

LOYALTY OF E-COMMERCE USERS IN INDONESIA DURING THE COVID 19 PANDEMIC

Roky Apriansyah, Hermanto, Fitria Ningsih, Abdul Hairudin, Said Afriaris

Sekolah Tinggi Ilmu Ekonomi Indragiri Rengat, Indonesia

Email: rokyapriansyah@stieindragiri.ac.id,

hermanto@stieindragiri.ac.id,

fitrianingsih@stieindragiri.ac.id,

abdulhairudin@stieindragiri.ac.id,

saidafriaris@stieindragiri.ac.id

Abstract

The rapid development of technology has penetrated into the business world, the implementation of this technology allows one or more people to transact electronically. This electronic commerce also creates business competition so that business actors continue to strive for various things so that consumers are loyal to the e-commerce they use. This study aims to determine the effect of e-satisfaction and e-service quality on e-loyalty of e-commerce users in Indonesia. This study used quantitative research methods, while data collection techniques were carried out using literature studies and questionnaires which were analyzed using the help of the SEM-PLS program. The results of the study show that E-Satisfaction and E-Service Quality, affect E-Loyalty.

Keywords: E-Satisfaction, E-Service Quality, E-Loyalty, E-Commerce.

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INTRODUCTION

The pandemic caused a sharp slowdown in economic activity for which the economy was largely unprepared. However, one impact in the overall reduction in activity, which has significance both during the pandemic and for the subsequent recovery, is the uptake in e-commerce resulting from the need for many activities to move online. Companies engaged in e-commerce in Indonesia recorded an increase in sales volume during this pandemic. This is because people avoid shopping offline and there is a physical distancing policy as an effort to prevent the spread of the corona virus. During this pandemic, e-commerce sales increased by 26% with the addition of 51% new customers. In line with this, digital payments have also increased. More than 70% of Kredivo's transactions come from e-commerce (mediaindonesia.com, September 2020). In addition, economic activity in e-commerce has increased by 40.6%. Based on the Big Data report compiled by the Central Statistics Agency (BPS), online sales have also increased dramatically during this pandemic (m.liputan6.com, July 2020).

The growth of e-commerce users in Indonesia has been quite large in recent years and is expected to continue to increase in the next few years, by 2020 e-commerce users

in Indonesia will reach 180 million users. And the highest e-commerce revenue in Indonesia is fashion. With the increase in e-commerce users in Indonesia, this proves the increasing interest in buying consumers to shop on e-commerce.

According to (Cyr et al., 2008) electronic loyalty is a consumer desire to revisit a website and think about buying from that website in the future. For (Oliver, 1999), service loyalty can be divided into 4 formats namely; cognitive loyalty, affective loyalty, conative loyalty, and action loyalty. Cognitive loyalty is loyalty that comes from trust in the brand which is the initial level of loyalty. At the cognitive fidelity level, the brand data obtained by consumers conveys that they are more popular than existing substitutes. Cognitive fidelity focuses on the perceived capabilities of the product (Oliver, 1999). The second level of loyalty is affective loyalty, where loyalty is an accumulation of happiness for using a particular brand. Affective loyalty aims at liking the brand (Oliver, 1999). Conative loyalty is loyalty that exists because it is influenced by clichés in a positive way towards purchasing a brand.

In conventional retail, increased satisfaction measures the results of people's feelings towards the store's characteristics, and its image is the result of customer evaluations and approaches (Rangkuti, 2013). Therefore, satisfaction with a website is successful if its attributes exceed the level of satisfaction; Customer satisfaction is obtained when the data system matches the data presented (Teerling & Huizingh, 2004).

Satisfaction influences the customer's desire to repurchase (Harris & Goode, 2004). For (E. W. Anderson & Sullivan, 1993), the intention to repurchase has an important role in influencing the level of satisfaction (Canming & Jianjun, 2011).

E-Service Quality is basically the development of service quality that was previously informed from conventional methods to services by electronic means using tools such as the internet. Likewise (Santos, 2003) defines E-Service Quality as: Overall customer evaluations and judgments of excellence e-service delivery in the virtual marketplace. On the other hand, (Chase & Apte, 2007) stated that e-service quality is: Services provided on the Internet network as an expansion of the expertise of a web to facilitate shopping, purchasing and distribution activities in an efficient and efficient manner. It can be said that e-service quality is the total assessment and evaluation of the advantages of electronic service delivery in virtual markets.

The development of e-commerce has brought many changes to business activities which were initially only based in the real world, then developed into virtual worlds. The increasing number of businesses on the internet will of course result in increasingly fierce online business competition, this requires online stores to pay attention to the factors that can continue to make online stores survive, grow and develop. In this case, many consumers still have questions about the security system, control over personal information, product quality, payment methods, the site's ability to manage online buying and selling and product prices. If the questions asked by consumers can be answered by online traders, then consumer satisfaction will be achieved. There are several e-commerce sites in Indonesia such as Tokopedia, Shopee, Bukalapak, Lazada, Blibli, JD ID, Bhinneka and several others. Tokopedia is the e-commerce with the largest number of visitors, followed by shopee and Bukalapak (Jayani, 2019).

As time goes by, business competition in the e-commerce world is getting tougher, so it is very important for e-commerce to pay more attention to its marketplace to be even better at retaining its customers. To maintain or increase the number of customers in a business, namely the company must be able and strive to present customer loyalty, with a sense of loyalty a consumer will not be easily attracted to

competitors (Sofiani & Sagir, 2022). Therefore, researchers are interested in conducting research with the title "Effect of E-Satisfaction, and E-Service Quality on E-Loyalty of E-Commerce Users in Indonesia".

RESEARCH METHODS

This research uses quantitative research methods. This type of quantitative research is very suitable to be applied when this research aims to determine cause and effect or relationships. What is meant here is the Influence of E-Satisfaction, and E-Service Quality on E-Loyalty of E-Commerce Users in Indonesia.

The population in this study are all online shopping application users whose number is infinite because they always experience additions every day. the minimum number of samples in this study was 100 people, while in this study the researchers obtained as many as 200 respondents. Sampling was carried out using cluster random sampling and simple random sampling techniques. Cluster random sampling is to determine the sample if the object to be studied is very large. The simple random sampling is a technique of taking samples from the population randomly without regard to the existing strata in the population. So that all members of the population have the opportunity to be selected as samples in the study.

The primary data in this study were collected directly through questionnaires from respondents who were e-commerce users in Indonesia. Secondary data collected in this study includes observations, documentation, literature reviews, and other supporting documents related to the development of e-commerce in Indonesia. Secondary data collection in the form of various documents is carried out by examining and reviewing various notes, reports and other documents from various sources or institutions that are related to the problem under study, including Katadata reports, databooks and Insight Center katadata.

RESULT AND DISCUSSION

Results

1. Reliability Test

Measuring reliability can be done using 3 (three) ways, namely:

- a. Composite Reliability, if the composite reliability value between the constructs and the indicators gives good results, which is above 0.70. where according to Chin by (Ghozali, 2011) the results of a loading factor of 0.70 and above are good.
- b. Average Variance Extracted (AVE) value, if the AVE value is > 0.5 then the indicators used in research are reliable, and can be used for research.
- c. Cronbach alpha value, if the Cronbach alpha value is > 0.70 then the construct can be said to have good reliability.

The results of composite reliability between constructs and their indicators can be seen in the following table:

Table 1. Reliability Test Results

	E-SAT	E-SQ	E-LOY
<i>Composite reliab</i>	0.896	0.849	0.885
<i>Cronbach's alpha</i>	0.845	0.762	0.837
<i>Avg. Var. Ectrac</i>	0.684	0.586	0.606

Data Source: Output of data processing with WarpPLS, 2022

Table 1. shows the results of the reliability test for each construct can be said to be good. This is evidenced by the AVE value of each construct, which can be used in the analysis process to show whether there is a relationship in each construct, because the results obtained have a value of > 0.70 , from the results above all variables have a composite reliability value of > 0.7 means that it has a good reliability value and can be used for further research processes. Reliability indicates that the indicators used in real research are in accordance with the real conditions of the research object.

2. Hypothesis testing

This section presents the results of testing the research hypothesis that was proposed in the previous chapter. To determine whether a hypothesis is accepted or not is by comparing the p-value with a significance level of 0.05. The decision that there is influence is that if the p-value is <0.05 , then it is said that there is a significant influence of the (independent) predictor variable on the (bound) criterion variable.

3. Direct Influence Analysis

The results of testing the direct effect of each research variable can be presented as follows:

Table 2. Path Coefficients and P-Value

<i>hypothesis</i>	<i>Path Coefficient</i>	<i>P-Values</i>
<i>E-Satisfaction -> E-Loyalty</i>	0.151	0.001
<i>E-Service quality -> E-Loyalty</i>	0.282	0.001

Source: processed WarpPLS data

The results of the data processing above can be seen in testing each of the hypotheses that have been proposed, namely:

a. Hypothesis Testing 1:

H1: There is an influence between E-Satisfaction on E-Loyalty of E-Commerce Users in Indonesia

In testing hypothesis 1, the path coefficient of 0.15 is obtained on the path diagram and the path coefficient value in real count is 0.151 with a significant level of p-value <0.001 . The results of these calculations explain that E-Satisfaction has a significant effect on E-Loyalty. The results of this study indicate that E-Satisfaction has a direct and significant effect on E-Loyalty. Thus the third hypothesis can be accepted.

b. Hypothesis Testing 2:

H2: There is an influence between E-Service Quality on E-Loyalty of E-Commerce Users in Indonesia

In testing hypothesis 2, the path coefficient of 0.28 is obtained on the path diagram and the path coefficient value in real count is 0.282 with a significant level of p-value <0.001 . The results of these calculations explain that E-Service Quality has a significant effect on E-Loyalty. The results of this study indicate that E-Service Quality has a direct and significant effect on E-Loyalty. Thus the second hypothesis can be accepted.

Discussion

1. The Influence of E-Satisfaction on E-Loyalty of E-Commerce Users in Indonesia

The results of this study indicate that E-Satisfaction has a direct and significant effect on E-Loyalty. Thus the first hypothesis can be accepted. These results are in line with Saiful and Sutopo's research (2017) which states that e-satisfaction has a positive and significant effect on customer loyalty, and is reinforced by (R. E. Anderson & Srinivasan, 2003) who state that there is a positive relationship between e-satisfaction and e-loyalty. This means that if e-satisfaction increases, e-loyalty will also increase, but if e-satisfaction decreases, e-loyalty will decrease.

The results of this study indicate that the higher the e-satisfaction felt by users in using e-commerce, the higher the user's e-loyalty to continue using e-commerce in shopping online. The e-satisfaction indicator that plays the most role is convenience, which is indicated by the consumer's feelings of satisfaction with the ease of finding what e-commerce needs. The average consumer finds shopping online very convenient because consumers do not need to leave their homes or travel to find and acquire goods online. From this, consumers will give rise to good preferences for websites or applications.

2. The Influence of E-Service Quality on E-Loyalty of E-Commerce Users in Indonesia

The results of this study indicate that E-Service Quality has a direct and significant effect on E-Loyalty. Thus the fifth hypothesis can be accepted. E-service quality has been found to influence trust and to explain the emotional loyalty of website visitors (Lynch et al., 2001). Furthermore, Fahrika et al revealed that e-service quality which leads to customer satisfaction will affect the growth of customer loyalty and is supported by the findings of Megasari (2019) e-service quality has a positive and significant effect on e-loyalty. These results are consistent with research previously conducted by (Pudjarti et al., 2019) that service quality that causes customer satisfaction is a company's success in increasing customer loyalty when using company products or services. This hypothesis is also supported by previous research by (Tobagus, 2018) that e-service quality has a positive and significant effect on e-loyalty.

CONCLUSION

Based on the research results, it can be concluded that there is an influence between E-Satisfaction on E-Loyalty of E-Commerce Users in Indonesia and there is also an influence between E-Service Quality on E-Loyalty of E-Commerce Users in Indonesia. The higher the E-Satisfaction and E-Service Quality felt by users in using E-Commerce, the higher the E-Loyalty of users to continue using E-Commerce in shopping online. Thus, e-Satisfaction and E-Service Quality affect E-Loyalty.

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