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# Analysis of Factors That Influence Customer Satisfaction with Online Purchases in E-Commerce in Indonesia

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#### **INFO ARTIKEL**

# Abstract

Keywords:

Factor Analysis, Customer Satisfaction, Online Purchases, E-Commerce.

This research will combine factors that have previously been researched to identify factors that can influence consumer satisfaction. This research will be adapted to a context that suits millennial consumers who are said to be the group that contributes the most to ecommerce businesses in Indonesia. The development of e-commerce is the level of presentation of the internet and mobile device users which continues to increase, allowing more people to access various online shopping platforms, such as online shop websites, marketplace applications, social media, and many more. Methods used in research This is a systematic literature review (SLR) method. Data obtained from journals published on Sinta and Google Scholar, totaling 30 journals reviewed. All customers have expectations regarding the quality of the product they want, so they can make good purchasing decisions. So it can be informed that product quality is able to position a business in the global market, that good product quality will have a positive impact on customer satisfaction, while poor product quality will have a negative impact on customer disappointment. Therefore, it can be concluded that the good or bad quality of the product will influence customer purchasing interest. Based on the results of previous research that has been carried out, it can be concluded that factors influence satisfaction, factors that influence consumer loyalty, analysis of online purchasing behavior factors. (E-Commerce), and Analysis of the Effect of E-Commerce Implementation on Consumer Satisfaction

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#### INTRODUCTION

In this era, people use information and communication technology to carry out buying and selling transactions for goods and services via the internet or often known as ecommerce. E-commerce provides many options for fast shopping just by staying at home without having to go directly to the store. The evolution of technology and communication has made access via mobile phones easy and omnichannel access using the click and collect method conveniently and quickly, thus making it one of the prominent characteristics of the Indonesian millennial generation who use e-commerce retail (Medcom, 2020; Chong 2018 in (Sidanta, et al.,2022)), Marketing strategies have a strategic role in the success of a product in reaching consumers. (Fathor & Fatmariyah, 2023). When consumers purchase a product or brand, they will get a brand experience. (Wantara at. all, 2023)

The internet is a communication medium for humans in various corners of the world. Internet use has increased drastically in recent years. One generation that often uses the Internet is Generation Z or often called Gen-Z. The world's population is growing and creating several generations, starting from the Baby Boomers Generation (1946 – 1960) to Generation Z or Gen-Z (1995 – 2010). Actually, after Gen-Z there is the next generation, namely Gen Alpha (2011 – 2025), but in this study we analyzed Gen-Z. (FR, AP, Sukardi, et al 2022), Several studies emphasize customer loyalty as the core of sales. (Jannah & Pranjoto, 2023). Another study explains that hospitality is not an absolute factor that can improve a tourist destination. (Arief at. all, 2022), Efficiency can be improved by identifying the distribution of marketing costs among various intermediaries in the marketing channel. (Syarif at. all, 2022)

The development of e-commerce is the level of presentation of the internet and mobile device users that continues to increase, allowing more and more people to access various online shopping platforms, such as online store websites, marketplace applications, social media, and many more (circlo, 2020 in (Salsabilaet al., 2022). In the service business, a high level of contact is required between the service provider and the customer. The more satisfied customers are with the service experience they receive, the more they feel they can trust the organization itself and the personnel providing the service. (Wantara, 2015).

Several previous studies have found various factors that can influence consumer satisfaction. Research conducted by Devalange and Kulathunga (2019) found the importance of website design factors, perceived security and customer service. Furthermore, research by Rasli at al. (2018) consider website design, information quality and transaction capacity as the most influential factors in the context of research in Indonesia. This is also supported by research by DharmestidanNugroho (2013) which found that the information quality factors of payment systems, delivery, securities and customer service. In contrast, research by Wilson and Cristella (2019) states that consumer satisfaction is influenced by product variations and delivery services, but website design does not have a significant effect. (In Sidanta, et al., 2022). Digitalization gives more power to customers and makes businesses think about how to win the market. (Jannah, 2021). Internet users use the internet to communicate and make transactions, sell goods, do business, and work. (Andriani at, all. 2022). One of the elements that plays an important role in development is the social capital owned by the community. (Rasvid at. all, 2023)

Consumer purchasing decisions are usually based on the brand or needs that consumers currently need (Ling, D'Alessandro, &Winzar, 2015). The shift in consumer behavior in making purchases from offline to online is because they are aware of their needs (aware), and the presence of e-commerce can easily attract consumers' attention to use it (appeal). Consumers will also search for ecommerce to determine their needs (ask). Consumer confidence in their decision to make a purchase (act) after searching for ecommerce information, consumers will start recommending it to other potential consumers to make online purchases in e commerce (advocate). (Kotler, Kertajaya, &Setiawan, 2017) in ( Rachmadhani2022). Online shopping refers to the transaction process that occurs between a seller and a buyer on a website. (Wantara & Suryato, 2023)

# STUDY OF LITERATURE

# **Online Purchase**

Online shopping is a process where consumers directly buy goods, services and other things from a seller interactively and in real-time without any intermediary media via the Internet. Through shopping via the Internet, a buyer can see in advance the goods and services he wants to shop for via the website promoted by the seller. This online shopping activity is a new form of communication that does not require direct face-to-face communication, but can be done separately from and to all world through notebooks, computers or cellphones connected to Internet access services. Online shopping is a form of electronic commerce that is used for seller-to-seller or seller-to-consumer transaction activities. (CopyrightHalim2010 in (Mujiyana and Ingge, 2013))

# **E-Commerce**

E-commerce is the use of communication and computer networks to carry out business processes. E-commerce brings big business opportunities such as product sales and online service provision and income growth (Sianadewi, Widyarini, and Wibowo, 2017 in (NunukLatifah, et al 2020)) .The presence of e-commerce also supports online shopping in Indonesia. The existence of e-commerce has made transactions easier to buy everything people need (Maria and Ama, 2020). According to data from GlobalWebIndex, Indonesia is the country with the highest level of e-commerce adoption in the world in 2019. The development of the e-commerce business is predicted to grow rapidly from year to year. Currently, statistical data provides a figure of 10.10 million total transactions per year and McKinsey predicts that the gross merchandise value of e-commerce transactions in Indonesia will reach IDR 913.6 trillion in 2022 (Republika.co.id, 2019) in (Sidanta, et al., 2022).

# **RESEARCH METHODS**

The method used in this research is the systematic literature review (SLR) method. Data obtained from journals published on Sinta and Google Scholar, with a total of 30 journals reviewed (Rimbano D., et al 2022)

Based on theoretical studies, the following framework of thought is obtained:



Figure 1. Framework of Thought

# **RESULTS AND DISCUSSION**

#### Factors that influence satisfaction

The results of the analysis show that discounts have a significant effect on Shopee customer satisfaction, because the t-value is 1.65>1.64 (10% real level), thus Hypothesis 2 is proven. So every increase in the discount percentage will increase shopee customer satisfaction. The influence of discounts on customer satisfaction is in line with the research results of Auli et al. (2021) where consumers tend to pay more attention to products that are given discounts compared to products at normal prices. This is because the discount offered can be a factor that makes consumers more interested in buying the product (Burda, 2022).

It is known that free shipping has a significant effect on shopee customer satisfaction, because the t-value is 2.1>1.64 (10% real level), thus Hypothesis 3 is proven. So that every increase in the free shipping price given will increase shopee customer satisfaction. The impact of providing free shipping on customer satisfaction, because customers sometimes find it difficult to have to pay shipping costs, which sometimes can be greater than the price of the goods purchased. These results are supported by research by Auli et al. (2021) where many consumers are hesitant to make online purchases because of the shipping costs that must be paid. Therefore, companies must provide cheap and efficient shipping options and provide shipping discounts so that consumers do not feel burdened by large shipping costs (Burda, 2022).

However, product quality has no influence on shopee customer satisfaction, because the t-value is 0.24 < 1.64 (10% real level), thus Hypothesis 4 is not proven. These results are in line with research findings conducted by Carter B and Charter T (2009) which stated that satisfaction was negatively influenced by price, and product quality had no significant effect on customer satisfaction. The research results of Lam et al (2004) also state that satisfaction is negatively influenced by price. Qin et al. (2009) show that selling quality products at low prices is not enough to satisfy long-time loyal customers. From these results it can be seen that price is an important factor in determining customer satisfaction and that low prices alone are not enough to satisfy long-standing loyal customers (Burda, 2022).

# Factors that influence consumer loyalty

The research results show that electronic service quality has a positive effect on satisfaction because the p-value is <significant (0.004 <0.05). This means that as the quality of electronic services increases, satisfaction will increase. Meanwhile, as the quality of electronic services decreases, satisfaction will decrease. The results of this study are in line with previous research conducted by Li et al. (2021) and Farooq (2018) who explain the results of their research, namely

that service quality is one of the factors that influences consumer satisfaction in using electronic services (Uluvianti, 2022)

The results of this research analysis show that trust has a positive effect on satisfaction because the p-value is <significant (0.000 <0.05). This means that as trust increases, satisfaction will increase. Meanwhile, as trust decreases, satisfaction will decrease. The results of this research are in line with previous research conducted by Chi (2018) which proves that the trust built by consumers in product or service providers can influence consumers' feelings of satisfaction (Uluvianti, 2022).

The results obtained from the analysis show that satisfaction has a positive effect on loyalty because the p-value is <significant (0.000 <0.05). This means that as satisfaction increases, loyalty will increase. Meanwhile, as satisfaction decreases, loyalty will decrease. The results of this study are in line with previous research conducted by Al-Khayyal et al. (2020) shows that satisfaction can influence consumer loyalty (Uluvianti, 2022).

The test results concluded that satisfaction can significantly mediate electronic service quality on loyalty because the p-value is <significant (0.017 <0.05). This means that as satisfaction increases, the influence of electronic service quality on loyalty will increase. The results of this research are in line with previous research conducted by Jumawan (2018) that there is a significant influence of service quality on loyalty through perceived satisfaction. Research by Omoregie et al. (2019) also show that loyalty is influenced by consumer satisfaction (Uluvianti, 2022).

The results of testing the role of satisfaction mediating the influence of trust on loyalty showed that satisfaction can significantly mediate trust on loyalty. This was concluded based on a p-value of 0.001 which was compared with a significant value of 0.05. Because the pvalue is < significant (0.001 < 0.05) with a beta value of positive 0.191 and a t-statistics value of 3.341 which is compared to the t-table of 1.96. Because the t-statistics value > t-value (3.341 > 1.96), it can be concluded that satisfaction can significantly mediate trust in loyalty. This means that as satisfaction increases, the influence of trust on loyalty will increase. The results of this research are in line with previous research conducted by Nusjirwan et al. (2020) shows that trust can influence consumer satisfaction and then influence consumer loyalty. Meanwhile, research conducted by Lie et al., (2019) also shows that satisfaction is able to mediate the influence of trust on consumer loyalty (Uluvianti, 2022).

# Factors of online purchasing behavior

Characteristics of respondents based on gender, namely 52 female respondents or 52%, while 48 male respondents or 48%. Characteristics of respondents based on major, namely 40 respondents majoring in Accounting (40%), majoring in Management as many as 35 people (35%), and majoring in Development Economics as many as 25 people (25%) (Hidayat, 2021).

The risk that is accepted has a significant effect on Online Consumer Purchasing Behavior is accepted. This finding is in accordance with the findings of (Adnan (2011), Iqbal, Rahman and Hunjra (2012)) which stated that the risk accepted influences online purchasing behavior. Accepted risks may include: it is difficult to assess the quality of goods ordered via the internet. This item is the item with the greatest contribution to the Risk variable received, so it is really a concern and priority for online businesses. In addition, do not like being charged shipping costs when shopping online, shop online at high risk of receiving ordered goods that do not work, feel there will be difficulties in resolving complaints when shopping online, may not receive products ordered online, get good after-sales service very time consuming and difficult to purchase online (Hidayat, 2021).

Hedonic motivation has a significant influence on online consumer purchasing behavior and is accepted. This finding is in accordance with (Kim, Lee, Kim's (2004) findings) which state that Hedonic Motivation has a significant effect on Online Consumer Behavior. Hedonic motivations may include: Online shopping is a lot of fun. This item is the item with the greatest contribution to the Hedonic Motivation variable, so it really is a concern and priority for online businesses. In addition, searching for information on the internet is not boring, and searching for product information on the internet is a good way to spend time (Hidayat, 2021).

Psychological factors have a significant influence on online consumer purchasing behavior. This finding is in accordance with the findings of Adnan (2011), as well as Iqbal, Rahman and Hunjra (2012) which states that Psychological Factors have a significant influence on Online Consumer Purchasing Behavior. Psychological Factors can include: in online shopping personal information is impossible to use by parties third. This item is the item with the greatest contribution to the Psychological Factors variable, so it is really a concern and priority for online businesses. In addition, shopping online is not risky because there are strict cyber laws to punish fraud and hackers, and you are not charged excessively if you shop online (Hidayat, 2021).

# Analysis of the Effect of E-Commerce Implementation on Consumer Satisfaction

From the results of the Goodness of Fit test, it can be concluded that the independent variables in this study are able to explain 47.90% of the variation in consumer satisfaction. Meanwhile, the remaining 52.10% is explained by other variables not included in this study (Saputra, 2018). of the two independent variables tested individually, the most dominant in influencing consumer satisfaction of fast food restaurant franchises in the city of Medan is ecommerce (with a coefficient of 0.690). The next variable that influences consumer satisfaction which also influences consumer satisfaction of fast food restaurant franchises in the city of Medan is the service quality variable (with a coefficient of 0.182). All independent variables in this research have a positive effect on consumer satisfaction of fast food restaurant franchises in the city of Medan. (Saputra 2018)

The results of the t test show that all independent variables, namely ecommerce and service quality have a significance of less than 0.05. Of the independent variables in this research, the most dominant influence on the dependent variable is the implementation of ecommerce, meaning this variable is the most important in determining consumer satisfaction of fast food restaurant franchises in the city of Medan (Saputra, 2018).

The implementation of e-commerce has the most significant effect on consumer satisfaction of fast food restaurant franchises in the city of Medan. This shows that this variable is the most important in determining consumer satisfaction of fast food restaurant franchises in the city of Medan (Saputra, 2018).

#### CONCLUSION

Based on the results of previous research that has been carried out, we can conclude the influencing factors Satisfaction, Influencing Factors Loyalty Consumers, Analysis of Online Purchasing Behavior Factors (E-Commerce), and Analysis of the Effect of E-Commerce Implementation on Consumer Satisfaction.

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