

Repurchase Intention in Handcrafted MSEs: The Mediating Role of Customer Satisfaction in the Relationship between Customer Experience and Product Value

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Abstract

Micro and Small Enterprises (MSEs) in the handcrafted industry play an important role in supporting local economic development; however, they often face challenges in maintaining long-term customer relationships in increasingly competitive markets. This study aims to examine the factors influencing repurchase intention among consumers of handcrafted MSEs by analyzing the roles of customer experience and product value, with customer satisfaction acting as a mediating variable. This research adopts a quantitative explanatory approach using survey data collected from 140 consumers who have purchased handcrafted MSEs products. The data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM). The results indicate that customer experience and product value significantly influence repurchase intention. Both variables also have a significant positive effect on customer satisfaction, which in turn significantly affects repurchase intention. Furthermore, the mediation analysis reveals that customer satisfaction partially mediates the relationships between customer experience and product value with repurchase intention. The model demonstrates adequate explanatory power, indicating that the proposed variables are important predictors of consumer repurchase behavior. These findings contribute to the marketing literature in the MSEs context and provide practical insights for handcrafted MSEs owners to enhance customer satisfaction through improved customer experience and stronger product value to encourage repeat purchases and support business sustainability.

Keywords: customer experience, customer satisfaction, MSEs handcrafted, product value, repurchase intention

INTRODUCTION

MSEs (Micro and Small Enterprises) are critical to the Indonesian economy and other emerging markets - they significantly contribute to job creation (i.e., the number of people employed) and income distribution (how much money is distributed to individuals). Additionally, they can strengthen local economies by contributing to them. MSEs are appealing in

the creative economy because product development in MSEs, especially within the craft industry, draws on functional identity, aesthetics, and local culture as sources of inspiration. Unfortunately, MSEs face a wide variety of structural weaknesses, including limited access to resources and limited competitiveness, as well as difficulties with customer retention due to increased competition and product substitutes (Tambunan,

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2020). For MSEs to be successful, they must include both short-term sales strategies and long-term customer relationship strategies in their sustainability model.

Repurchase intentions, a significant indicator of the sustainability of MSEs, are customers' likelihood to return because of their perceived prior purchasing experience and are also a significant indicator of MSEs' sustainability, according to recent marketing research. Repurchase intention is a significant predictor of customer loyalty and the overall long-term performance of an organization and its owners or managers; this is extremely true for managers of small businesses, who have limited marketing budgets. Because repeat customer returns are a primary precursor to consistent revenue (Kavitha, Celina, & Priya, 2025), repurchase intention is a particularly valuable predictor of business performance. The results of these studies are consistent with empirical studies suggesting that customer experience and loyalty are connected through repurchase intentions and that a business's sustainability depends on how well an organization can provide customers with incentives to return (Fadila & Sajili, 2025).

For MSEs, retaining current customers is more effective than acquiring new ones because acquiring new customers is costly, and relationships with customers in a small community are relied on (Rather et al., 2022). Therefore, understanding the factors influencing repurchase intentions poses a strategic challenge for MSEs selling handmade products. MSEs view customer experience as very necessary; due to customer-business interactions occurring face-to-face at a high frequency and being intensive (personal). A customer's total experience is a combination of their cognitive, emotional, and sensory experiences with a product, service, or the overall business environment (Becker &

Jaakkola, 2020; Homburg et al., 2017). For MSEs that sell handmade products, customer experiences extend beyond product quality and influence the cultural stories in the area, how products are produced, and how MSEs and artisans interact socially with customers.

Besides the consumer experience, product value is another key factor in how customers view an MSE. Product value is a measure of the benefits received by the customer (functional, emotional, and symbolic) from using the product, relative to the costs (functional, emotional, and symbolic) incurred to obtain it (Gallarza, Gil Saura, and Holbrook, 2011). In addition to functional utility, handcrafted products also offer unique design, authenticity, and cultural significance to customers. Several international studies have found that perceived value (such as emotional, social, and symbolic value) is positively correlated with customer satisfaction and loyalty for creative products and small companies that use non-price methods of differentiation.

Croitoru et al. (2024) provide cross-cultural evidence that customer value perception influences loyalty through customer satisfaction as the primary mediator. Croitoru et al.'s (2024) findings corroborate the literature's finding that cultural and creative products possess positive aesthetic qualities and cultural significance, which increase consumer perceptions of value and, in turn, lead to consumer satisfaction and the building of long-term relationships with customers (Liu et al., 2024; Shang et al., 2025). Therefore, it is important to enhance uniqueness and cultural context to increase product value in the crafts and creative industries, thereby increasing customer satisfaction and loyalty.

In addition, customer satisfaction plays an essential role in demonstrating how product

value and customer experience influence a consumer's intention to repurchase. Customer satisfaction is the customer's overall assessment of a product or service's performance based on their experience of use compared to their expectations (Foroudi et al., 2016; Rather et al., 2022). At MSEs, customer satisfaction is the foundation for building repeat business relationships, enabling customers to provide word-of-mouth referrals and repurchase products. Internationally, over the past five years, research has consistently shown that customer satisfaction is an essential mediating variable in the relationship between customer experience and product value and intention to repurchase, specifically within the service and creative industries (Rather, 2020; Rather et al., 2022).

There is an increasing body of research examining customer experience, product value, customer satisfaction, and repurchase intention. However, there remains a relative lack of systematic research exploring the relationships among these variables in the context of MSEs producing handcrafted goods, especially at the local and regional levels. The characteristics that distinguish MSEs (small scale, local, and personal) result in different dynamics in customer behavior than those of larger businesses. For these reasons, this research seeks to examine the relationship between customer experience and product value, with customer satisfaction mediating repurchase intention, in MSEs producing handcrafted products. The research aims to make a theoretical contribution to the current marketing literature on MSEs and to provide business practitioners with practical insights to enhance their businesses' competitive advantage and sustainability.

The customer experience plays a significant role in shaping how consumers behave when making purchases and following up. Es-

entially, it is a general term that describes an individual's overall feelings toward a product, service, or business during interaction with it. If a consumer has a positive experience with a product, they are more likely to continue using it in the future because of the powerful emotional impressions left by positive customer experiences. Because of the direct and personal interaction between business owners and their customers in MSEs, customer experience is extremely important for building long-term relationships between consumers and MSEs. Studies indicate that improving the customer experience can improve customer loyalty and affect customers' intent to make repeat purchases (Rather, 2020; Rather et al., 2022).

H₁: Customer Experience has a positive effect on Repurchase Intention

Besides providing an optimum customer experience, product value (satisfying experience) impacts whether consumers will repeat purchases. Consumers' perceptions of the value they derive from a product (i.e., the benefit-to-cost relationship) provide insight into the likelihood of repeat purchases. Handmade goods are traditionally valued for their functional benefits; however, they also offer consumers emotional, social, and cultural significance. Therefore, if a product possesses distinctive and authentic value along with the cultural importance consumers assign to that good, the likelihood of repeat purchases increases due to an enhanced perception of product value (Croitoru et al., 2024; Shang et al., 2025).

H₂: Product Value has a positive effect on Repurchase Intention

Customer experience has a major impact on customer satisfaction with retail businesses. When consumers have an enjoyable experience during their interaction with a good or service, it influences how they feel about that good or

service and, therefore, their level of satisfaction with it. In relation to MSEs, interpersonal contact between customers and business members creates greater opportunities to develop a personalized, significant customer experience. Past research has shown that a positive customer experience is one of the most significant factors contributing to customer satisfaction (Foroudi et al., 2016; Rather et al., 2022).

H₃: Customer Experience has a positive effect on Customer Satisfaction

Customer satisfaction is influenced by both customer experience and product value. Customers will feel satisfied if they perceive the benefits of a product to be at least equal to, or greater than, the cost of acquiring that product. In the craft industry, product value is reflected in product quality, uniqueness, and the perceived cultural value associated with the product. Product value perception has been positively and significantly associated with customer satisfaction in previous research (Croitoru et al., 2024; Liu et al., 2024).

H₄: Product Value has a positive effect on Customer Satisfaction

Customer satisfaction also serves as a mediator for the relationship between customer experience and product value with repurchase intention. When customers have positive experiences and high perceptions of product value, it increases their level of satisfaction, making them more likely to return to the store. Customer satisfaction has been established as an important mediation mechanism for the relationship between customer experience and product value on repurchase intention (Rather et al., 2022).

H₅: Customer Satisfaction mediates the effect of Customer Experience on Repurchase Intention

H₆: Customer Satisfaction mediates the effect of Product Value on Repurchase Intention

In addition, customer satisfaction is among the factors that influence whether customers will repurchase in the future. Typically, customers who are satisfied with the products or services provided are more inclined to repurchase from those same companies at some point. As a result of this high level of customer satisfaction with their original company, long-term relationships between consumers and companies will likely develop, leading to increased customer loyalty. Customer satisfaction's positive influence on consumers' intentions to repurchase again has been documented in multiple prior studies across a variety of industry sectors, including service and creative industries (Rather, 2020; Rather et al., 2022).

H₇: Customer Satisfaction has a positive effect on Repurchase Intention

METHOD

This study integrates both quantitative and explanatory research, which involves empirical analysis of hypotheses using quantifiable measures to establish relationships among the variables studied. A quantitative methodology has been chosen for this research because it provides objective measures of consumers' perceptions/attitudes toward the product(s) and evaluates the statistical significance of the relationships among various variables (Creswell & Creswell, 2017). This study focuses on the causal relationships among customer experience, product value, and repurchase intention, while also assessing the role of customer satisfaction as a mediator in consumers' purchase decisions for MSEs' handcrafted products in Kediri Regency.

The sample for this study comprises MSEs' handcrafted products sourced from Kediri Regency, and the respondents for this report are consumers (individuals who have purchased or intend to purchase MSEs' handcrafted products). For this study, the research sample consists of all consumers of MSEs' handcrafted products, as no specific number of consumers can be established. Therefore, a non-probability purposive sample of consumers was used. The purposive sampling method involves selecting samples that meet criteria relevant to the study's objective (Sekaran & Bougie, 2016) and that are representative of the respondents' characteristics. The targeted sample size was determined by the total number of indicators in the structural equation model (SEM) analysis. SEM analysis requires a sample size of five to ten times the number of indicators; therefore, an estimated sample size of approximately 150 to 200 surveys were administered (Hair et al., 2017). The sample size in this study is 10 times the number of indicators; with 14 indicators, this yields a sample of 140 respondents.

Research data includes both primary and secondary data. Primary data were collected through questionnaires, while secondary data

were sourced from international academic research journals, government publications, and research articles related to MSEs and consumer behavior. The two types of data were combined to ensure that the output data would be as valid as possible and backed up by sound theoretical reasoning (Malhotra, 2020). The research instruments used in this study consisted of a closed-ended questionnaire with a 1–5 (1, strongly disagree; 5, strongly agree) Likert-type rating scale. Research statement items were adapted from previous literature and contextualised to the setting of handcrafted products; customer experience variables were measured using a multi-dimensional framework (Sensory, Emotion, Cognitive, Relational) to assess customer experience (Brakus, Schmitt, & Zarantonello, 2009); Product value was assessed using functional value, emotional value, and social value; customer satisfaction was measured using overall customer satisfaction (Oliver, 1997); and Repurchase Intention was assessed using Repurchase Intention and Customer Preference (Hellier et al., 2003).

Partial Least Squares - Structural Equation Modeling (PLS-SEM) was used to analyze relationships among multiple variables because of the moderate sample size and the limited data

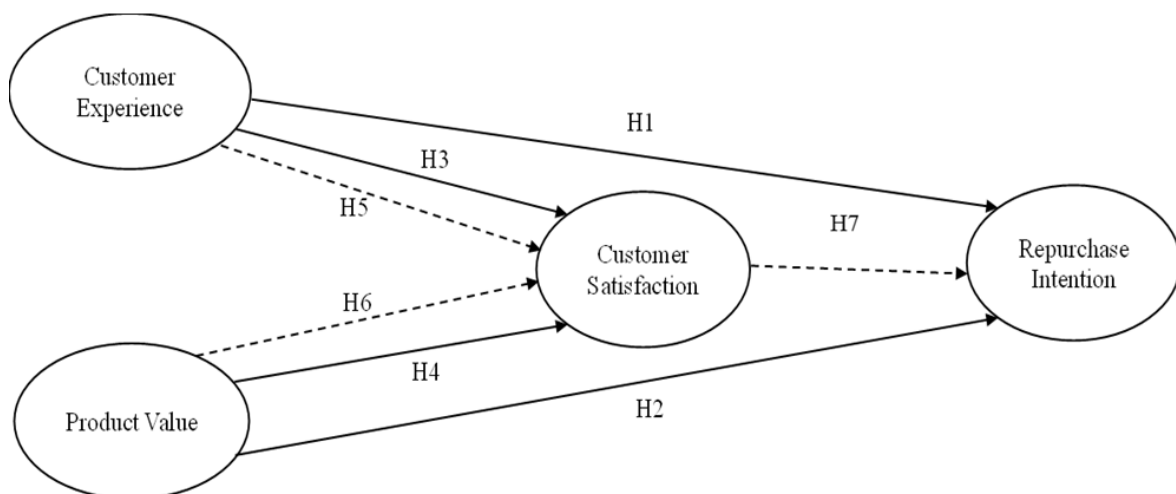


Figure 1 Conceptual Framework

available to complete this research (Hair et al., 2017). The first step in conducting PLS-SEM was to assess the measurement model (outer model) for construct validity and reliability through convergent validity, discriminant validity, and internal reliability testing. The next step was to evaluate the structural model (inner model) for the directionality and strength of the relationships among the variables being studied. T-statistics and p-value bootstrapping were used to test the hypothesis and to examine the indirect effects of customer experience and product value on repurchase intentions via customer satisfaction and customer loyalty in mediation tests (Hair et al., 2017). The research findings are anticipated to provide high-quality empirical support for the process by which consumers form repurchase intentions toward MSEs/handcrafted products in Kediri Regency. This study is based on the conceptual framework diagram as illustrated in Figure 1.

RESULTS

Construct validity and reliability testing are critical steps in PLS-SEM analysis, as they

ensure you have the correct instruments to accurately and consistently measure the constructs of interest. The purpose of validity testing is to identify whether the various indicators can accurately represent the latent constructs you are measuring, while the purpose of reliability testing is to ensure the internal consistency of the different indicators for each construct (Hair et al., 2017). In this study, construct validity was assessed using convergent and discriminant validity tests, and construct reliability was assessed using Cronbach’s alpha and composite reliability. These tests provide a basis for determining whether the measurement model will yield statistically valid results before proceeding with the analysis of the structural model and testing hypotheses.

Based on the reliability and validity testing conducted on the constructs in Table 1, all indicators in the study demonstrate convergent validity. The CE variable (measured with four indicators, CE₁ to CE₄) had factor loadings between 0.793 and 0.845, which are greater than the 0.70 minimum required for determining if an indicator had high measurement quality and reliability in relation to Customer Expe-

Table 1 Construct Validity and Reliability Test

Variable	Indicator	Loading Factor	References
Customer Experience (CE)	CE ₁	0.812	(Amoako, Doe, & Neequaye, 2023; Pappas et al., 2014)
	CE ₂	0.845	
	CE ₃	0.793	
	CE ₄	0.821	
Product Value (PV)	PV ₁	0.834	(Creusen, Veryzer, & Schoormans, 2010)
	PV ₂	0.867	
	PV ₃	0.801	
	PV ₄	0.846	
Customer Satisfaction (CS)	CS ₁	0.859	(Ma et al., 2022; Pappas et al., 2014)
	CS ₂	0.881	
	CS ₃	0.837	
Repurchase Intention (RI)	RI ₁	0.842	(Amoako, Doe, & Neequaye, 2023; Ma et al., 2022; Pappas et al., 2014)
	RI ₂	0.865	
	RI ₃	0.819	

rience (one of the tests for SEM-PLS measurement Model; Hair et al., 2017). The same conclusion can be made for the PV variables' measurement quality. The PV (PV₁ to PV₄) factor loadings ranged from 0.801 to 0.867 and indicate that the product value perceptions can be accurately measured using these four indicators (Sarstedt, Ringle, & Hair, 2021).

The three CS (Customer Satisfaction) variable indicators (CS₁ to CS₃) included in this study had factor loadings between 0.837 and 0.881, providing strong evidence that these three indicators have a very high level of influence on the overall customer satisfaction construct (CS). Similarly, the Repurchase Intention (RI) variables (RI₁–RI₃) have factor loadings ranging from 0.819 to 0.865, indicating that these variables are valuable for understanding consumers repurchase intentions. In general, these results indicate that all constructs evaluated in the research model have convergent validity and adequate measurement reliability for structural model analysis and hypothesis testing (Hair et al., 2017).

As demonstrated in Table 2, both reliability and construct validity tests confirm that the constructs used in this study demonstrate excellent reliability and validity. More specifically, Customer Experience showed excellent internal consistency, with Cronbach's alpha = 0.842 and composite reliability = 0.893. Further evaluation of the Average Variance Extracted (AVE) measure shows an AVE that exceeds 0.50; the overall AVE by the Customer Experience con-

struct was supported with values greater than the minimum measure supported (0.678), indicating that Customer Experience construction can account for over 50% of the variance of its indicators. In addition, the Product Value variable demonstrated very good internal consistency, with Cronbach's alpha = 0.861 and composite reliability = 0.907. The AVE for Product Value was also very good at 0.712, indicating that the indicators used to represent Product Value provide an accurate representation of the latent variable.

Customer Satisfaction shows excellent internal consistency, as indicated by Cronbach's alpha = 0.856, composite reliability = 0.912, and AVE = 0.776, suggesting that the Customer Satisfaction construct has a very high degree of reliability and convergent validity. Lastly, the Repurchase Intention variable demonstrated good reliability, with Cronbach's alpha = 0.839, composite reliability = 0.896, and AVE = 0.741, indicating that Repurchase Intention has reliable and consistent measurement of its constructs and can help explain the variance in the constructs being measured. Based on these results, all meet the criteria for internal reliability and convergent validity of the research model, indicating that this construct is suitable for testing and analyzing the relationships among variables in the structural model at the next stage (Hair et al., 2017).

According to the findings in Table 3 on the inner models tested via path coefficients, all relationships among the variables in this study

Table 2 Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability	AVE
Customer Experience	0.842	0.893	0.678
Product Value	0.861	0.907	0.712
Customer Satisfaction	0.856	0.912	0.776
Repurchase Intention	0.839	0.896	0.741

Table 3 Inner Model Test (Path Coefficients)

Hypothesis	Variable Relationship	Path Coefficient	T-Statistic	P-Value
H ₁	Customer Experience → Repurchase Intention	0.214	2.978	0.003
H ₂	Product Value → Repurchase Intention	0.287	3.642	0.000
H ₃	Customer Experience → Customer Satisfaction	0.361	4.519	0.000
H ₄	Product Value → Customer Satisfaction	0.402	5.133	0.000
H ₇	Customer Satisfaction → Repurchase Intention	0.453	6.214	0.000

are statistically significant and positive, indicating that all proposed hypotheses were supported. In hypothesis 1 (H₁), there was a positive relationship between customer experience and repurchase intention, with a path coefficient of 0.214, a T-statistic of 2.978, and a p-value of 0.003 (< 0.05). Therefore, customer experience positively affects future purchases; therefore, the better customers feel about their experiences with products/services, the more likely they are to purchase again. Additionally, hypothesis 2 (H₂) measured the relationship between product value and repurchase intention. The analysis showed a positive relationship, with a path coefficient of 0.287, a T-statistic of 3.642, and a p-value of 0.000 (< 0.05). Thus, product value has a positive effect on repurchase intentions, indicating that the higher the perceived product value is, the greater the likelihood of consumers purchasing the same product again.

The third hypothesis states that customer experience impacts customer satisfaction, with a path coefficient of approximately 0.361, a T-statistic of about 4.519, and a p-value of under 0.05, confirming that the results are statistically significant. The positive, significant effect of customer experience on customer satisfaction indicates that providing great customer experi-

ences leads to higher levels of satisfaction with the products or services offered. The fourth hypothesis examined how product value relates to customer satisfaction, yielding a path coefficient of approximately 0.402, a T-statistic of almost 5.133, and a p-value less than 0.05, indicating statistical significance. The positive, significant relationship between product value and customer satisfaction means that as consumer perception of product value rises, so too will the consumer’s level of satisfaction.

The seventh hypothesis studied how customer satisfaction influences repurchase intention (H₇). The results of that path analysis yielded a path coefficient of about 0.453, a T-statistic of approximately 6.214, and a p-value of less than 0.05, supporting the statistical significance. This positive and significant result indicates that consumer satisfaction is positively associated with an increase in an individual’s desire to repurchase from the company in the future when consumers are satisfied with their product or service(s). Overall, the results of this inner-model test show that Customer Experience and Product Value play important roles in increasing Customer Satisfaction and Repurchase Intention. In addition, Customer Satisfaction has been shown to be a strong factor in encouraging repeat purchases,

Table 4 Mediation Test (Indirect Effects)

Hypothesis	Mediation Relationship	Indirect Effect	T-Statistic	P-Value
H ₅	Customer Experience → Customer Satisfaction → Repurchase Intention	0.163	3.215	0.001
H ₆	Product Value → Customer Satisfaction → Repurchase Intention	0.182	3.487	0.000

thereby strengthening the relationship between the variables in the research model.

The mediation test results (indirect effects) in Table 4 indicate that Customer Satisfaction serves as a mediating variable in the relationship between Customer Experience and Product Value on Repurchase Intention. In the context of Hypothesis 5 (H₅), the indirect path of Customer Experience → Customer Satisfaction → Repurchase Intention has an indirect effect value of 0.163, a T-statistic of 3.215, and p-value of 0.001 (< 0.05). The extent to which the indirect effect is positive and statistically significant allows us to conclude that Customer Satisfaction is a mediator between Customer Experience and Repurchase Intention; specifically, that Customer Satisfaction will positively influence Repurchase Intentions by having had a positive experience with a retailer.

In addition, the relationship of Product Value → Customer Satisfaction → Repurchase Intention, as stated in Hypothesis 6 (H₆), indicates that the mediation value for both the direct effect (of Product Value on Repurchase Intention) through Customer Satisfaction is also positive and significant based on an indirect path effect of 0.182, T-statistic of 3.487, and p-value of 0.000 (< 0.05). As with the Customer

Experience → Customer Satisfaction → Repurchase Intention indirect path, there is sufficient evidence to conclude that consumers' evaluation of Product Value can increase their Customer Satisfaction, thereby increasing their intent to repurchase. Overall, the results of this mediation test show that Customer Satisfaction plays an important role as an intermediary variable in strengthening the relationship between Customer Experience and Product Value on Repurchase Intention. This confirms that improving customer experience and product value not only directly affects repurchase intention but also increases customer satisfaction, which then encourages consumers to make repeat purchases.

The structural model used in this study was tested for goodness of fit using the R² test (Table 5). The R² for Customer Satisfaction is 0.468, indicating that 46.8% of the variance in Customer Satisfaction is attributable to the exogenous variables used in this study (Customer Experience and Product Value). These values are both in the moderate range, indicating that both exogenous variables are very important in determining Customer Satisfaction; however, other unmeasured factors may also contribute to the level of Customer Satisfaction.

Table 5 R-Square Value

Endogenous Variables	R ²
Customer Satisfaction	0.468
Repurchase Intention	0.582

The R² for Repurchase Intention was 0.582; therefore, 58.2% of the variance in Consumer Repurchase Intention can be explained by the three variables in this study (Customer Experience, Product Value, and Customer Satisfaction). Like the first two variables mentioned, this is also in the moderate range; therefore, the model used to determine Consumer Repurchase Behavior is a good representation of Customer Repurchase Behavior. Overall, the R² test results show that the variables in the research model make a significant contribution to explaining the endogenous variables. Thus, this research model can be said to have adequate predictive power to explain the relationships among customer experience, product value, customer satisfaction, and consumer repurchase intention.

Table 6 shows that the research model exhibits excellent goodness-of-fit. The AVE value is 0.670, which provides evidence that the constructs in the model generally account for a good degree of variance in their indicators, thus indicating adequate convergent validity. The Average R² value of 0.525 confirms that the endogenous variables within the model account for a fair level of variance, thereby indicating an adequate quality of the structural model. A total Goodness of fit (GoF) value of 0.593 would suggest that the research model is in the high GoF category (value greatly exceeding the acceptable threshold); therefore, the overall model should have an excellent capability in

explaining the relationship between the measurement (outer) model and the structural (inner) model. It can be concluded that because Customer Experience, Product Value, Customer Satisfaction, and Repurchase Intention were integrated into this research model, the overall model has a strong fit and provides the foundation for empirical conclusions and managerial implications.

DISCUSSION

The Effect of Customer Experience on Repurchase Intention

According to this study’s results, there is a strong positive relationship between customer experience and the likelihood of repurchasing from the same seller (repurchase intention). An appealing, memorable, and uniform customer experience may motivate future purchases of handmade items from small businesses. These findings also demonstrate that customer experience not only acts as an antecedent to a brief emotional state but also serves as an indicator of later customer behaviors (post-purchase) over an extended period. Given the nature of handmade small businesses, artisans can directly engage with their customers, share stories about the products they create, and use traditional methods of production to offer unique experiences that cannot be replicated by mass production, thereby fostering an affinity that leads to repeat purchases.

Table 6 Goodness of Fit Calculation

Component	Value
Average AVE	0.670
Average R ²	0.525
Goodness of Fit (GoF)	0.593

This is consistent with international studies demonstrating that customer experience directly influences consumer intentions, such as repeat purchases and loyalty. The development of emotional connection through the provision of positive, consistent experiences across all contact points has been shown to enhance purchase intentions by reinforcing consumer attitudes toward the company and fostering brand loyalty (Li & Su, 2025). Furthermore, Rather et al. (2022) show that customer experience is a key differentiator that strengthens long-term customer relationships in small businesses and the creative industries. Thus, this study contributes to the experience marketing literature by emphasizing its importance in the context of MSEs in the handcrafted sector.

The Effect of Product Value on Repurchase Intention

Based on testing results, the effect of product value on repurchase intentions shows that consumers who perceive products as more valuable are more likely to repurchase. In addition to the functional and price aspects of product value selected from the market source, product value is also determined by the emotional, symbolic, and social aspects of the product. These aspects include but are not limited to design uniqueness, product authenticity, and local cultural identity. Given the above-mentioned information, it should be noted that when consumers believe they gain a benefit, they are willing to repurchase if they perceive the benefit to be equal to or greater than the costs incurred. There are consistent results from recent international studies on the impact of perceived value on repurchase intentions. Based on recent studies, perceived value has been identified as a strong predictor of repurchase intentions: con-

sumers who evaluate a product and its perceived value are more likely to repurchase.

According to Chang (2023), a higher perceived value of customer loyalty leads to increased satisfaction and trust in service delivery, resulting in a higher intention to repeat purchase. Similar findings were reported by Ahn and Back (2023), who provided evidence for the impact of perceived value on consumer retention, with experience consumption leading to repeat purchase behavior. Other studies have repeated the theme that perceived value impacts customer satisfaction and repeat purchase intention across various current marketing and customer service realms. Gallarza, Gil Saura, and Holbrook (2011) also found that multiple attributes (functional, emotional, and social) and non financial forms of value (price value) had a greater impact on customer loyalty than focusing on a single financial form of value. Consequently, this study provides empirical evidence that improving product value is among the most important methods of increasing repeat purchases in micro and small artisanal products.

The Effect of Customer Experience on Customer Satisfaction

The research results indicate a strong relationship between customer experience and customer satisfaction: if a customer has a positive experience, they are more likely to rate their overall satisfaction highly. In micro and small craft businesses, the customer experience is created or formed by: 1) The quality of the person-to-person interaction; 2) The purchasing environment, and 3) The extent to which the customer feels emotionally engaged with the process or has an emotional tie to the story that is associated with the product. Customer

satisfaction will grow substantially when customers' expectations for a positive experience are met or exceeded.

The study results support international research indicating that customer experience is a major factor in customer satisfaction. The recently published marketing literature discusses the importance of the sensory, emotional, and relational dimensions of a customer's experience in shaping customer satisfaction. Meaningful and positive experiences should strengthen emotional connections between the consumer and the brand, as well as the overall evaluation of the brand or product (Zha et al, 2025).

Previous studies have provided empirical evidence that customers' overall experiences consistently positively affect their satisfaction and loyalty across industries (Sanjaya & Maradona, 2025). Furthermore, a study by Becker & Jaakkola (2020) shows that customer experiences designed consistently across all touchpoints result in higher, more sustainable satisfaction. Therefore, these studies support the conclusion that customer satisfaction is a direct reflection of the quality of the customer experience, especially in small businesses.

The Effect of Product Value on Customer Satisfaction

The results of the study show that product value is related to customer satisfaction; product value perception primarily influences customer satisfaction. Consumers of handcrafted MSEs will be highly satisfied with a handcrafted product if it has good workmanship, is one-of-a-kind, and offers both a price and a time value relative to the cost of creating it. Consumer satisfaction with a product is influenced by both the experience of using or owning it and how they feel about its value. The literature indicates that the perceived

value of a product is positively associated with increased customer satisfaction. Slack et al. (2020) stated that perceived value is a key factor in consumer satisfaction across a wide variety of service and manufacturing industries. The perceived benefits customers derive from a particular product or service significantly influence their satisfaction.

These findings also support the study conducted by Hapsari et al. (2017). The researchers found that perceived value was a stronger driver of customer satisfaction than service quality. Additionally, previous research (Lam et al., 2004) supports the notion that the hedonic and utilitarian dimensions of value positively influence customer satisfaction across contexts. In conclusion, the findings from the current study provide additional support for the argument that enhancing perceived value is a strategic element in efforts to achieve sustainable consumer satisfaction, both in MSEs and in the creative industry. Furthermore, product value is a key foundation in customer evaluation of long-term satisfaction, as the perception of benefits exceeding sacrifices directly increases satisfaction and drives customer loyalty (Yum & Kim, 2024). These findings confirm that increasing product value is a fundamental strategy for MSEs to achieve sustainable customer satisfaction as the basis for business excellence.

The Effect of Customer Satisfaction on Repurchase Intention

Customer satisfaction has a strong, substantial impact on consumers' subsequent intention to repurchase. This demonstrates that the satisfaction experienced by the consumer post-purchase directly impacts their willingness to repeat purchases in the future. Moreover, when a consumer is satisfied with the product

or service (and therefore the company), they tend to develop a more positive view of the company and form a long-term bond with the product or company (Pangestika et al., 2024). Essentially, customer satisfaction is the consumer's assessment of their experience after consuming a product or service. If the product or service meets or exceeds the consumer's expectations, it creates a perception of satisfaction and can therefore impact post-purchase consumer behavior. In modern marketing, customer satisfaction is also related to the overall customer journey during consumption, in addition to being directly tied to product quality. Research shows that satisfied customers tend to have greater trust in a product or brand, thereby increasing the likelihood of repeat purchases (Tjandra & Rodhiah, 2025).

The study's outcomes align with many previous studies, demonstrating that customer satisfaction is an important predictor of the likelihood that a consumer will purchase from that seller again. In a previous study of digital services, the authors demonstrated that user satisfaction is a significant predictor of the consumer's willingness to repurchase (Pangestika, Rayhan, & Mawardi, 2024). In addition, other research has demonstrated that satisfied customers are motivated to repurchase a product (Tjandra & Rodhiah, 2025).

Additionally, many studies support the finding that high consumer satisfaction levels result in increased consumer loyalty and a greater likelihood of repurchase across all retail industries (Afinia, 2024; Hidayat, Rasyid, & Pasolo, 2024). Therefore, the results of this research provide further evidence that customer satisfaction is a strategic variable that influences repurchase intention. Accordingly, it is critical for business owners or entities to implement strategies that will effectively boost consumer satisfaction

through offering high-quality products, providing excellent customer service, and establishing a positive customer experience. These actions will not only provide customers with higher levels of satisfaction but also generate greater consumer loyalty and drive repeat purchases.

Mediation of Customer Satisfaction on the Effect of Customer Experience on Repurchase Intention

Customer satisfaction is likely to partially mediate the experience of repeat purchase. Customers who have great customer experiences are likely to repurchase from the company, both directly and indirectly through customer satisfaction. Therefore, positive customer experiences provide customers with much more than simply a temporary emotional experience; they also generate higher levels of customer satisfaction, which leads to increased intention to repurchase from MSEs who craft consumer products. These findings are consistent with prior research in other parts of the world that has established the importance of customer satisfaction as a psychological mechanism that creates an intuitive relationship between customer experience and repurchase behavior. Furthermore, recent studies have identified that customer satisfaction partially mediates the relationship between customer experience and repurchase intention, in that positive customer experiences create an enhancement of the customer's satisfaction level, which then contributes to increasing the likelihood of repurchasing, thus providing further support for the importance of customer satisfaction as a mediating variable in consumer behaviour models (Wahyuni et al, 2025).

An investigation has confirmed that among multiple industrial sectors, customer satisfaction is an essential factor that enhances the correla-

tion between customer experience and customer loyalty. For example, in a recent study that evaluated how perceived value, customer experience, and service quality impact consumer loyalty, it was demonstrated that satisfaction serves as an extremely significant mediator between the experience/perceived value and loyalty relationship, as experienced in positive consumer interactions only lead to loyalty given the consumers are satisfied (Hidayat, Rasyid, & Pasolo, 2024). Therefore, the findings of this study constitute a theoretical contribution to understanding customer satisfaction as a strategic variable within experience-based marketing models.

Mediation of Customer Satisfaction on the Effect of Product Value on Repurchase Intention

In addition, the findings indicated that customer satisfaction partially mediates the relationship between perceived product value and repurchase intentions, suggesting that perceived product value increases repurchase intentions through greater customer satisfaction. This suggests that although product value may lead directly to repurchase intentions, customer satisfaction remains an important mediator between these constructs. High product value in handcrafted mass small enterprises will create both emotional and rational satisfaction, thereby motivating consumers to make repeat purchases. Several studies from around the world agree that customer satisfaction links perceived value to repurchase intent (Schmbhagam, 2019). High levels of customer satisfaction appear to mediate the relationship between perceived value and repurchase intention, according to several recent empirical studies.

One study in the healthcare industry indicates that perceived value directly influences both customer satisfaction and repurchase intention,

with customer satisfaction as the primary pathway through which repurchase behavior is increased (Sihombing, 2025). Another study on e-commerce indicates that perceived value has a strong impact on consumer satisfaction and reinforces repurchase intention, with consumer satisfaction shown to mediate this relationship (Hasibuan, Aisyah, & Indrawan, 2026). Therefore, this supports the marketing literature, which indicates that efforts to enhance perceived value will be less effective if they are not supported by ongoing customer satisfaction.

Research Implications

This research contributes to the theory of marketing, especially regarding MSEs within the craft industry; specifically, it supports the idea that customer experience, product value, and overall customer satisfaction all influence repurchase intentions. In addition, the study supports the role of customer satisfaction as a mediator between customer experience, product value, and repurchase intentions. Therefore, this research contributes to the empirical literature on consumer behavior models in the MSEs sector, which remains relatively underdeveloped in marketing theory.

From a practical perspective, the findings from this study provide significant insights for craft-oriented MSEs seeking to develop sustainable business practices through marketing strategies focused on customer experience and product value. MSEs should consider the quality of their interactions with customers while creating positive shopping experiences, highlighting the uniqueness and cultural nature of their craft products, and considering how to improve the quality of their products while developing innovative product designs and communicating product values to the consumer directly; doing so enhances

perceived product value and, therefore, affects customer satisfaction and helps generate repeat purchases. By continuously optimizing customer experience and product value, MSE entrepreneurs can build long-term relationships with consumers and increase customer loyalty, providing a basis for business sustainability amid increasingly fierce market competition.

Research Limitations

When interpreting this research's findings, several limitations should be considered. First, the research sample consisted solely of consumers of handcrafted MSE products, which may limit the extent to which the results can be generalized to other regions or industries. Local market conditions, consumer culture, and product type can significantly affect consumer behavior; therefore, the results of this study may not accurately represent conditions in other industries or regions. Second, since a survey-based questionnaire was used to collect quantitative measures of the main variables of customer experience, product value, and customer satisfaction, and those measures were largely dependent on the respondents' subjective perceptions, there is a possibility of the incidence of perception bias and/or respondent bias similar to those commonly experienced in survey research designs. To the extent that these biases exist in any quantitative research study, they can significantly distort the measurement accuracy of the research variables.

Third, only three independent variables were used in the research model (customer experience, product value and customer satisfaction) to account for the repurchase intention; although the analysis yielded statistically significant predictive capability, other contributing factors (e.g., trust; brand image; service

quality; emotional attachment) affecting consumers' repurchase intentions may exist that were not included in the model. Therefore, further research is recommended to expand the scope of the research area, add other relevant variables, and consider mixed-methods research to gain a more comprehensive understanding of consumer behavior in the MSE sector.

CONCLUSION

Customer experience, product value, and MSEs are the greatest influences on consumers' repurchase intentions for MSEs' handcrafted products. Customer experience and product value are both significantly and positively related to encouraging a consumer's intention to repurchase, which suggests that both positive customer experience and high product value will positively impact repurchase intent for consumers. In addition, customer experience and product value greatly affect customer satisfaction and will affect how customers overall assess MSEs' handcrafted products. Additionally, customer satisfaction partially mediates the relationship between customer experience and product value in predicting repurchase intention. This study indicates that while customer experience and product value can directly influence a consumer's repurchase intention, a consumer's satisfaction with the product remains a key mechanism in strengthening this association. The current research model is a good fit and has adequate explanatory power for consumers' repurchase behavior regarding MSEs and handcrafted products. The marketing concept, which aims to improve customer experience and create customer value, is significant in promoting customer satisfaction and, in turn, encouraging the sustainability of MSEs and their products at the local level.

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