The Effect of E-Service Quality and E-Trust on Consumer Loyalty through Consumer Satisfaction as Intervening Variables (Case Study on Shopee Users in Malang Regency)

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Abstract

This study aims to analyze the effect of e-service quality and e-trust on consumer loyalty through customer satisfaction as an intervening variable. The population of this research is Shopee users in Malang Regency. In this study, the sampling technique used purposive sampling so that 80 respondents were determined. The data analysis method is descriptive quantitative. Quantitative analysis was performed using Smart PLS. In this study, the results show that e-service quality and e-trust have a significant effect on consumer satisfaction, consumer satisfaction has an effect on consumer loyalty, e-trust has an effect on consumer loyalty, while e-service quality has no effect on consumer loyalty. Consumer satisfaction is not able to mediate the effect of e-service quality and e-trust on consumer loyalty.

I. Introduction

The internet is a communication network that has a function to connect one electronic device to another electronic media. In this era of globalization, the development of information and technology is very fast and there are no limits in its distribution. So that the phenomenon that occurs due to globalization is often described by the shrinking of space and time, indicated by the ease of getting information about the world both in terms of social, political, economic, cultural, and various other kinds of information. The internet has become a part of the lives of most of the world's population. Indonesia is no exception, which is useful for everyday life, from seeking information, working, communicating, shopping and social media and others.

Based on data quoted by Liberty Jemadu and Dicky Prastya on Monday, February 21, 2022 at Suara.com, the results of a survey conducted by research company DataReportal published a new report titled Digital 2022. The report contains details regarding the number of internet users in Indonesia. According to a DataReportal report, the number of internet users in Indonesia in early 2022 reached 204.7 million people. This number increased by 1 percent or 2.1 million people when compared to last February 2021. This shows that the internet penetration rate in Indonesia reached 73.7 percent of the total population at the beginning of 2022. By looking at the number of internet users, business people use it to create a website as a medium for introducing and selling products online. Development is a systematic and continuous effort made to realize something that is aspired. Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired. In addition, development is also very dependent on the availability of natural resource wealth. The availability of natural resources is one of the keys to economic growth in an area. (Shah, M. et al. 2020)

These changes make the development of the business world increase rapidly. Business people are required to be more careful and creative in selling their products and provide more services so that consumers feel satisfied. Consumers will feel satisfied if the company provides the best service from product quality, price, and also service in purchases where purchases can be ordered or purchased online. So, consumers just wait at home. This is what makes companies flock to improve and develop communication and information media. It is proven by the many new companies that make new breakthroughs and innovations. One of them is doing marketing in the world of e-commerce or marketplace.

E-commerce is retail with a non-store format which is the most optimal type in supporting advances in information technology to be able to interact with consumers. According to Kotler and Armsrong (2012), E-commerce is an online channel that can be reached by someone via a computer, which is used by business people in carrying out their business activities and used by consumers to obtain information using computer assistance which in the process begins with providing information services to consumers in making choices (Strauss, 2016: 182). The existence of e -commerce or the marketplace makes everything more effective and efficient, which was originally done conventionally, now it can be done online. Where one of the best e-commerce in Indonesia today is Shopee

Shopee was first launched in Singapore in 2015. Since then, the company founded by Chris Feng has expanded to Southeast Asian countries, including Indonesia. Shopee is an application that is engaged in buying and selling online and can be accessed easily using a smartphone. H result research from Snapcart shows that Shopee is the most popular and most frequently used e-commerce by consumers. In addition, promotions from Shopee are also the main attraction and the reason why this e-commerce is a favorite of many people.

Based on data quoted in Kompas.com, a world market research company, Ipsos, released research results related to competition in the e-commerce industry in Indonesia at the end of 2021. Based on this research, there are three major platforms that are the main players in Indonesia. Meanwhile, Shopee managed to maintain its first position as a top e-commerce for ten consecutive quarters based on rankings on PlayStore and was chosen by 60 percent of respondents as a platform for shopping during the peak of the National Online Shopping Day (Harbolnas) which is held every December 12. Meanwhile, 26 percent of respondents chose Tokopedia and 11 percent chose Lazada. This achievement is related to the services provided by the company.

Every company wants their customers to have high loyalty to the company so that they can last forever. Loyalty is certainly not formed in a short time. However, it takes a long process based on the results of experiences or feelings felt by consumers themselves from consistent purchases over time. To build loyalty, it is necessary to have a business effort on the part of the company to continue to provide the best quality and trust in every service it has, so that consumers feel satisfied with the services provided by a company.

Satisfaction is the feeling felt by consumers after comparing the services or goods received in accordance with what was expected. Several things are done by the company to provide maximum satisfaction to its customers. One of them is by increasing e-service quality or service quality and e-trust or good trust to consumers.

E-Service Quality generally called the quality of service provided by the company or e- commerce. Good e-service results in consumer behavior, and vice versa if e-service quality is bad, it will cause consumers to turn around. In addition, it can be said that internet channels increase price sensitivity for consumers, because through the internet consumers can more easily find services that are equivalent or better and more satisfying.

This is in line with previous research conducted by Fahrika in 2019 with the title The Effect of Online Marketing and E-Service Quality on Loyalty with Satisfaction as an Intervening Variable in Online Shop Joyism. The results showed that E-Service Quality had a positive and significant effect on loyalty.

In addition, the research conducted by Prasmara (2020 with the research title " The Effect of Online Marketing and E-Service Quality on E-Loyalty With E-Satisfaction as an Intervening Variable at the Khayrscraf Online Shop ". The results of this study indicate that E-Service Quality has a positive and positive effect. significant to loyalty.

In addition to providing good service quality, of course, companies need to give trust to consumers. According to Chou (2015:25), confirms that a good site design does not only improve the company's services but is able to boost the trust of internet users who make transactions in e-commerce- based companies.

This trust will give consumers a sense of security in transactions. Trust is the foundation in doing business, especially in the electronic world. In a business transaction between two or more parties will occur if each trusts each other. This trust does not just happen but must be built from scratch and can be proven. Trust has been considered as a catalyst in transactions between sellers and buyers so that consumer satisfaction can be in accordance with what is expected (Yousafzai, 2003:45). E-trust (electronic trust) has an important role in influencing the relationship or commitment between consumers and companies. High trust will affect customer satisfaction and loyalty.

This is supported by research conducted by Gotama et al. (2019) with the research title " The Effect Of E-Trust And E-Service Quality To E-loyalty With E-satisfaction As The Mediation Variable (The Study Of Free Charge Application User In Indonesia).) . The results of this study indicate that E-trust has a positive and significant effect on loyalty.

Online business activities that are growing rapidly, of course, require maximum involvement of service or e-service quality and electronic trust in order to prevent customers from switching to competitors, and companies must be able to understand how to provide maximum satisfaction and build customer loyalty in the online market.

According to (Melinda, 2017: 5), "Customer satisfaction is an important capital for the success of a business. Satisfied customers are characterized by the absence of complaints. Customer satisfaction is also not something that can be trained at one time, but continues if everything goes well. Based on the existing phenomenon, there are some online shop customers who make repeat purchases but are not satisfied. The existence of this phenomenon shows that not all customers who repurchase a product or are loyal are satisfied customers, this shows that expectations are not in accordance with the reality they get (customers).

E-service quality and e-trust play a very important role in the progress of the company. E-service quality and e-trust are important points in increasing product sales. In addition, as a measure of the success of a company. Therefore, good and correct management of e-quality service and e-trust will provide satisfaction for consumers. So that consumers Satisfied customers can become loyal customers or customer loyalty. Therefore, the explanation is the reason why it is necessary to conduct research on the Effect of E-Service Quality and E-Trust on Consumer Loyalty with Satisfaction as a Variable for Shopee Users in Malang Regency.

II. Review of Literature

2.1 E-Service Quality

According to (Tjiptono, 2017:113) E-service quality is an effort to fulfill customer needs and desires as well as the accuracy of delivery in balancing customer expectations. According to Suryani (2013: 254) put forward by Lee and Lin (2005) there are five (5) dimensions of e-service quality, namely:

1) Website design, which includes an attractive website appearance, is an attraction that can affect purchases over the internet.
2) Reliability, including presenting appropriate product information, placing the right order, and smooth delivery.
3) The catch, the company must be responsive if there are problems submitted by consumers.
4) Trust, companies must foster trust for their consumers so that consumers want to shop online again in the future.
5) Personnel, a service that allows consumers to get attention and dialogue with the company.

2.2 E-Trust

E-Trust is consumer confidence in the quality and reliability of the goods or services offered (Garbarino & Johnson, 2014:70). According to Maharani (2010:44), there are several indicators of consumer confidence in a particular product, service or brand , namely:

1. Reliability
2. Honesty
3. Concern
4. Credibility

2.3 Satisfaction

Satisfaction is a person's feelings of pleasure or disappointment arising from comparing the performance perceived as a product to their expectations (Kotler, 2009: 138). According to Kotler, et al. (2013) suggest that there are four methods that can be used to measure customer satisfaction, including:

Complaint and suggestion system Every customer-oriented organization needs to provide easy and convenient opportunities and access for its customers to submit their suggestions, criticisms, opinions, and complaints.

(Customer satisfaction surveys), most of the customer satisfaction research is conducted using survey methods, either surveys by post, telephone, e-mail, websites, or face-to-face interviews.

Shadow buyers (ghost shipping), one way to get a picture of customer satisfaction is to hire some ghost shoppers to act or pretend to be potential customers of the company's products and competitors.

Lost customer analysis, monitoring customer loss rate is also important, where an increase in customer loss rate indicates the company's failure to satisfy its customers.

2.4 Loyalty

Loyalty is a deep commitment to buy or reuse products or services consistently in the future, thus encouraging the purchase of the same brand even though there are situational influences and marketing efforts that have the potential to cause switching behavior to

other manufacturers (Wantara, 2015: 69).). Meanwhile, according to Griffin (2019: 31) that loyalty is measured by the following attributes:

1) Make repeat purchases on an ongoing basis

   Loyal customers are shown by making repeated purchases of goods and services on an ongoing basis and they keep buying even though prices have increased.

2) Buying products from the same company

   Loyal customers don't just buy one type of product or service from the company. But they also buy additional products or services provided by the company.

3) Recommend to others

   Loyal customers always want to recommend a product and service they use to others, both to friends and relatives.

4) Demonstrate immunity to competing products

   Loyal customers always refuse when offered products and services from competitors. They already have a love for the products and services that have been used.

III. Result and Discussion

3.1 Types of research

In this study, the type of research used is explanatory research. According to (Sugiyono, 2017:6) Explanatory Research is a research method that intends to explain the position of the variables studied and the influence between variables with one another.

3.2 Research sites

The research location is where the data source is considered as a population so that the subject under study can be taken. The research location in this research is Shopee users in Malang Regency.

3.3 Research Population

Sugiyono (2017: 6) says "Population is an area of generalization, objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions". The population of this study is shopee users in Malang Regency whose number is not known for certain (indefinite).

3.4 Research Sample

The sample in this study were shopee users who had made purchases of goods at shopee. Sugiyono (2017:6) reveals that the sample is part of the number and characteristics possessed by the population. In this study, sampling was carried out using a purposive sampling technique, namely the technique of determining the sample by taking samples by giving certain criteria to the respondents so that the information obtained was more focused in accordance with the wishes of the researcher. With the criteria of consumers who have purchased a product at least once at Shopee and are domiciled in Malang Regency.

3.5 Data analysis technique

Statistical analysis in this study will be assisted by the PLS linearity program version 3.0

IV. Result and Discussion

4.1 Research Instrument Testing (Pilot Testing)
a. Validity test
The results of the validity test of 25 respondents who were part of the *pilot test* showed that all items used in this study were valid. The validity of the questionnaire items can be seen from the Pearson correlation value which is greater than the *cut off of* 0.5.

b. Reliability Test
The results of the reliability test on 25 respondents obtained from *the pilot test* showed that all items in the research instrument were reliable because the Cronbach alpha coefficient value was above 0.6.

4.2 Partial Least Square (PLS) Analysis
a. Evaluation of the Measurement Model (Outer Model)

Table 1. Validity Test Results on the Questionnaire With Smart PLS

Variable	Indicator	*Loading Factor*	AVE	*Cronbach's Alpha*
E-service Quality (X 1)	X1.1	0.685	0.587	0.766
	X1.2	0.774		
	X1.3	0.830		
	X1.4	0.767		
E-Trust (X 2)	X2.1	0.775	0.666	0.834
	X2.2	0.799		
	X2.3	0.876		
	X2.4	0.812		
Consumer Satisfaction (Z)	Z.1	0.801	0.585	0.760
	Z.2	0.851		
	Z.3	0.739		
	Z.4	0.655		
Consumer Loyalty (Y)	Y.1	0.824	0.612	0.788
	Y.2	0.838		
	Y.3	0.767		
	Y.4	0.692		

Source: Data processed, 2022

Smart PLS is carried out to test the measurement model (outer *model)*, evaluate the structural model (inner *model)* and test hypotheses. The results of the convergent validity test use *a loading factor* and can be said to be valid if it has a *loading factor value* above 0.6. The results of *the loading factor* in Table 1.1 show results above 0.6 which means all data are valid. The discriminant validity test was tested using the AVE value with the AVE test value above 0.5. The AVE value in Table 1.1 shows results above 0.5 which means all data are valid. As well as the reliability test using *Cronbach alpha* with a value of more than 0.6. The *Cronbach alpha value* in Table 1.1 shows results above 0.6, which means that all data are *reliable*.

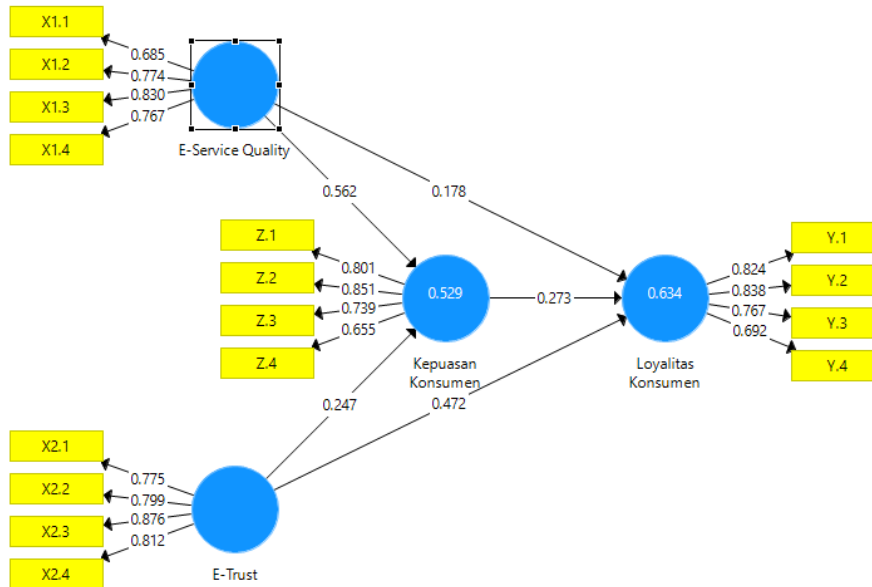## b. Evaluation of the Structural Model (Inner Model)
1. Path Model

Figure 1.

E-service Quality affects consumer satisfaction by 0.562 or 56.2%, *E-service quality* affects consumer loyalty by 0.178 or 17.8%, *e-trust* affects consumer satisfaction by 0.247 or 24.7%, *e-trust* affects consumer loyalty by 0.472 or 47.2%, and consumer satisfaction affects consumer loyalty by 0.273 or 27.3%.

2. *Goodness of Fit Model*

In the formula above, it can be seen that the *predictive-relevance value is* 82.8% , so the model in this study can be concluded as feasible. Furthermore, *the predictive-relevance value of* 82.8 % indicates a variation the data in the study amounted to 82.8%. While the remaining 17.2% is explained by other variables (which have not been contained in the model) and errors. These results say that the PLS model that is formed is good, because it can explain 82.8% of the overall information.

4.3 Hypothesis test
a. Live Hypothesis Testing

Table 2. Direct Influence

	Anal i sis Line	Original Sample	t - s statistics k	P Value
H $_1$	*E-Service Quality* → Consumer Satisfaction	0.562	5.781	0.000
H2	*E-Trust* → Consumer Satisfaction	0.247	2.224	0.027
H $_3$	*E-Service Quality* → Consumer Loyalty	0.178	1,571	0.117
H $_4$	*E-Trust* → Consumer Loyalty	0.472	4.949	0.000
H $_5$	Consumer Satisfaction → Consumer Loyalty	0.273	2.054	0.040

Source: Data processed, 2022

b. E-Service Quality Has a Positive and Significant Effect on Consumer Satisfaction (H 1)

Table 1.2 shows that *e-service quality* has a significant effect on the variable of customer satisfaction as seen from the t-count value of 5.781 . The t-count value is greater than the t-table value (1.96) and the *P-Value value is* 0.000 <0.05 so it can be concluded that hypothesis 1 (H1) is accepted. The accepted hypothesis indicates that *the e-service quality* applied by Shopee can be perceived by consumers and has a significant effect on consumer satisfaction. The better *the e-service quality* perceived by consumers, the higher their level of satisfaction.

c. E-Trust Has a Positive and Significant Effect on Consumer Satisfaction (H 2)

Table 1.2 shows that *e-trust* give a significant influence on the variable of consumer satisfaction seen from the t-count value of 2.224 . The t-count value is greater than the t-table value (1.96) and the *P-Value value is* 0.027 < 0.05, so it can be concluded that hypothesis 2 (H 2) is accepted. The accepted hypothesis indicates that *e-trust* which is applied by Shopee is able to be felt by consumers and has a significant effect on consumer satisfaction. The better *the e-trust* perceived by consumers, the higher their level of satisfaction.

d. E-Service Quality Has a Positive and Significant Effect on Consumer Loyalty (H 3)

Table 1.2 shows that *e-service quality* does not have a significant effect on the consumer loyalty variable as seen from the t-count value of 1.571. The t-count value is smaller than the t-table value (1.96) and the *P-Value is* 0.117 > 0.05 so it can be concluded that hypothesis 3 (H 3) is rejected. The rejected hypothesis indicates that *the e-service quality* implemented by Shopee has not been able to be felt by consumers and has no significant effect on consumer loyalty. The higher *the e-service quality* perceived by consumers, the lower their level of loyalty.

e. E- Trust has a Positive and Significant Effect on Consumer Loyalty (H 4)

Table 1.2 shows that *e-trust* has a significant effect on the consumer loyalty variable as seen from the t-count value of 4.949. The t-count value is greater than the t-table value (1.96) and the *P-Value value is* 0.000, so it can be concluded that hypothesis 4 (H4) is accepted. The accepted hypothesis indicates that *the e-trust* applied by Shopee can be felt by consumers and has a significant effect on consumer loyalty. The better *e-trust* perceived by consumers, the higher their level of loyalty.

f. Consumer Satisfaction Positive and Significant Influence on Consumer Loyalty (H5)

Table 1.2 shows that consumer satisfaction has a significant effect on the variable of consumer loyalty seen from the t-count value of 2.054. The t-count value is greater than the t-table value (1.96) and the *P-Value value is* 0.040 so it can be concluded that hypothesis 5 (H5) is accepted. The accepted hypothesis indicates that consumer satisfaction applied by Shopee can be felt by consumers and has a significant effect on consumer loyalty. The better the satisfaction felt by consumers, the higher their level of loyalty.

4.4 Indirect Hypothesis Testing

Table 3. Indirect Influence

	Anal i sis Line	Original Sample	t - s statistics k	P Value
H 6	E-Service Quality → Consumer Satisfaction → Consumer Loyalty	0.153 _	1,801	0.072
H 7	E-Trust → Consumer Satisfaction → Consumer Loyalty	0.067 _	1.371	0.171

Source: Data processed, 2022

a. E-Service Quality Significant Effect on Consumer Loyalty Through Consumer Satisfaction (H6)

Table 1.3 shows that *e-service quality* significantly does not affect consumer loyalty through mediation of consumer satisfaction . These results indicate that hypothesis 6 (H6) is rejected . Judging from the t-count value of 1.801 and below the t-table value of 1.96. *The P-value* of 0.072 or above the standard significance of 0.05 also proves that the *e-service quality variable* is not give a significant influence on the variable of consumer loyalty through the mediation of consumer satisfaction . Based on these results, it can be concluded that *the e-service quality* implemented by Shopee cannot affect consumer loyalty through the satisfaction that consumers have previously felt.

b. E- Trust Significant Effect on Consumer Loyalty Through Customer Satisfaction (H7)

Table 1.3 shows that *e-trust* significantly does not affect consumer loyalty through mediation of consumer satisfaction . These results indicate that hypothesis 7 (H 7) is rejected . Judging from the t-count value of 1.371 and is below the t-table value of 1.96. *The P-value* of 0.171 or above the standard of significance of 0.05 also proves that the *e-trust variable* no give a significant influence on the variable of consumer loyalty through the mediation of consumer satisfaction . Based on these results, it can be concluded that *e-trust* implemented by Shopee cannot affect consumer loyalty through the satisfaction that consumers have previously felt.

V. Conclusion

This paper analyzes the effect of *e-service quality* and *e-trust* on consumer loyalty through customer satisfaction as an intervening variable. The results of this study indicate that all hypotheses are accepted except that *e-service quality* has no effect on consumer loyalty and consumer satisfaction has not been able to mediate the effect of *e-service quality* and *e-trust* on consumer loyalty. The limitation of this research is that it only uses one case study, it does not cover all *e-commerce* in Indonesia. This becomes a recommendation for further research to expand the object of research so as to obtain more descriptive results by using variables other than *e-service quality* and *e-trust*.

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