 KP2 KP3	Gumilang (2021) [13]
Brand Image	1. The store brand is easy to remember. 2. The brand offers many variants. 3. Consumers prefer the brand of this store over other stores.	CM1 CM2 CM3	Keller (2013) [14]
Price Perception	1. The price offered is in accordance with the speed of the product to the consumer's hand. 2. The price offered is competitive.	PH1 PH2	Nurani (2022) [15]
Electronic Word of Mouth	1. Intensity of consumer interaction through social media. 2. Recommendations from consumers who have purchased through social media. 3. Recommending to others through social media. 4. Providing product-related information through social media.	EWOM1 EWOM2 EWOM3 EWOM4	Goyette *et al.* (2010) [16]
Consumer Satisfaction	1. Satisfied with the price paid. 2. Satisfied with the service obtained. 3. Satisfied with the overall store brand. 4. Satisfied with the promotions carried out by the store brand.	KK1 KK2 KK3 KK4	Kotler and Keller (2012) [17]
Repurchase Intention	1. Intend to make a repurchase in the future. 2. Willing to keep buying even if there is a price increase. 3. Intention to make purchases by adding variety in the future.	NBU1 NBU2 NBU3	Elga (2022) [18] and Febrini *et al.* (2019) [19]

Based on the review of various previous studies, there are five hypotheses for each variable in this study, which are as follows:

- H1: Service quality has a positive and significant effect on customer satisfaction
- H2: Brand image has a positive and significant effect on customer satisfaction
- H3: Price perception has a positive and significant effect on customer satisfaction
- H4: EWOM has a positive and significant effect on customer satisfaction
- H5: Customer satisfaction has a positive effect on repurchase intentions

3. RESULT AND DISCUSSIONS

3.1 Overview

NCT Dream, which debuted on August 25, 2016, is a subunit of the boy group Neo Culture Technology (NCT) with seven members, namely Mark, Renjun, Haechan, Jeno, Jaemin, Chenle, and Jisung. Itsminionskr, established in North Jakarta in 2019, is an online retail store that sells various K-pop merchandise. The social media used by Itsminionskr store in selling and promoting its products are Instagram, X, TikTok, and Line. Meanwhile, the marketplace used is Shopee.

3.2 Characteristics of Itsminionskr Store Consumers

The respondents who purchased the NCT Dream album at the Itsminionskr store were 91.7% female, 46.8% between 15 and 23 years old, and 43.1% were students. Based on the domicile aspect, the most significant percentage of respondents resided in Jakarta at 38.5%. In terms of income, 35% of respondents had an income of more than IDR 3,500,000 per month. Meanwhile, from the aspect of expenditure, 37.6% had an expenditure of <IDR 500,000 in one album purchase. Respondents chose Instagram as the most frequently used social media.

3.3 Validity and Reliability Test of Research Model

Validity and reliability represent the values that encompass all variables and indicators, testing whether the indicators used in this study are suitable and appropriate to describe the variables. If all parameters from the validity and reliability tests are met, it can be said that the indicators can effectively explain latent variables. Each indicator is declared valid if it has an outer loading value >0.7 [20]. In addition, the indicator is declared valid if it has an AVE value >0.5 [20]. A variable is considered reliable when its construct reliability value is greater than 0.7 [20]. The research results can be seen in Table 2.

Table 2: Results of validity and reliability tests of variable indicators.

| Variable	Indicator	Outer Loading	AVE	Composite Reliability	Description
Service Quality	KP1	0.822	0.677	0.862	Valid and Reliable
	KP2	0.767			Valid and Reliable
	KP3	0.875			Valid and Reliable
Brand Image	CM1	0.850	0.659	0.853	Valid and Reliable
	CM2	0.793			Valid and Reliable
	CM3	0.791			Valid and Reliable
Price Perception	PH1	0.901	0.791	0.884	Valid and Reliable
	PH2	0.878			Valid and Reliable
Electronic Word of Mouth	EWOM1	0.736	0.612	0.863	Valid and Reliable
	EWOM2	0.809			Valid and Reliable
	EWOM3	0.773			Valid and Reliable
	EWOM4	0.810			Valid and Reliable
Consumer Satisfaction	KK1	0.731	0.587	0.850	Valid and Reliable
	KK2	0.788			Valid and Reliable
	KK3	0.729			Valid and Reliable
	KK4	0.815			Valid and Reliable
Repurchase Intention	NBU1	0.705	0.634	0.838	Valid and Reliable
	NBU2	0.843			Valid and Reliable
	NBU3	0.833			Valid and Reliable

Table 2 indicates that each indicator has met the requirements in the validity and reliability tests, confirming that all indicators are declared valid and reliable.

3.4 Significance Analysis between Variables

Table 3 shows the results of the bootstrapping technique, where all variables meet the significance requirements of T-statistics> 1.96 and P-Value at the 5% level or 0.05 [21]. The relationship between variables is evident in the original sample value, where a value of -1 indicates a negative relationship, and a value of 1 indicates a positive relationship [20].

Table 3: Results of the bootstrapping technique.

	Original Sample	T-Statistics	Hypothesis
Service Quality → Customer Satisfaction	0.149	2.086	Positive and significant
Brand Image → Customer Satisfaction	0.416	6.240	Positive and significant
Price Perception → Customer Satisfaction	0.142	2.368	Positive and significant
Electronic Word of Mouth → Customer Satisfaction	0.409	6.077	Positive and significant
Consumer Satisfaction → Repurchase Intention	0.737	13.182	Positive and significant
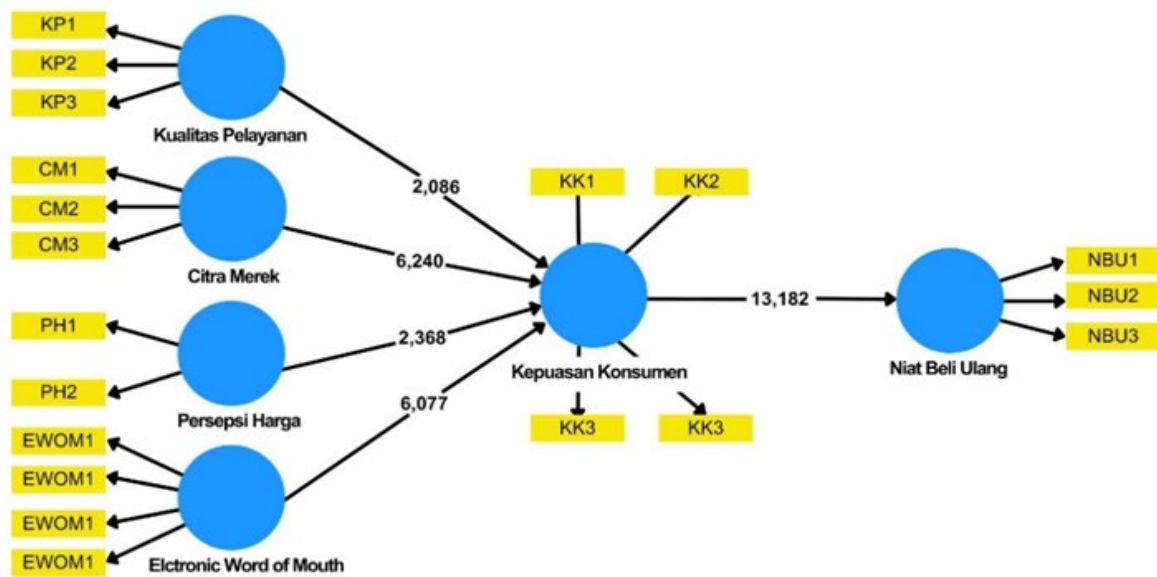
Figure 4: Results of the influence relationship between variables.
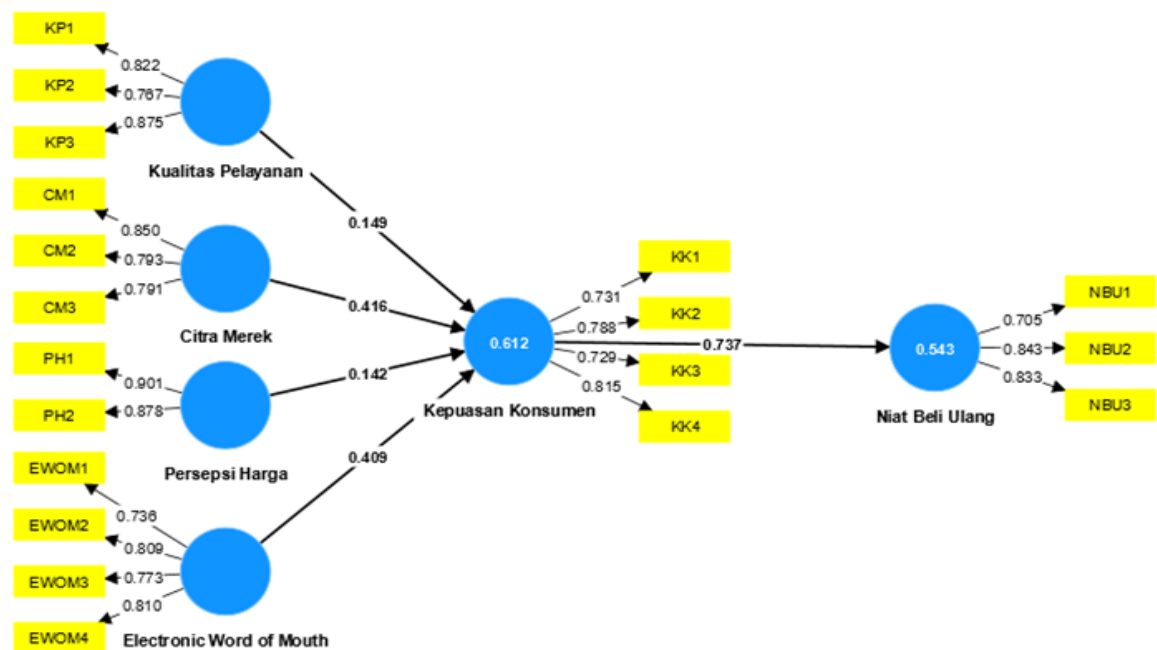
Figure 5: Loading factor results for each indicator.

3.5 The Effect of Brand Image on Customer Satisfaction

In Figure 4, the brand image variable is seen to have the most significant influence on customer satisfaction, with a T value of 6,240. In Figure 5, it can be observed that the Itsminionskr store brand indicator is easy to remember (CM1) with the highest outer loading value of 0.850. This means that Itsminionskr store has a good brand strength. Brand strength is included in the three dimensions of brand image [14]. This is in line with the research by Gumilang [13] and Andrian and Fadillah [22], which states that brand image has a positive and significant effect on customer satisfaction.

3.5.1 The Effect of EWOM on Customer Satisfaction

As shown in Figure 4, the EWOM variable influences customer satisfaction, with a T value of 6.077. In Figure 5, it can be observed that the Itsminionskr store indicator provides product-related information through social media (EWOM4) with an outer loading value of 0.810. Itsminionskr store fulfills one of the benchmarks of the EWOM dimension, namely "content". The dimensions in EWOM are intensity, valence of opinion, and content [16]. This is in line with the research by Gumilang [13] and Itasari et al. [23], which states that EWOM has a positive and significant effect on customer satisfaction.

3.5.2 The Effect of Price Perception on Customer Satisfaction

Figure 4 shows that the price perception variable has an influence on customer satisfaction with a T value of 2.368. In Figure 5, it can be observed that the price indicator offered is in accordance with the speed of the product to consumers' hands (PH1), with an outer loading value of 0.901. Consumers consider the time spent waiting for the album to be in line with the costs incurred. This consumer assumption is included in the primary dimension of price perception, namely the perception of costs sacrificed [24]. This is in line with the research by Juniantara and Sukawati [25] and Palelu et al. [26], which states that price perception has a positive and significant effect on customer satisfaction.

3.5.3 The Effect of Service Quality on Customer Satisfaction

In Figure 4, the service quality variable is seen to influence customer satisfaction, with a T value of 2.086. In Figure 5, it can be observed that the order indicator received by consumers is in accordance with the order (KP3) with an outer loading value of 0.875. The ability to send appropriate orders is a reality owned by Itsminionskr store. Reliability is included in the five main dimensions of service quality [27]. This is in line with the research by Hariyana and Sari [28], which states that service quality has a positive and significant effect on customer satisfaction.

3.5.4 The Effect of Customer Satisfaction on Repurchase Intention

Figure 4 shows that the customer satisfaction variable has a significant influence on customer satisfaction, with a T value of 13,182. In Figure 5, it can be seen that the consumer indicator is satisfied with the promotion carried out by Itsminionskr store (KK4) with an outer loading value of 0.815. According to Choirisa [7], customer satisfaction is the main factor in forming repurchase intentions. These results are in line with the research conducted by Huang et al. [29], which states that customer satisfaction has a positive and significant influence on repurchase intentions.

3.6 Managerial Implications

The results indicate that customer satisfaction has a positive and significant effect on repurchase intentions. Then, customer satisfaction is positively and significantly influenced by service

quality, brand image, price perception, and electronic word of mouth. The following are the managerial implications of the Itsminionskr store.

1. Brand image: The dominant logo colors are yellow and blue. Offering all album versions and an easy way to order through a single Google form link is an advantage, as it helps consumers easily remember the store brand.
2. EWOM: as an online-based store, all information is, of course, disseminated through various social media. The interaction between the store and consumers, as well as among consumers, must be considered because it is one of the most profitable promotional media for the store.
3. Price perception: NCT Dream albums sold by the Itsminionskr store are priced according to the album's release speed for consumers. The price offered is cheaper than that of other big competitors, so consumers feel that the price is competitive.
4. Service quality: the services provided include those from the time consumers place their orders to the moment the orders are delivered to them. Friendliness, speed in replying to consumers' messages, the length of packaging of goods, and the suitability of ordered goods are things that need to be kept in mind.

Consumer satisfaction: through the price paid, the service obtained, the promotions carried out by Itsminionskr store, as well as being satisfied with Itsminionskr store as a whole. This sense of satisfaction stems from the products obtained from the Itsminionskr store, which align with consumer expectations.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

The majority of respondents are female with an age range of 21-25 years old; residents of Jakarta with student status, an income of >IDR 3,500,000 per month, a spending of <IDR 500,000 for one album purchase; and users of Instagram as their most frequently used social media. Brand image variables have the greatest influence on the satisfaction of Itsminionskr store consumers. EWOM variables, price perceptions, and service quality also have a positive and significant impact on customer satisfaction. Then, customer satisfaction has a positive and considerable influence on repurchase intentions.

4.2 Recommendations

Itsminionskr store needs to maintain its brand image because it has the greatest influence on customer satisfaction, ensuring that consumers will continue to make repeat purchases at Itsminionskr store. In addition, Itsminionskr store needs to maintain the promotions that have been carried out in the form of responding to feedback provided by consumers, so that it will indirectly become a medium for electronic word of mouth promotion. Future research is expected to examine other variables that are not included in this study and involve a wider range of respondents.

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