

The Effect of Service Quality on Customer Satisfaction and Its Impact on E-Commerce Customer Loyalty

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Abstract

In Indonesia, the *e-commerce* market is very profitable, because the large number of internet users continues to increase from year to year so that not a few businesspeople take advantage of these developments to opportunities in business. Shopee topped the rankings of other e-commerce sites. This research was conducted to find out how much influence service quality has on customer satisfaction and its impact on customer loyalty. The variables of this study include Service Quality (X), Customer Satisfaction (Y), and Customer Loyalty (Z). This study found that service quality affects customer satisfaction, this is due to the t-statistical results $> t\text{-table}$ ($4,563 > 1,984$) and significance of $0.000 < 0.05$. Customer satisfaction affects customer loyalty, this is due to the t-statistical results of the $> t\text{-table}$ ($14,200 > 1,984$) and the significance of $0.000 < 0.05$. The quality of service affects customer satisfaction and its impact on customer loyalty, this is because *the results of indirect effects* obtained t-statistics $> t\text{-table}$ ($3.874 > 1.984$) and significance $0.000 < 0.05$.

Keywords

Service Quality, Customer Satisfaction, Customer Loyalty.

1. Introduction

Shopee launched in 2015, Shopee is the leading *e-commerce* platform in Southeast Asia and Taiwan. Shopee provides consumers with an easy, safe, fast, and enjoyable online shopping experience enjoyed by tens of millions of consumers every day. Shopee Indonesia was officially introduced in Indonesia in December 2015 under the auspices of PT Shopee International Indonesia. Offering a *one stop mobile experience*, Shopee provides a *live chat* feature that makes it easier for sellers and buyers to interact with each other easily and quickly.

E-commerce is the dissemination, sale purchase, marketing of goods and services through electronic means such as the internet or television, www, or other computer networks (Harmayani, 2020). In Indonesia, the *e-commerce* market is very profitable, because the large number of internet users continues to increase from year to year so that not a few businesspeople take advantage of these developments become an opportunity in doing business. One of them is the growth of online buying and selling platforms that implement the form of *customer to customer* (C2C). The quality of service has a close relationship with customer satisfaction, good service quality will create customer satisfaction. If the service received or felt is in accordance with consumer expectations, then the quality of service is perceived to be good and satisfactory. The quality of service becomes a factor that consumers consider reordering products from the company because they obtain satisfaction (Bharmawan & Hanif, 2022).

1.1 Theory Summary

1.1.1 Marketing

According to Kotler and Keller (2019) the whole point of marketing is to satisfy the needs and desires of consumers. The goal of a business is to deliver customer value to make a profit. For the creation and delivery of value may include the phases of selecting, providing, and communicating.

1.1.2 Quality of Service

According to Tjiptono, the definition of service quality focuses on efforts to meet customer needs and desires and the accuracy of its delivery to balance customer expectations.(2019)

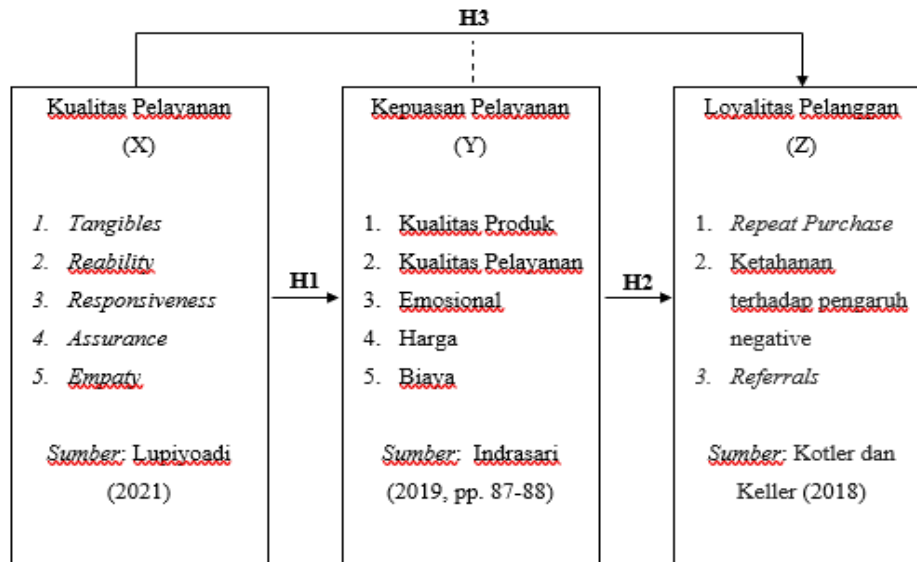
1.1.3 Customer Satisfaction

Schiffman and Kanuk point out that customer satisfaction is(2019, p. 84) a person's feeling for the performance of a product that he feels and expects.

1.1.4 Customer Loyalty

According to Heri Sudarsono(2020, p. 10), the definition of consumer loyalty includes repurchases, rejection of competitors, not being affected by the attractiveness of other goods, and the frequency of recommendations to others. The customer's loyalty towards a product is mainly because the product has advantages that lie in its quality, including reliability, permanence, certainty, and empathy.

1.1.5 Frame of Mind



Research Hypothesis

According to Ade Heryana, the research hypothesis is a conjecture / opinion in research that is still weak in nature and needs to be tested. The test here is not aimed at proving the truth of the hypothesis but determining whether to reject or accept the hypothesis. Based on the framework of thought that has been put forward, the following hypothesis can be proposed:(2020)

H1: There is an influence of service quality on customer satisfaction.

H2: There is an effect of customer satisfaction on customer loyalty.

H3: There is an influence of service quality on customer satisfaction and customer loyalty.

2. Research Methods

2.1 Types of Research

This study uses descriptive research methods to describe the results of the research conducted. According to Sugiyono (2018) it is called a quantitative method because research data in the form of numbers and analysis uses statistics.

According to Sugiyono (2018: 11) descriptive research is research conducted to determine the existence of independent variables, either only on one or more variables without making comparisons or linking with other variables. Standalone variables are stand-alone variables, not independent variables, whereas independent variables are always paired with dependent variables.

2.2 Population and Sample

According to Sugiyono, population is a generalization area consisting of objects / subjects that have certain qualities and characteristics set by the researcher to be studied and then drawn conclusions. (2015) In this study, the population used was all users who had made purchases at Shopee Indonesia *e-commerce*.

The sample is part of the jumlah and characteristics possessed by said population. In this study using (Sugiyono, 2015) *nonprobability sampling* techniques with *purposive sampling* type. *Nonprobability sampling* is a sampling technique that does not provide equal opportunities for each element or member of the population to be selected to be a candidate. Based on the results of the sample calculation, a figure of 99.99 was obtained for the minimum number of samples, but the authors rounded it to 100 respondents to reduce errors in filling out the questionnaire and obtain the appropriate data.

3. Results and Discussion

3.1 Descriptive Analysis

Based on the results of the descriptive analysis that has been carried out, the assessment of respondents who are 100 people who have made purchases at Shopee regarding Shopee's service quality is in the good category, satisfaction is in the very good category and loyalty is in the very good category.

3.2 Convergent Validity

Convergent validity test, the indicator is considered valid if the $FL >$ value is from 0.7, then the measured item is considered valid and the *convergent validity* value also from *the average variance extracted (AVE)* result > 0.5 is the expected result of AVE on the latent variable with its indicators. From the results of data processing, the following results are obtained: (Table 1)

Table 1 Factor Loading Table

Variable	Items	Loading Factor	Decision
Quality Service	KP1	0,750	Valid
	KP2	0,798	Valid
	KP3	0,792	Valid
	KP4	0,776	Valid
	KP5	0,796	Valid
	KP6	0,763	Valid
	KP7	0,810	Valid
	KP8	0,820	Valid
	KP9	0,763	Valid
	KP10	0,763	Valid
Satisfaction Customer	KPL1	0,715	Valid
	KPL2	0,793	Valid
	KPL3	0,771	Valid

	KPL4	0,766	Valid
	KPL5	0,751	Valid
	KPL6	0,820	Valid
	KPL7	0,773	Valid
	KPL8	0,763	Valid
	KPL9	0,737	Valid
	KPL10	0,783	Valid
Loyalty Customer	LP1	0,749	Valid
	LP2	0,778	Valid
	LP3	0,734	Valid
	LP4	0,791	Valid
	LP5	0,790	Valid
	LP6	0,776	Valid

Source: Data collection results, 2022

Based on the Table 1 above, the convergent *validity* factor loading results are obtained that all indicators / dimensions have a value of $>0,700$, so that they can be declared valid, all indicators / dimensions in each of them variables are the forming factors of their latent variables.

Furthermore, *the convergent validity* test with *the average variance extracted (AVE)* value, as follows: (Table 2)

Table 2 Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Quality of Service	0.614
Customer Satisfaction	0.589
Customer Loyalty	0.593

Source: Data collection results, 2022

In the table, all variables have an AVE value of > 0.5 which means that it can be said to have a good *convergent validity*.

3.3 Reliability Test

Composite *reliability* value > 0.7 and *cronbach alpha* value in a data > 0.6 then it is said to be reliable, then *cronbach alpha* and reliability value are used for reliability tests. The statement is said to be reliable when the value of *cronbach alpha* > 0.6 and *the value of composite reliability* must be > 0.7 . Based on the results of data processing, the following results are obtained: (Table 3)

Table 3 Reability Test

Variable	Cronbach Alpha	Composite Realibility
Quality of Service	0.930	0.941
Customer Satisfaction	0.922	0.935
Customer Loyalty	0.864	0.897

Source: Data processing results, 2022

Based on the Table 3 above, *the composite reliability* results show that the value of > 0.7 and *Cronbach alpha* > 0.6 , this means that it is reliable and can be used as a variable measurement instrument in this study.

3.4 Hypothesis Testing

Hypothesis testing explains that in conducting hypothesis testing, it can be done by looking at the t-statistical value and the probability value. In the t-table value for alpha 5% or 0.05 the t-statistic value used is greater than the t-table. While the probability value with an alpha scale of 5% or 0.05 is t-table. Hypothesis testing in this study consisted of path coefficient (direct effect) and indirect effect. Based on the results of data processing, the results of hypothesis testing are obtained, as follows:

Table 4 Hypothesis Testing Table

Structural	Original Sample	T Statistics	T Table	P Value	Decision
KP-> KPL	0.705	4.563	1.984	0.000	Accepted
KPL-> LP	0.825	14.200	1.984	0.000	Accepted

Source: Data collection results, 2022

Based on the Table 4 above, it can be concluded that the results of hypothesis testing (Path coefficient), by comparing the results of t-statistics with t-table (1.984) and a significance level of 5% (0.05), obtained results as following:

- a) The quality of service affects customer satisfaction.
- b) Customer satisfaction affects customer loyalty.

Furthermore, testing the *indirect effect* hypothesis was carried out, the following results were obtained:

Table 5 Hypothesis Testing Table (Indirect Effect)

Structural	Original Sample	T Statistics	T Table	P Value	Decision
KP-> KPL ->LP	0.582	3.874	1.984	0.000	Accepted

Source: Data collection results, 2022

Based on the Table 5, by comparing the results of t-statistics with t-table (1.984) and a significance level of 5% (0.05), the results obtained that there is an influence of service quality on customer satisfaction and impact on customer loyalty.

4. Conclusions and Suggestions

4.1 Conclusion

- a. The quality of service affects customer satisfaction, this is because the results of t-statistics $>$ t-table (4,563 $>$ 1,984) and significance $0.000 < 0.05$ then H_0 is rejected, and H_a is accepted.
- b. Customer satisfaction affects customer loyalty, this is because the t-statistical results $>$ t-table (14,200 $>$ 1,984) and significance $0.000 < 0.05$ then H_0 is rejected, and H_a is accepted.
- c. The quality of service affects customer satisfaction and its impact on customer loyalty, this is because *the results of indirect effects* obtained t-statistics $>$ t-table (3,874 $>$ 1,984) and significance of $0.000 < 0.05$ then H_0 is rejected, and H_a is accepted.

4.2 Suggestion

- a. On the service quality variable, the lowest response is in the *empath* dimension of the second question about providing information to customers accordingly, the Shopee needs to be more thorough in providing information to customers so that customers get accurate information.
- b. In the customer satisfaction variable, the lowest respondent response is in the dimension of service quality in the second question about satisfaction with the service provided in accordance with expectations, then from that, Shopee must start improving the services provided by Shopee to customers so that the service received by customers is in accordance with what is expected.
- c. On the variable of customer loyalty, the lowest respondent responses are on the dimension of resistance to negative influences regarding the company on the second question about not being affected by negative rumors about Shopee. Shopee is expected to maintain the good name of the company which aims to keep the company away from negative rumors that can affect customers.

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