



INTERNATIONAL JOURNAL OF RESEARCH SCIENCE & MANAGEMENT

THE EFFECT OF LAZADA WEBSITE QUALITY TO SATISFACTION AND CONSUMER LOYALTY

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DOI: 10.5281/zenodo.1451296

Abstract

This study aims to determine the effect of Lazada's website quality on customer satisfaction and loyalty in Indonesia. This study has one independent variable, namely website quality, intervening variables, namely customer satisfaction, and the dependent variable namely consumer loyalty. Website quality variables have three main indicators, namely usability, information quality, and service interaction. Data analysis techniques in this study use path analysis. The results of this study indicate that: 1) There is a significant direct effect between the quality of Lazada's website on consumer satisfaction, 2) there is a direct influence between consumer satisfaction on consumer loyalty, 3) there is a direct influence between the quality of the website on consumer loyalty, 4) there is an indirect effect between website quality on consumer loyalty through customer satisfaction.

Introduction

The development of information technology lately has become an interesting phenomenon along with the emergence of the internet. The progress of the era is increasing rapidly, indirectly increasing human dependence to be able to connect to an internet connection. Based on data from the internetworldstats website, the number of internet users in Indonesia until June 2017 reached 132.7 million users (www.internetworldstats.com; 2017).

The number of internet users in Indonesia make this country a promising market for business people, especially those who have businesses in cyberspace. Based on data from the Ministry of Communication and Information, the number of online transactions in Indonesia during 2016 reached US \$ 4.89 billion, equivalent to Rp 68 trillion (herosoftmedia.co.id; 2017). The increasing number of online transactions in Indonesia is also accompanied by the growth of e-commerce in Indonesia. The development of the e-commerce industry in Indonesia in the last 10 years grew by around 17% with a total of around 26.2 million businesses (industri.bisnis.com; 2017).

In Indonesia there are various kinds of e-commerce companies that are competing to be the best, including Lazada, Tokopedia, Blibli, Elevenia, Bukalapak, Shopee, and so on. Of the many e-commerce sites in Indonesia, Lazada and Tokopedia are the largest e-commerce companies to date. The number of visitors to Lazada's website is the highest compared to other e-commerce websites. Based on data from the iprice website, the number of Lazada website visitors in the fourth quarter of 2017 reached 131.8 million visitors (<https://iprice.co.id>; 2018).

As the e-commerce market leader in Indonesia, Lazada must be able to maintain its position by giving satisfaction to its customers. According to Tjiptono (2008: 24) the main key to winning business competition is to provide value and satisfaction to customers through quality products and services at competitive prices. The results of research conducted by Yulisetiari (2014) state that service quality can affect customer satisfaction. A good website must be able to provide extensive information and can be easily understood and a well-designed navigation format to provide operational convenience for visitors to the website. The latest website quality measurement method is WebQual 4.0 which is reflected by three indicators, namely usability, information, and service interaction (Barnes and Vidgen; 2000). Usability indicators are based on the study of the relationship between humans and computers and the study of the usefulness of the website, including the ease of navigation, the suitability of the design and the images conveyed to users. Information indicators are reviewed based on general information system studies. This indicator relates to the quality of website content, namely the appropriateness of information for the user's purpose, for example regarding the accuracy, format and relevance



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of the information presented. The Service Interaction indicator relates to service interactions perceived by users when deeply involved with the website. Companies that provide satisfaction to their customers can encourage consumers to continue to make transactions, respond to service complaints, improve long-term relationships, trust each other, and maintain good communication in order to generate customer loyalty (Yulisetiarini, 2016).

Literature Review

Website Quality (*WebQual*)

WebQual is a tool for evaluating the usefulness, quality of information and quality of interactive website services, especially for websites that provide E-Commerce services (Yaghoubi et al., 2011). Website quality in an online shop site is a factor that can influence customer decisions (Furkonudin et al., 2016). This classification can help marketers to recognize and better understand the potential of online shopping tools used. The quality of a website is not only important to market a product and service, but also to provide information - other information that can attract customers to make transactions.

WebQual 4.0

This study uses the latest website quality measurement method, WebQual 4.0 which has three measurement indicators (Barnes and Vidgen; 2002). The three indicators are usability, information, and service interaction. Usability indicators are based on the study of the relationship between humans and computers and the study of the usefulness of the website, including the ease of navigation, the suitability of the design and the images conveyed to users. Information indicators are reviewed based on general information system studies. This indicator relates to the quality of website content, namely the appropriateness of information for the user's purpose, for example regarding the accuracy, format and relevance of the information presented. The Service Interaction indicator relates to service interactions perceived by users when deeply involved with the website.

Customer Satisfaction

Customer satisfaction is a measure of the total product performance of an organization compared to a series of customer needs (Tjiptono, 2008: 319). Customer satisfaction with a product or service is strongly influenced by the results of customer evaluation on product or service features (Zeithaml et al., 2009:105). Customers who are satisfied with a particular product or brand, they will make a repurchase on the same product or brand and provide a different experience for others (Yulisetiarini, 2013). Customer satisfaction is a feeling that arises after evaluating the use experience of a product (Tjiptono and Chandra, 2012: 311). The creation of customer satisfaction can provide several benefits, including the relationship between the company and its customers to be harmonious, provide a good basis for repurchase and create customer loyalty, and form word-of-mouth recommendations that can benefit the company (Tjiptono, 2008: 24).

Consumer Loyalty

Loyalty is a commitment that is held in depth to buy or support a product or service that is preferred in the future even though the influence of the situation and marketing efforts has the potential to cause customers to switch (Kotler and Keller, 2009: 138). According to Hasan (2008: 83) defines loyalty as the person who buys, especially those who buy regularly and repeatedly. The customer is someone who constantly and repeatedly comes to the same place to satisfy his desire to have a product or get a service and pay for the product or service. Some factors that influence consumers to be loyal, including price factors and habits where ordinary customers look for goods and services with good price and quality, and usually when they are familiar with one brand of products will be difficult to move (Kotler and Keller; 2009: 139).

Research Hypothesis

- H₁ : website quality has a direct effect on customer satisfaction
- H₂ : customer satisfaction has a direct effect on consumer loyalty
- H₃ : website quality has a direct effect on consumer loyalty
- H₄ : Website quality has an indirect effect on consumer loyalty through customer satisfaction



Research Methods

Population and Sample

This type of research is categorized as causal analysis, namely a study conducted to find the cause of one or more problems (Sekaran, 2006: 165). The population in this study is all Indonesian people who have made purchase transactions through Lazada's website. The number of research samples was determined using the Wibisono formula, and obtained a sample of 109 respondents.

Data Collection and Measurement

Data collection is done by distributing questionnaires online. After data collection, path analysis is performed using SPSS software.

Analysis and Result

Table 1. Result of Path Analysis

No.	Independent Variable	Dependent Variable	Beta (β)	Sig.
1	Website Quality (X)	Customer Satisfaction (Z)	0,457	0,000
2	Customer Satisfaction (Z)	Consumer Loyalty (Y)	0,194	0,025
3	Website Quality (X)	Consumer Loyalty (Y)	0,511	0,000

Source: Data processed. 2018

Based on output in Table 1, the direct and indirect effect relationship in this study can be depicted in the following figure.

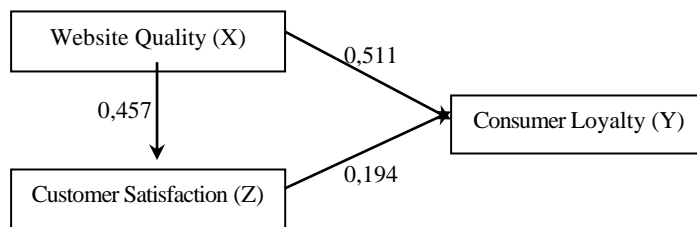


Figure 1. Path Analysis

Measuring Direct Effect

1. Direct Effect of Website Quality (X) on Customer Satisfaction (Z) :
 $DE_{ZX} = X \rightarrow Z = 0,457$
2. Direct Effect of Customer Satisfaction (Z) on Consumer Loyalty (Y) :
 $DE_{YZ} = Z \rightarrow Y = 0,194$
3. Direct Effect of Website Quality (X) on Consumer Loyalty (Y) :
 $DE_{YX} = X \rightarrow Y = 0,511$

Measuring Indirect Effect

Indirect Effect of Website Quality (X) on Consumer Loyalty (Y) Through Customer Satisfaction (Z) :

$$IE_{YX} = X \rightarrow Z \rightarrow Y$$

$$= 0,457 \times 0,194$$

$$= 0,089$$

Measuring Total Effect

Total Effect = Direct Effect + Indirect Effect

$$TE_{YX} = DE_{YX} + IE_{YX}$$

$$TE_{YX} = 0,511 + 0,089$$

$$TE_{YX} = 0,045$$

**Result and Discussion****The Direct Effect of Website Quality on Customer Satisfaction**

Coefficient value of website quality on customer satisfaction is 0.457 with a significance level of less than 0.05, so that H_0 is rejected, which means that the website quality has a significant effect on customer satisfaction.

The Direct Effect of Customer Satisfaction on Consumer Loyalty

Coefficient value of Customer satisfaction on consumer loyalty is 0.194 with a significance level of less than 0.05, so that H_0 is rejected, which means that customer satisfaction has a significant effect on consumer loyalty.

The Direct Effect of Website Quality on Consumer Loyalty

Coefficient value of website quality on consumer loyalty is 0.511 with a significance level of less than 0.05, so that H_0 is rejected, which means that the website quality has a significant effect on consumer loyalty

The Indirect Effect of Website Quality on Consumer Loyalty Through Customer Satisfaction

Coefficient value of the website quality on consumer loyalty through customer satisfaction is 0.089 with a significance level of less than 0.05 that is 0,000 so that H_0 is rejected, which means that the website quality through customer satisfaction has a significant influence on consumer loyalty.

Conclusion

Based on the results of the analysis and discussion of the effect of Lazada's website quality on customer satisfaction and loyalty, the following conclusions can be drawn:

- a. Lazada's website quality has a direct effect on customer satisfaction. These results indicate that the respondents of this study feel satisfied with the ability on the Lazada's website that they feel can provide benefits, quality information and interaction services that can be felt by Lazada's website users. The analysis also shows that the majority of respondents have the perception of Lazada's ability to provide convenience for consumers in making transactions through Lazada's website and Lazada's ability to provide positive experiences to consumers. Lazada's website is also believed to be able to provide information needed by consumers in detail, clear, and relevant to customer needs.
- b. Consumer satisfaction has a direct effect on consumer loyalty. The results of the analysis also showed that most respondents chose to agree and strongly agreed to the item statement regarding customer satisfaction. This means that the service provided on Lazada's website has met consumer expectations, so that consumers become satisfied and have an impact on increasing consumer loyalty.
- c. Lazada's website quality has a direct effect on consumer loyalty. This means that the Lazada's website can meet the expectations of consumers in conducting online transactions, so that consumers feel happy and will make Lazada's website the main choice, and will recommend to others.
- d. Lazada's website quality has an indirect effect on consumer loyalty through customer satisfaction. Direct effect between Lazada website quality variables on consumer loyalty has a path coefficient value that is greater than the indirect effect. This means that consumers who are loyal to Lazada's website are more dominantly determined by the quality of the website given by Lazada than through customer satisfaction

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