ANALYSIS OF VARIABLES THAT AFFECT E-LOYALTY THROUGH E-SATISFACTION ON LAZADA APPLICATION USERS IN SURABAYA

[1]Ariel Kirana Tando, [2]Dr. Amelia, S.E., RFP-I, M.M., [3]Dr. Ronald, S.T., M.M.
[1]Department of Magister Management,
[1]Universitas Pelita Harapan Surabaya Campus, Surabaya, Indonesia

Abstract : The development of E-Commerce in Indonesia is increasing every year. This also has an impact where the competition in the E-Commerce industry is getting tougher every year. With this increasing competition, companies engaged in the E-Commerce industry must maintain and maintain customer loyalty both for new customers and old customers. This research is a causal research using quantitative methods and processed using the snowball sampling technique to 150 respondents with the characteristics of the respondents being both male and female, residing in Surabaya, aged 18-60 years (Kotler and Armstrong 2009) installing and shopping used the Lazada application twice on mobile in the last six months, had interacted with Customer Service in the last six months.

IndexTerms – **E-Loyalty, E-Satisfaction, Efficiency, Delivery Management, Customer Service, Personalization, Privacy, Product Description, Product Presentation, Entertainment, Application Appearance**

I. INTRODUCTION

E-Commerce is a new way for Indonesian people to shop to fulfill their daily needs. In 2016, the number of E-Commerce users in Indonesia was around 24.9 million. This figure continues to climb up to reach 42.1 million users in 2021, and 43.9 million users in 2022. Indonesians spend an average of 4 hours and 48 minutes using mobile devices. Most of the mobile devices used are in the form of smart phones or commonly called smartphones. This is an opportunity for online or E-Commerce businesses to be flooded with customers.

One of the largest E-Commerce companies in Indonesia, namely PT. Lazada Indonesia as an electronic trading platform was founded in 2011, while the website itself was successfully launched on March 27 2012 by Rocket Internet in Singapore.

Rocket Internet is a German incubator tasked with building companies that emulate the business models of US technology companies such as Amazon.com in Southeast Asia that are successful in various emerging markets. The Chief Executive Officer of Lazada Group, Chun Li, is a veteran and experienced technology executive who has worked for more than 30 years in the field of E-Commerce and global supply chain management. Lazada has a vision to "become the most trusted online shopping place and provide the best quality in terms of quality to service to customers", and has a mission that is "to serve all the needs buyers from ordering to delivery until it is in the hands of the customer properly. In June 2013, Lazada has successfully launched its mobile application on Android and iOS devices, and currently Lazada operates in six countries such as Indonesia, Malaysia, Philippines, Singapore, Vietnam and Thailand.

This research will focus on Efficiency, Delivery Management, Customer Service, Personalization, Privacy, Product Description, Product Presentation, Entertainment, dan Application Appearance that affects E-Loyalty through E-Satisfaction on Lazada Application users in Surabaya.

II. LITERATURE REVIEW

A. E-Loyalty

According to Oliver (2015) E-Loyalty is a commitment that is firmly held by customers to buy or promote a product, namely goods or services consistently. According to Saulina and Syah (2018) E-Loyalty is a form of customer commitment to purchase a product or service repeatedly and consistently in any situation. According to Amin (2016) E-Loyalty is a customer's intention to consistently revisit a product or service in the future, as well as to provide positive recommendations to others regarding these products and services.

B. E-Satisfaction

According to Amin (2016) states that E-Satisfaction is how companies can make users of applications feel satisfied with all the services presented in applications, how the needs and expectations of users can be met and also exceed what is expected by users. According to Tjiptono (2012) E-Satisfaction is a situation where customers are aware that their needs and wants are as expected and well fulfilled.

H1: Perceived Awareness has a significant effect on Mobile Banking Adoption.

C. Efficiency

According to Amin (2016) states efficiency is how a user can explore and use the application without finding significant difficulties, which can easily access menus or anything in the app or make a transaction. According to Turk et al (2012) Efficiency is the ease and speed of interacting with applications. According to Parasuraman et al (2005) Efficiency is a measure of the convenience

of an application, where the application is well structured and only requires minimum information to use it. In other words, because the application functions as an information system, the organization and structure of the online catalog make it easy to follow and navigate. Efficiency is the ease and speed of accessing and using a product or service (Ghosh, 2018).

H2: Avaliability of Resources has a significant effect on Mobile Banking Adoption.

D. Delivery Management

According to Dinitzen (2014) Delivery Management is an assessment in which the company can guarantee that the product ordered by the customer can be delivered on time as promised and there are no deficiencies or errors on the product ordered. According to Holloway and Beatty (2018) Delivery Management is when the product is delivered to the customer in good condition and undamaged. According to Winardi (2013) Delivery Management is the delivery of goods or services from producers to customers and users, when and where the goods or services are needed and the goods delivered are in good condition free from all kinds of defects.

H3: Mobile computing self-efficacy has a significant effect on mobile banking adoption.

E. Customer Service

According to Kasmir (2014) Customer Service is an activity intended or intended by a company to provide satisfaction to its customers through the services provided so that it can meet the complaints, wishes and needs of customers. According to Lupiyodi (2001) Customer Service is the activity of all business areas that try to combine the sale of services to meet customer satisfaction starting from ordering, processing, to delivering products or services through communication in order to strengthen cooperation with customers. According to Moenir (2008) Customer Service is an activity carried out by individuals or groups of people based on material factors through certain systems, procedures and methods in order to fulfill the interests of customers in accordance with their rights.

H4: Perceived Image has a significant effect on Mobile Banking Adoption.

F. Personalization

According to Kalyanam and McIntyre (2002) Personalization is part of the marketing mix to identify certain customers with the aim of building relationships. According to Yang and Jun (2002) Personalization is the customer's perception of the extent to which an online store can provide different services so as to meet certain individual needs. According to Wolfinbarger and Gilly (2003) Personalization is the customer's perception of individual attention and different services which are designed to meet the needs and preferences of each individual.

H5: Perceived Ability to Use has a significant effect on Mobile Banking Adoption.

G. Privacy

According to Armesh et al. (2010) Privacy is the customer's willingness to share information on the internet to enable a purchase transaction to occur. Pasuraman et al. (2005) Privacy is the level of security and protection of customer information offered by an application. Loiacini et al, (2002) defines that Privacy is the process of adopting and promoting policies or procedures regarding security and privacy that make customers feel safe and trust when dealing with companies. Pasuraman et al. (2005) Privacy is the level of security and protection of customer information offered by an application.

H6: Perceived Information Quality has a significant effect on mobile banking adoption.

H. Product Description

According to Kotler and Keller (2008) Product Description is a collection of all products or goods offered to customers which are equipped with information regarding size, price, appearance, and product availability. According to Luc et al, (2020) Product Description is a text that explains in detail the quality of a product or the potential effects of a product. According to Amplayo et al, (2018) Product Description, namely details that include many terms regarding aspects that describe product performance for example performance, battery, size, color and others.

H7: Perceived Functional Benefit has a significant effect on mobile banking adoption.

I. Product Presentation

According to Kotler and Keller (2008) Product presentation is something that is visible to the eye and is attractive to customers to make purchasing decisions for the product. According to Wang et al, (2019) Product Presentation is anything that can provide customers with detailed information about a product or a virtual product experience. According to Cahan and Robinson (1984) Product Presentation is a visual appeal that can lead to customer satisfaction and ultimately increase purchase intention. Product Presentation is one thing help online customers effectively evaluate products through virtual experiences without having to physically inspect the product (Kim et al, 2009).

H8: Multilingual Option has a significant effect on Mobile Banking Adoption.

J. Entertainment

According to Agichtein et al, (2008) Entertainment is the result or value obtained from the fun and games that arise from experiences through applications. According to Kim et al, (2011) Entertainment is a feature used to attract customers in a shopping orientation by increasing the entertainment value of the shopping experience. According to McQuail (2005) Entertainment is the ability to meet customer needsof escapism, entertainment, aesthetic enjoyment, or emotional release.

H9: Perceived Trust has a significant effect on Mobile Banking Adoption.

K. Application Appearance

According to Zhou et al, (2009) Application Appearance can be interpreted as the overall quality possessed by an application where the quality includes two main aspects, namely, the quality of the appearance and function aspects navigational. Application Appearance is the attractiveness of an application (Yang et al, 2003). Application Appearance can also be defined as an aesthetic of an application (Loiacaono et al, 2002). Application Appearance is the appearance of an application (Zeithaml et al, 2000).

H10: Perceived security has a significant effect on mobile banking adoption.
H11: Perceived security has a significant effect on perceived trust.

III. RESEARCH ISSUE AND METHODOLOGY

This research is causal because it is based on the development of previous research models to test and answer the problems discussed in the previous chapter. The research method used is a quantitative method. The method used in this study will refer to references that can carry out simultaneous analysis processes related to the research model, namely the quantitative method using SPSS software version 22.0. This research model is expected to be able to explain the relationship between variables in order to understand the factors that influence the customer e-loyalty of Lazada application users in Surabaya and make an implication that the results will approach the requirements of a measurement that will be described through a research design.
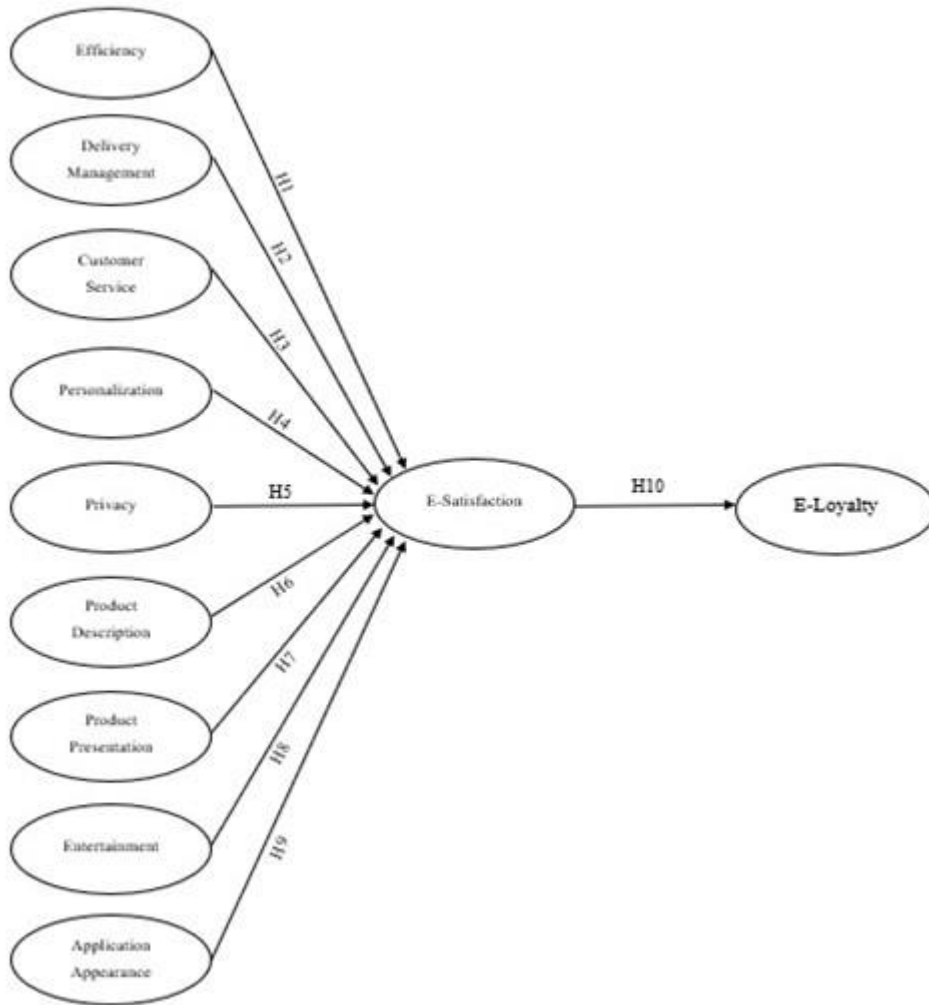

Figure 1. Research Model

IV. FINDINGS AND DISCUSSION

Findings

Based on the general description of the respondents, it is known that most of the 165 respondents to the Lazada application users in Surabaya are 93.3% or 154 respondents aged 18-35 years. The T-test or also known as the partial test is used in order to test a hypothesis by determining that the average for the variables associated with two independent samples or groups will be the same. A statistically significant partial relationship can also be known through the results of the T test. If based on a comparison of the probability value with the criterion error rate (α) is 0.05, then the basis for returning the T test is as follows:

    a) If probability > 0.05, then H0 is accepted (not significant)
    b) If probability $\leqslant$ 0.05, then H0 is rejected (significant)

In this study, there are 10 hypotheses. Of the 10 hypotheses studied, nine were accepted and four were rejected. This was based on the table below:

Table 1 Hypothese Testing Results

No	Hypothesis	Sig	Standard	Notes
H1	E → E-S	0.011	0.05	Accepted
H2	DM → E-S	0.006	0.05	Accepted
H3	CS → E-S	0.002	0.05	Accepted
H4	PE → E-S	0.041	0.05	Accepted

No	Hypothesis	Sig	Standard	Notes
H5	PR → E-S	0.785	0.05	Rejected
H6	PD → E-S	0.998	0.05	Rejected
H7	PP → E-S	0.848	0.05	Rejected
H8	EN → E-S	0.023	0.05	Accepted
H9	AA → E-S	0.033	0.05	Accepted
H10	E-S → E-L	0.000	0.05	Accepted

Discussions

In this study, there are 10 hypotheses. Of the 10 hypotheses studied, seven were accepted and three were rejected. The first hypothesis is that efficiency has a significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.011 (below 0.05) which indicates that this hypothesis is accepted. The second hypothesis is the delivery management has a significant effect on e-satisfaction. This hypothesis is proven by the t test where the significance is 0.006 (below 0.05) which indicates that this hypothesis is accepted. The third hypothesis is that customer service has a significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.002 (below 0.05) which indicates that this hypothesis is accepted. The fourth hypothesis is that personalization has a significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.041 (below 0.05) which indicates that this hypothesis is accepted. The fifth hypothesis is privacy has no significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.785 (above 0.05) which indicates that this hypothesis is rejected. The sixth hypothesis, namely product description has no significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.998 (above 0.05) which indicates that this hypothesis is rejected.

The seventh hypothesis is that product presentation has no significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.848 (above 0.05) which indicates that this hypothesis is rejected. The eighth hypothesis, namely entertainment has a significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.023 (below 0.05) which indicates that this hypothesis is accepted. The ninth hypothesis, namely application appearance has a significant effect on e-satisfaction. This hypothesis is supported by the t test where the significance is 0.033 (below 0.05) which indicates that this hypothesis is accepted. The tenth hypothesis, namely e-satisfaction has a significant effect on e-loyalty. This hypothesis is supported by the t test where the significance is 0.000 (below 0.05) which indicates that this hypothesis is accepted.

The e- loyalty variable formed by e-sastisfaction has a regression coefficient of 0.930. This shows that users choose to use the Lazada application for various transaction needs.

E-Satisfaction is also formed by Efficiency, Delivery Management, Customer Service, Personalization, Privacy, Product Description, Product Presentation, Entertainment, dan Application Appearance. Where the variable customer service has the highest regression coefficient, namely 0.197. This shows that if there is a problem with the Lazada application, the users will go straight to customer service, in contrast to offline stores where customer can directly come to the store.

The variable Delivery management has the second highest regression coefficient, namely 0.188. This shows that when the user has made an order on the Lazada application, then the user can assess whether Lazada can guarantee that the product ordered by the user can be delivered on time and in a state where there are no shortages or errors.

Efficiency has the third highest regression coefficient, namely 0.171. This shows that if the Lazada application can easily be accessed anytime and anywhere will really help customers to shop online in a practical way and can form customer satisfaction. Hence the role Efficiency is important, so if customers really feel that the Efficiency of the Lazada application is good, then E-Satisfaction will be created.

Variable Application Appearance has the fourth highest regression coefficient, namely 0.158. This shows that if the ease of using the application and the attractive appearance of the application will make customers feel interested in shopping online at the Lazada application compared to other E-Commerce.

The variable Personalization quality has the fifth highest regression coefficient, namely 0.136. This shows that if Lazada can provide different services and suit individual needs, it will increase customer satisfaction.

The variable Entertainment has the sixth highest regression coefficient, namely 0.130. This shows that if Lazada can provide entertainment that can provide emotional pleasure to customers, it will increase customer satisfaction.

The Privacy variable has the seventh highest regression coefficient, namely 0.017 but it doesn't have a significant effect because the services provided such as guaranteeing the security of customers' personal data in making various transactions on the Lazada application are a natural thing, definitely there, and the same as the services provided by e-Satisfaction. other commerce.

The Product presentation variable has the eighth highest regression coefficient, namely 0.013 but it doesn't have a significant effect because detailed information about a product is a natural thing and should exist in various e-commerce, so that the services provided are the same as those offered by other e-commerce and not be anything interesting.

The Product description variable has the nineth highest regression coefficient, namely 0.000 but it doesn't have a significant effect because the product description in the Lazada application is something that is natural and is an aspect found in other e-commerce, where other e-commerce must have product descriptions complete and clear.

Conclusion

This model was developed in the context of research on E-Loyalty for Lazada application customers in Surabaya. This research model is formed by the influence of E-Satisfaction and E-Loyalty, where the E-Satisfaction variable is influenced by the Efficiency, Delivery Management, Customer Service,Personalization, Privacy, Product Description, Product Presentation, Entertainment, and Application Appearance. Then the E-Loyalty variable is influenced by E-Satisfaction. Based on the formulation of the research problem, namely, what are the factors that have a significant effect on E-Loyalty and E-Satisfaction for Lazada application users in Surabaya? This research is expected to be able to answer research questions, namely, what are Efficiency, Delivery Management, Customer Service, Personalization, Privacy, Product Description, Product Presentation, Entertainment, and Application Appearance towards E-Satisfaction in Lazada application users in Surabaya?

Based on the results of data processing that has been obtained, seven hypotheses are accepted while three hypotheses are rejected. There is a significant relationship namely Efficiency to E-Satisfaction, Delivery Management to E-Satisfaction, Customer Service to E-Satisfaction, Personalization to E-Satisfaction, Entertainment to E-Satisfaction, Application Appearance to E-Satisfaction, and E-Satisfaction to E -Loyalty. While no significant relationship was found in Privacy to E-Satisfaction, Product Description to E-Satisfaction, Product Presentation to E-Satisfaction.

Research Limitation

By looking at the results of existing research, there are many limitations to the research conducted by the author, the recommendations that can be conveyed by the author are as by looking at the limitations of the research object hich only takes respondents, namely customers from Lazada in Surabaya, it is hoped that future research will use the same model or be modified and can be applied to different objects to obtain more general results regarding the factors that influence E-Loyalty. For further research, it is hoped that it can use and complement the variables that already exist in this study and take objects that still exist in one industry so that it can further refine the understanding of the factors that influence E-Loyalty.

REFERENCES

[1] Haris. (2019, November 11). Lazada Group. Retrieved from Tribunnews: https://www.tribunnewswiki.com/2019/11/11/lazada-group

[2] Oliver, R. (1999). Whence Consumer Loyalty? Journal of Marketing. Pakar Komunikasi. (2022, Mei 24). Internet sebagai Media Komunikasi – Hubungan, Dampak, dan Penjelasannya.Retrieved from https://pakarkomunikasi.com/internet-sebagai-media-komunikasi

[3] Parasuraman, A. P., Zeithaml, V., & Berry, L. (1991). Refinement And Reassessment Of The SERVQUAL Scale. Journal of Retailing, 420-50.

[4] Luc, M., Tsang, S., Thrul, J., Kennedy, R., & Moran, M. (2020). Content Analysis Of Online Product Descriptions From Cannabis Retailers In Six Us States. International Journal of Drug Policy.

[5] Liang, T.-P., & Lai, H.-J. (2002). Effect Of Store Design On Consumer Purchases: Van Empirical Study Of On-line Bookstores. Information and Management, 431-44. Loiacono, E., Watson, R., & Goodhue, D. (2002). WebQual™: A Measure of Web Site Quality. AMA Winter Conference. Austin.

[6] Kusnandar, V. B. (2021, Oktober 14). Pengguna Internet Indonesia Peringkat ke-3 Terbanyak di Asia. (A. Mutia, Ed.) Retrievedfromhttps://databoks.katadata.co.id/datapublish/2021/10/14/pengguna-internet- indonesia-peringkat-ke-3-terbanyak-di-asia#:~:text=Berdasarkan%20data%20internetworldstats%2C%20pengguna% 20internet,mencapai%20989%2C08%20juta%20jiwa.

[7] Piercy, N. (2013). Online Service Quality: Content and Process Of Analysis. Journal of Marketing Management, 747-785.

[8] Ribbink, D., Riel, A. v., Liljander, V., & Streukens, S. (2004). Comfort Your Online Customer: Quality, Trust And Loyalty On The Internet. Managing Service Quality, 446-456.

[9] Richard, M.-O. (2005). Modeling The Impact Of Internet Atmospherics On Surfer Behavior. Journal of Business Research, 1632 – 1642.

[10] Sabiote, C., Frı́as , D., & Castan˜eda, J. (2012). The Moderating Effect Of Uncertainty- avoidance On Overall Perceived Value Of A Service Purchased Online. Internet Research, 180-198.

[11] Serpico, E., Aquilani, B., Ruggieri, A., & Silvestri, C. (2013). Customer Centric Marketing Strategies : The Importance and Measurement of Customer Satisfaction - Offline Vs. Online. Customer Centric Marketing Strategies.

[12] Thirumalai, S., & Sinha, K. (2011). Customization Of The Online Purchase Process In Electronic Retailing And Customer Satisfaction: An Online Field Study. Journal of Operations Management, 477-487.

[13] Utami, F. A. (2020, Mei 04). Profil William Tanuwijaya, Pendiri Tokopedia E- commerce Terbesar di Indonesia.= Retrieved from https://m.wartaekonomi.co.id/read283982/profil-william-tanuwijaya-pendiri- tokopedia-e-commerce-terbesar-di-indonesia?utm_source=direct

[14] Vipushan, V., & Janathanan, C. (2018). The Impact Of Service Quality Related To E- commerce On Customer Satisfaction At Retail Genius (Pvt) Ltd. Law & Technology Conference. Colombo

[15] Wang, Y., Lu, X., & Tan, Y. (2018). Impact Of Product Attributes On Customer Satisfaction: An Analysis Of Online Reviews For Washing Machines. Electronic Commerce Research and Applications, 1–11.

[16] Wikanto, A. (2021, September 28). 10 e-commerce dengan pengunjung terbanyak di Indonesia

[17] Yang, H.-e., & Tsai, F.-S. (2007). General ES-Qual Scales Applied To Websites Satisfaction And Loyalty Model. Communications of the IIMA.

[18] Yoo, J., & Kim , M. (2014). The Effects Of Online Product Presentation On Consumer Responses: A Mental Imagery Perspective. Journal of Business Research, 2464–2472.

[19] Zeithaml , V., Parasurarnan , A., & Malhotra , A. (2002). Service Quality Delivery Through Web Sites: A Critical Review Of Extant Knowledge. Journal of the Academy of Marketing Science, 362–375.

[20] Zhou, T., Lu, Y., & Wang, B. (2009). The Relative Importance of Website Design Quality and Service Quality. Information Systems Management, 327–337