

## ANALYSIS OF THE INFLUENCE OF SERVICE QUALITY ON SHOPEE CUSTOMER SATISFACTION AND LOYALTY

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### ABSTRACT

*The increasing use of Shopee as an online sales stall with various features offered makes the background in this study. In addition, researchers observed that some Shopee users still need to improve their service quality, such as very long delivery product discrepancies, and require a strong enough internet connection to access Shopee, making it difficult for people in areas with minimal internet to use Shopee. This study aims to determine the quality of service to customer satisfaction and customer loyalty of the Shopee application in the South Sumatra region. The research methods used are descriptive with quantitative approaches and data collection techniques using literature studies and questionnaires. The sample of this study is Shopee consumers specifically for the South Sumatra region, and data analysis techniques using path analysis. The results of this study are that service quality has a significant effect on the variable of customer loyalty received with a contribution of 26%, service quality has a substantial impact on the variable of customer satisfaction received with a gift of 26%, customer loyalty is having a significant effect on the variable of customer satisfaction received with a contribution of 21%. The hope is that this research can be a suggestion for shop companies to develop according to customers' feelings.*

*Keywords: Service Quality, Customer Satisfaction, and Customer Loyalty.*

### INTRODUCTION

Quoting from the [kominfo.go.id](http://kominfo.go.id) website, it states that "the Ministry of Communication and Information Technology (Kemenkominfo) revealed that internet users in Indonesia currently reach 63 million people". Rian Piarna (2011) said that "the rapid development of the internet has an impact on business activities, namely with the existence of online business." The proliferation of online businesses in Indonesia is not uncommon to take advantage of E-Commerce platforms. E-commerce is widely used because it has several advantages, namely its practical nature, saving time, and providing a wide selection of goods that can be purchased [1]. One of the popular E-commerce in Indonesia is Shopee.

Shopee is an online shopping platform that provides various sales products ranging from household needs, clothing, accessories, and fashion to electronics. Another advantage of Shopee is that buyers can return purchased items if they differ from what is expected. Shopee also provides a free shipping feature for shipping goods[2]. They are quoting from [databanks. Metadata.co.id](http://databanks.metadata.co.id) site states that "Shopee is the e-commerce with the largest monthly site visitors in Indonesia. price data shows that this marketplace received 71.5 million visits during the first quarter of 2020." Furthermore, based on the [metadata.co.id](http://metadata.co.id) site, "Shopee noted, the increase in shopping volume in West Java, South Sumatra, and Yogyakarta was the highest in Indonesia."

The large number of Shopee users, especially in the South Sumatra region, makes the author interested in conducting this research. Especially with the many advantages that Shopee provides, there are still users who complain about poor service quality, such as very long delivery, sometimes even not reaching the destination address, product discrepancies, and requiring a strong enough internet connection to access Shopee which makes it difficult for people who are in minimal internet areas to use shop.

So, based on the explanation above, this study aims to analyze the effect of Shopee service quality on customer satisfaction and loyalty, especially in the South Sumatra region. It is hoped that this research can be a suggestion for Shopee companies to develop service quality based on what Shopee customers feel..

## LITERATURE REVIEW

### *E-commerce*

E-commerce is selling and purchasing goods or services through Internet facilities. Anyone can do E-commerce without being limited by space and time. In e-commerce activities, it means the relationship between sellers and buyers, transactions between business people, and internal processes that support transactions with companies [3].

Meanwhile, according to Karmawan, E-commerce is a type of electronic business mechanism that focuses on individual-based business transactions using the internet (digital network-based technology) as a medium for exchanging goods or services both between two institutions (business to business) and direct consumers (business to consumer), passing through the constraints of time and space that have been the dominant things. With e-commerce applications, relationships between companies with other external entities (suppliers, distributors, partners, consumers) can be done faster, more intensively, and cheaper than conventional management principles (door-to-door, one-to-one relationship) [4].

### **Shopee Definition**

Shopee is one of the youngest e-commerce multiplying in the online buying and selling market. Shopee is an online shopping application that provides various product sales media to meet people's needs, such as fashion, household appliances, etc. Shopee is the first online shopping application that allows users to browse, shop, and sell various types of products. Shopee users in Indonesia are large, amounting to 30,843,400 visits[5].

Shopee was first introduced in Singapore in 2015. The shop has expanded its reach to Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines, where this application is a breakthrough that is different from other shopping applications with the advantages of chat features and subsidies for all products with shopping.

### **Quality of Service**

The rapid development of the business world encourages every company to anticipate fierce competition. The right strategy is needed to face competition to survive in the market, especially for companies engaged in services or services. Companies involved in benefits or services must be able to provide quality service to retain customers in the long run. Service quality can be interpreted as the perfection of service carried out by service providers in meeting customer needs

and desires and the accuracy of delivery to keep pace with customer expectations.

Service quality is an important thing that must be considered and maximized to survive and remain an option for customers. Quality is a dynamic condition of people, products or services, processes, and environments that meet expectations [6]. Tjiptono (2012) stated that five things are used to evaluate the quality of service services, namely.:

1. *Responsiveness* is an employee response/alacrity in helping consumers and providing fast and responsive service.
2. *Reliability* is the ability to provide the promised services accurately and reliably.
3. *Assurance* is the ability of employees to know the right product, quality, hospitality, words, or politeness in providing service, skills in providing information, and the ability to instill consumer confidence in the company.
4. Empathy is the company's ability to provide individual or personal attention to investors.
5. *Tangibles* (physical abilities) are a form of physical appearance, personal equipment, communication media, and other things of a material nature

### Customer Satisfaction

Satisfaction is the level of a person's feelings in expressing the results of comparisons on the performance of products or services received and expected [7]. Kotler explains customer satisfaction as the degree to which the buyer's expectations perceive the product. Consumer satisfaction with the purchase depends on the product's performance to match the buyer's expectations. Consumers have various levels of happiness. If a product is below the buyer's expectations, the buyer is unsatisfied. Consumers will feel satisfied if it is in line with expectations [8].

Measuring consumer satisfaction is crucial because it provides valuable information for companies, shareholders, investors, governments, and consumers. So, customer satisfaction can be interpreted as the result of accumulation from consumers or customers in using products and services. According to Tjiptono (2014: 368), there are six indicators of customer satisfaction, namely overall customer satisfaction, dimensions of customer satisfaction, confirmation of expectations, money purchase intentions, willingness to recommend, and customer dissatisfaction.

### Customer Loyalty

Loyalty, according to Mowen and Minor in Mardalis (2005: 111), is a condition where customers have a positive attitude towards a brand, commit to the brand, and intend to continue their purchases in the future. Consumer mobility is more associated with behavior than with attitude. A loyal consumer carries out activities to buy goods or services that meet the following criteria: make periodic repeat purchases, buy other products offered by the same manufacturer, and recommend these products or services to others[9].

Indicators of customer loyalty, according to Kotler and Keller[10], are:

1. *Repeat Purchase*: this indicator indicates the loyalty of repeat or periodic product purchases. Repeated purchases made by customers show attachment and can measure the value of customer satisfaction with the company's products.
2. *Retention* and resilience of customer loyalty to negative influences regarding the company. Customers whose loyalty endurance is like this are

not affected by the existence of other products that can be much cheaper, which have more features, etc.

3. *Referalls*, referring to the total existence of the company. Customers in this situation are able and willing to recommend the company's products to the closest people in their environment.

### Customer Satisfaction and Loyalty Relationship

Customer satisfaction, according to Tjiptono (2007: 348), can contribute to several crucial aspects, such as the creation of customer loyalty, increasing company reputation, reduced price elasticity, reduced future transaction costs, and increasing employee efficiency and productivity. A previous study conducted by Iriandi (2015) showed the results that there is a significant relationship between customer satisfaction variables and customer loyalty [11]. The research shows that customer satisfaction variables influence customer loyalty variables.

In previous research, it was explained that customer satisfaction variables directly have a significant influence on company loyalty. It can be concluded that customer satisfaction that can meet customer expectations can cause customer loyalty to the company [12]. Hypothesis Model:

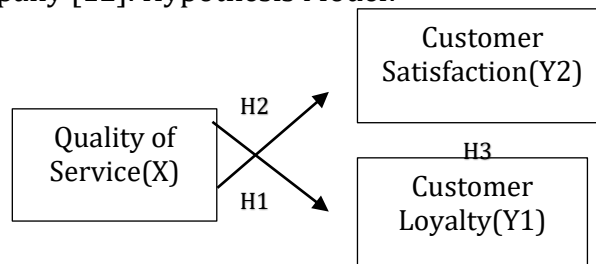


Figure 1. Hypothesis Model

Hypothesis Model :

H1: Service Quality (X) has a significant effect on the Customer Loyalty variable (Y1).

H2: Service Quality (X) has a significant effect on the variable Customer Satisfaction (Y2).

H3: Customer Loyalty variable (Y1) has a significant effect on Customer Satisfaction variable (Y2).

### RESEARCH METHODS

The research method used is a descriptive method with a quantitative approach. Data collection techniques use literature studies and questionnaires where the sample of this study is Shopee consumers specifically for the South Sumatra region. The variables in this study are Service Quality at the shop, Customer Satisfaction, and Customer Loyalty. The sample number was 41 respondents who used shop in the South Sumatra region [13]. The data analysis techniques used in this study are descriptive data analysis and path analysis. Descriptive analysis aims to find out a description and general description of respondents. Pathway analysis seeks to determine the magnitude of the influence of exogenous variables on endogenous variables. Data processing is carried out using the SPSS application.

### RESULTS AND DISCUSSION

#### Research Results

The results of descriptive data analysis from this study showed that of the

42 respondents, 71.4% and male 28.6%. Most respondents have jobs as students/students, amounting to 95.2%, employees/employees as much as 2.4%, and the remaining 2.4% work as farmers. From 42 respondents, we can conclude that 50% of them use Shopee quite often, 19% use Shopee very often, and 31% only use Shopee a few times a week.

**Path Analysis**

Table 1 shows the results of the path analysis between the variables of Service Quality, Customer Satisfaction, and Customer Loyalty.

**Table 1 Path Analysis Test Results**

H1: Service quality has a significant effect on customer loyalty. Table 1 shows that service quality directly impacts customer loyalty with a Beta ( $\beta$ ) coefficient value of 0.51 and a calculation of 3.705. This effect is significant with a p-value of 0.001 ( $p < 0.05$ ), then H0 is rejected, so the hypothesis stating that the service quality variable has a significant effect on the customer loyalty variable is accepted with a contribution of 26%.

H2: Service quality has a significant effect on customer satisfaction. Table 1 shows that service quality directly impacts customer satisfaction with a Beta ( $\beta$ ) coefficient value of 0.87 and a calculation of 11.216. This effect is significant with a p-value of 0.00 ( $p < 0.05$ ), then H0 is rejected, so the hypothesis that states that the service quality variable has a significant effect on the customer satisfaction variable is accepted with a contribution of 26%.

Table 1. Path Analysis Test Results

Hypothesis	Dependent Variables	Variabel Independent	Beta ( $\beta$ )	t <sub>calculated</sub>	P-value	Information	Coefficient of Determination (R <sup>2</sup> )
H1	Quality of Service	Customer Loyalty	0,51	3,705	0,001	Significant	26%
H2	Quality of Service	Customer satisfaction	0,87	11,216	0,00	Significant	76%
H3	Customer Loyalty	Customer satisfaction	0,46	3,251	0,02	Significant	21%

H3: Customer loyalty has a significant effect on customer satisfaction. Table 1 shows that customer loyalty directly impacts customer satisfaction with a Beta ( $\beta$ ) coefficient value of 0.46 and a calculation of 3.251. This effect is significant with a p-value of 0.02 ( $p < 0.05$ ) H0 rejected. The hypothesis stating that the customer loyalty variable significantly impacts the customer satisfaction variable is accepted with a contribution of 21%.

**CONCLUSION**

1. Service Quality (X) is proven to affect the Customer Loyalty variable (Y1) significantly.
2. Service Quality (X) is proven to affect the variable Customer Satisfaction (Y2) dramatically.
3. The Customer Loyalty variable (Y1) is proven to affect the Customer Satisfaction variable (Y2) significantly.

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