

The Effect of Ease of Use, Reliability, Efficiency, Convenience and Security Towards Customer Loyalty through Customer Satisfaction and Corporate Image on Shopee E-commerce Customers in Surabaya, Indonesia

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Abstract: There are many demands of the community's needs for the conveniences provided by a technology. In this millennial century, regional differences are not an obstacle for humans in creating relationships where interaction can be done anywhere and anytime. In this era, rapid technological advances have had a major impact on modern business systems, namely by using electronic devices (e-commerce) in trading activities (Santoso, 2018). The purpose of this study is to analyze the effects of factors that can influence Customer Loyalty on Shopee customers in Surabaya. This type of research is quantitative research. The data collection method uses literature and questionnaires. The method used in this study will refer to references that can carry out a simultaneous analysis process associated with a multi-variable research model namely Structural Equation Model (SEM) using AMOS 22.0 software. The population in this study is Shopee customers in Surabaya. The sample used was Shopee customers in Surabaya who made purchases or used Shopee in the past six months.

Keywords: Ease of use, Reliability, Efficiency, Convenience, Security, Customer satisfaction, Corporate image, Customer loyalty.

1. Introduction

As time goes by, the technology in the world are growing rapidly by each day. This growth is caused by many demands of society's needs for the conveniences provided by a technology. Our attitudes toward the technology influence our consumption of technology itself.

According to Faiza and Firda (2018), millennials is a generation that's born and lives in a situation where their growth is influenced by environmental conditions, so that everything can change very quickly. Millennial generation doesn't sound familiar at this time, because in this generation technology is able to fulfill their needs. Sipayung and Butarbutar (2011) says that internet is a room that facilitates people in sharing information and data easily and efficiently.

Moreover, people now can communicate, access data, and

make shipping easily and quickly even in different places. A great improvement in information on internet presence has a huge impact in many aspects of people's lives. If we refer from economic aspect, internet usage really helps trading activities, where we no longer found any boundaries in business and doing transactions. E-commerce was a major contribution given by a technology to help people in business transaction by using electronic devices.

A. Company Profile – Shopee e-commerce

Shopee is a subsidiary of Sea Group which is an internet based company in Singapore. Shopee is leading e-commerce platform in Southeast Asia and Taiwan tailored for the region, providing easy, secure and fast online shopping experiences through payment and strong logistical support to both buyers and sellers. Shopee has a goal to keep growing to become the first Indonesia e-commerce. Shopee has a wide selection of product categories ranging from consumer electronics to home & living, health & beauty, baby & toys, fashion and fitness equipment. Shopee believe in the transformative power of technology and want to change the world for the better by providing a platform to connect buyers and sellers without boundaries within one community. The development in shopping online through mobile phones drives Shopee to continue improve the platform to provide an easy and fun shopping experiences for all users and become the first e-commerce platforms in Southeast Asia and Taiwan.

2. Literature Review

A. E-Commerce

According to Rerung (2018), e-commerce is a room to promote products or services which is not limited by geographical boundaries that able to fulfill people demands easily and fast in all fields.

B. Customer Satisfaction

Rangkuti (2013) points out that customer satisfaction is a post-purchase evaluation, where the alternatives purchased are at least the same or exceed customer expectations, so that it will adjust consumer feelings after comparing the result and their expectations.

C. Corporate Image

Copley (2014) point out that corporate image refers to how an organization is perceived and their position on customer perspectives. Corporate image is a perception of the organization by their target customer and others.

D. Customer Loyalty

Rai and Srivastava (2014) says that customer loyalty is a psychological condition that companies create in their customers minds that is reflected in customer desires and consistency in relation with the company.

E. Ease of Use

Permana, Astuti, and Suryadi (2012) defines ease of use will reduce the effort both time and energy of a person in learning an information technology.

F. Reliability

Stavroulakis (2003) says that reliability is the possibility of a product without any failure.

G. Efficiency

Rai (2008) defines efficiency as a comparison between output and input, where an organization will be considered to be efficient if it produces an outputs by using certain inputs, produces perfect output with fewer inputs than it should, and achieve maximum results at the lowest possible cost.

H. Convenience

Sanches and Hyatt (2016) says that convenience is the most popular reason why users rate their transaction process as a positive experience. Consumers feel comfortable because they can easily making purchase through apps instead of to be in store directly.

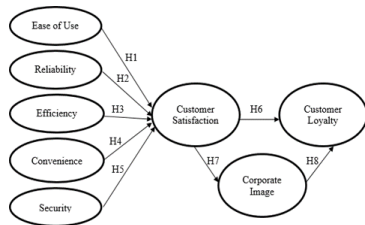


Fig. 1. Research model

3. Research Methodology

A. Objectives of the study

To study how much ease of use, reliability, efficiency, convenience and security effects on customer loyalty through customer satisfaction and corporate image.

B. Data Collection

The sampling method used in this research is non-probability sampling and purposive sampling as a sampling technique with certain considerations. The application of purposive sampling in this study was carried out by distributing questionnaires to Shopee customers. The area used as the sample in distributing questionnaires was Surabaya city. The characteristics of the respondents determined were men and women aged 18-60 years and the samples used were 140 respondents. Data collection was carried out using primary data by distributing questionnaires. Furthermore, data tabulation was made to recap all respondents assessment results. After the data is tabulated, the research model will then be tested using AMOS version 22.0 software. The scoring method used in this study is Likert Scale, where answers are at intervals from strongly disagree (1) to strongly agree (5).

C. Construct Indicator Information

Indicator Ease of Use
X1: Easy to be expert in using application X2: Easy to use X3: Clear usage instructions X4: Easy to learn X5: Does not require much effort
Indicator Reliability
X6: Accurate and error-free X7: Can depend on the service provided X8: Able to complete transactions according to the specified time X9: Reliable
Indicator Efficiency
X10: Fast service and short waiting time X11: Saving-time X12: Can complete transactions quickly X13: Reducing activity costs
Indicator Convenience
X14: Can be accessed anytime X15: Able to making transactions anywhere X16: Comfortable in using
Indicator Security
X17: Feeling safe in using X18: Low risk X19: Free from misuse of personal information
Indicator Customer Satisfaction
X20: Policies implemented are in accordance with my expectations X21: I feel satisfied with the activities available on the application X22: I feel satisfied with the product and service provided
Indicator Corporate Image
X23: I find the company sells quality products X24: I find that the company is known for providing good information X25: I find that the company is famous for being able to make transaction easily
Indicator Customer Loyalty
X26: I am willing to talk positively about the company to those around me X27: I want to be loyal to the company X28: I want to recommend the company to others

Based on the table above, it can be explained that the indicators in this study are X1 to X28. The exogenous constructs in the table are ease of use, reliability, efficiency, convenience, and security, while the endogenous constructs are customer satisfaction, corporate image and customer loyalty.

4. Findings and Discussion

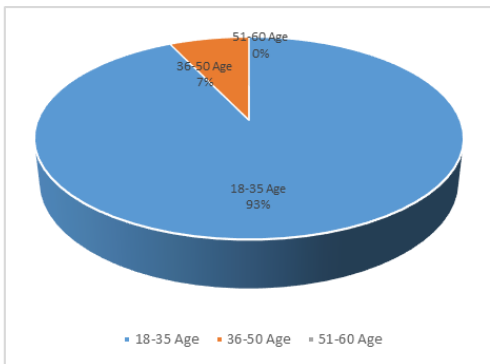


Fig. 2. Respondents age

Based on Figure 1, it is known that the majority of Shopee customers in Surabaya 92.9% or 130 respondents are aged 18-35 years.

Gender

	Gender	Frequency	Percent	Cumulative Percent
Valid	Male	43	30,7	30,7
	Female	97	69,3	100
	Total	140	100	

Based on table above, it is know that as many as 43 respondents were male and 97 respondents were female. In this study most of the gender of Shopee users in Surabaya were 69.3% or 197 respondents were women.

Goodness of fit index

Goodness-of-fit-index	Cut-off Value	Results	Model Evaluation
X ² -chi-square	≤374.4272	621.505	Marginal
Significant Probability	≥0.005	0.000	Marginal
RMSEA	≤0.08	0.079	Baik
CMIN/DF	≤2.0	1.878	Baik
TLI	≥0.95	0.859	Marginal
CFI	≥0.95	0.877	Marginal

In table above, it is explained that the result of the comparison between the criteria of goodness of fit with the results of the full structural equation model in table above shows that the criteria of RMSEA and CMIN / DF have been accepted. These results are different from the chi-square value, significant probability, TLI, and CFI which are only marginally accepted. However, with the fulfillment of RMSEA and CMIN / DF values, it can be said that this model is fit with the data used in this study.

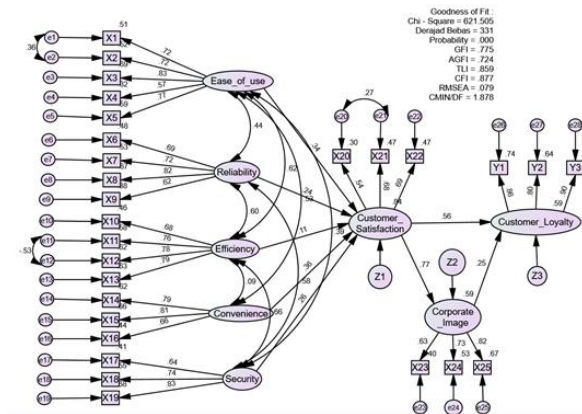


Fig. 3. Full structural equation model

A. Hypothesis Results

The results by calculations through confirmatory factor analysis and structural equation models, the model in this study has been accepted as shown in tabel below. The measurement results have met the criteria for goodness of fit of chi-square = 621.505; significant probability = 0,000; GFI = 0.775; AGFI = 0.724; TLI = 0.859; CFI = 0.877; RMSEA = 0.79; CMIN / DF = 1.878. Based on this fit model, an eight hypothesis has been tested in this study, as shown in table below.

Hypothesis	Analysis
H ₁ : Ease of use has a significant effect on Customer Satisfaction	Accepted
H ₂ : Reliability has a significant effect on Customer Satisfaction	Accepted
H ₃ : Efficiency has no significant effect on Customer Satisfaction	Declined
H ₄ : Convenience has a significant effect on Customer Satisfaction	Accepted
H ₅ : Security has a significant effect on Customer Satisfaction	Accepted
H ₆ : Customer Satisfaction has a significant effect on Corporate Image	Accepted
H ₇ : Customer Satisfaction has a significant effect on Customer Loyalty	Accepted
H ₈ : Corporate Image has no significant effect on Customer Loyalty	Declined

B. Discussion

Questionnaires were distributed to 140 respondents of Shopee App users, in which this study had eight hypothesis submitted and the data collected was processed using AMOS 22.0. The results are, Ease of Use variable has a significant effect on Customer Satisfaction with coefficient regression of 0.239 and C.R of 2.050; Reliability variabel significantly influences Customer Satisfaction with a coefficient regression of 0.239 and C.R of 2.050; Efficiency variable does not significantly influence Customer Satisfaction with a coefficient regression of 0.105 and C.R of 0.795. Variable Convenience has a significant effect on Customer Satisfaction with a coefficient regression of 0.357 and C.R of 2.552, meanwhile Security has a significant effect on Customer Satisfaction with a coefficient regression of 0.261 and C.R of 2.209. Furthermore, Customer Satisfaction variable has a significant

effect on Corporate Image with a coefficient regression of 0.768 and C.R as large as 6.280; Customer Satisfaction also has a significant effect on Customer Loyalty with a coefficient regression of 0.560 and C.R of 3.492, meanwhile Corporate Image variable has no significant effect on Customer Loyalty with a coefficient regression of 0.249 and C.R of 1.681.

Two variables that affect Customer Loyalty are Corporate Image and Customer Satisfaction. Customer Satisfaction has a significant positive effect on Customer Loyalty. This means that the experience felt by users during a transaction certainly has a huge influence on their decision to be loyal to Shopee and continue to make repurchase. The results also shows that the policies, activities, products and services provided by Shopee succeeded in attracting customer's heart to stay loyal to Shopee apps. This shows the consistency results of this study with Chiguvu and Gruwo (2015) which states that there's a significant positive effect between Customer Satisfaction on Customer Loyalty.

The second variable that influence Customer Loyalty is Corporate Image. Corporate Image variable has a positive but insignificant effect on Customer Loyalty because the coefficient regression doesn't met the criteria. This shows that selling good quality products, providing good information and easiness while doing transaction actually creates a good image in customers perception. However, providing those things do not take a big part to influence customers decision to stay loyal. This is not consistent with the results of previous researches Mahmud, et al (2018), which states there's a significant positive effect between Corporate Image on Customer Loyalty.

Customer Satisfaction variables has a significant positive effect on Corporate Image. It means, every experience felt by customers determines their satisfaction, which is those experience will affect Shopee's image on their perception. There are few things that also affect customer satisfaction such as buy and sell policies, activities, products and services provided by Shopee. This shows the consistency results of this study with Liat, Mansori, and Huei (2014) which stated that there is a significant positive effect between customer satisfaction on corporate image.

There are five variables that affect Customer Satisfaction; Ease of Use, Reliability, Efficiency, Convenience and Security. Based on the results, variables with highest coefficient regression which has the highest effect on Customer Satisfaction is Convenience variable. Few things that makes users feel comfortable while using Shopee is because of attractive offers such as free shipping, cashback, and other promo which certainly make users satisfied by the provided convenience. This shows the consistency results of this study with Gunawardana, et al (2015), stated that there is a significant positive effect between convenience on customer satisfaction.

The next variable that has the second biggest effect on Customer Satisfaction variable is Ease of use. The results indicate that majority of users agree that Shopee is an easy-to-use application. Users find it very easy to become expert in

using Shopee apps. Moreover, users do not need much effort to learn the steps to shop and communicate with both buyers or sellers. This shows the consistency results of this study with Liao, Chen, and Yen (2007) which states there is a significant positive effect between ease of use on customer satisfaction.

Security is the third biggest variable that affect Customer Satisfaction. Although Security being in the third place still, security must still be prioritized by Shopee. This is because every little activities in an apps requires security, especially when using customer personal data and payment cards information. This shows the consistency results of this study with Harwani and Safitri (2017) which states that there is a significant positive effect between security on customer satisfaction.

The fourth variable that affects Customer Satisfaction is Reliability. This indicates that users can rely on information provided by sellers, accuracy delivery time information, accuracy delivery and accuracy of the estimated delivery information. This shows the consistency results of this study with Gunawardana, Kulathunga, and Perera (2015) stated that there was a significant positive effect between reliability on customer satisfaction.

The fifth variable that affects Customer Satisfaction is Efficiency. Although the results show that efficiency has the lowest number of the five variables, but efficiency has a positive effect on Customer Satisfaction but insignificant. Results indicates that there are other important variables to increase satisfaction such as; there's no difference in efficiency between shopping at Shopee and other e-commerce, and users also feel that they can't touch the products directly when they shopping online which sometimes there are certain products they need to see and touch directly. So as of that, shopping online is still considered a bit less efficient. This shows that the results is not consistent with the results of previous researches Firdous (2017) which state there is a significant positive effect between efficiency on customer satisfaction.

5. Conclusion, Limitation, and Research Extension

A. Conclusion

This study was structured as an attempt to test the effect of ease of use, reliability, efficiency, convenience to customer satisfaction, the effect of customer satisfaction on corporate image and customer loyalty, and the effect of corporate image on customer loyalty. Based on the research results, Convenience is considered as the most important variable to affect Customer Satisfaction. This is because Shopee can be accessed at any time and users can make transaction anywhere. Besides that, Shopee also has a wide selection of product categories ranging from consumer electronics to home & living, health & beauty, baby & toys, fashion and fitness equipment. Ease of Use occupies the second highest position that is considered as an important variable for Shopee users. This is because all users need an application that are easy to use and learn without any great effort, so that makes consumers happy

and satisfied whenever they using Shopee apps.

The next variable that considered as the third highest important variable is Security. Security do important in influencing user satisfaction because customers need a secure application that have strong security and low-risk, thus making customers more satisfied and safe in using the application. The fourth variable that is considered important for Shopee users is Reliability. This is because the accuracy of the services, error-free and capable in completing users transaction within the specified time makes customers satisfied and they also can depend on Shopee apps. This is signifying that Shopee needs to maintain this achievement. The fifth variable that has an influence on Customer Satisfaction is Efficiency, but the coefficient regression obtained signify the lowest number of the five variables that affect customer satisfaction which is 0.105. It means efficiency has a positive effect on customer satisfaction but insignificant. The insignificant results indicate that there are other important variables that have an effect on increasing customer satisfaction.

B. Limitation and Research Extension

There are several limitations within this research, first, this research only using limited sample Shopee users in Surabaya. In further research, it is expected to use different objects to get a wider results that influence Customer Loyalty. Future studies also expected to be able to add another variables that affect Customer Loyalty such as Usefulness, Customization, Attitude Towards Using, Behavioral Intention to Use, and Website Design. Furthermore, further research can implement the research in different areas in order to become wider. This research applies a survey method by distributing questionnaires to collect data without any interviews or verbal question. Future research can enhance the data by using interviews to increase the depth of the results.

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