

The Effect of E-Service Quality, Security, and Promotion on Customer Satisfaction of E-Commerce Shopee

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ABSTRACT

The rapid advancement of information technology has led to the convergence of telecommunications and computer technologies. This shift has also influenced consumer behavior, with a growing number of individuals becoming more accustomed to online shopping, resulting in an increasing number of e-commerce users. Shopee, the leading e-commerce platform in Indonesia, has the highest number of website visits, positioning it as the top e-commerce site in the country. The purpose of this study is to analyze how e-service quality, security, and promotions influence e-customer satisfaction with Shopee among Generation Z in Denpasar. The study employs a descriptive quantitative research method with a sample size of 100 respondents. The t-test results for e-service quality reveal a t-value of 5.930, which is greater than the critical value of 1.984, indicating a significant positive effect of e-service quality on customer satisfaction. Conversely, the security variable demonstrates a negative impact on customer satisfaction, with a t-value of -2.842, which is less than the critical value of 1.984. The promotion variable exhibits a positive effect on customer satisfaction, with a t-value of 4.916, exceeding the critical value of 1.984. Furthermore, the overall hypothesis is supported as the calculated F-value of 62.474 exceeds the F-table value of 2.70, indicating that e-service quality (X1), security (X2), and promotions (X3) collectively influence customer satisfaction (Y).

Keywords: E-Service Quality, Security, Promotion, Customer Satisfaction

1. INTRODUCTION

The sector has experienced an unprecedented acceleration in technological integration, far surpassing initial expectations, largely due to the rapid advancements in the information era. According to a survey by Indonesiabaik.identity, in collaboration with the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia reached 78.19%, equivalent to 215.63 million individuals, between 2022 and 2023 [1]. Market research conducted by We Are Social, in partnership with Meltwater, revealed that 59% of Indonesian internet users engage in online shopping as a regular activity. A key factor contributing to the growth of e-commerce is the high rate of internet penetration and the widespread use of mobile devices. This has expanded access to various online shopping platforms, including marketplaces, e-commerce websites, social media, and other digital shopping channels [2].

Digital trade, commonly referred to as e-commerce, is the process through which buyers and sellers engage in the exchange of goods, services, and information via electronic platforms [3]. The large amount of e-commerce in Indonesia causes tight competition. To win the competition, e-commerce must continue to improve services to create customer satisfaction. [4] states that companies that are customer-centered or focused have the main goal, namely customer satisfaction. According to research conducted by [5], consumer satisfaction is determined by whether the performance of a purchased product aligns with their expectations. If the product meets or exceeds expectations, the consumer experiences satisfaction; conversely, dissatisfaction arises when the product falls short of those expectations.

Shopee is an e-commerce that occupies the top position with the highest number of site visits in Indonesia in the first quarter of 2023. Shopee's average visits are 157.9 million per month, which far exceeds its competitors [6]. Shopee has carried out various promotions such as Free Shipping Vouchers, Flash Sale, Shopee Live Discount Vouchers, regular promos on beautiful dates such as 2.2 Men Sale, 3.3 Fashion Sale to 11.11 Big Sale and others to increase shopping satisfaction on its platform. However, even though it is the most widely used shopping site, there are still many complaints about Shopee.

As indicated by the research I conducted on the ratings and reviews of the Shopee application on the Google Play Store, it has a rating of 4.5 with 13 million reviews, while on the App Store it has a rating of 4.7 with 1.3 million. Some users say that the application's performance is lacking because the response from the application is very slow. when clicked it takes quite a long time when using this application. There are also those who say that Customer Service only responds to user complaints from automatic replies so that users do not get satisfactory answers and there is no resolution. Based on complaints regarding application performance and service quality, there are also complaints regarding the security of shopping on this platform, as one user said, namely that many sellers on Shopee are fraudsters. Researchers have also experienced fraud in transactions on Shopee.

The agency aims to satisfy its clients to build trust and encourage repeat use of its services, ultimately ensuring business continuity and growth. According to [7], customer satisfaction serves as a key indicator of a company's success or failure in the marketplace. [8] define customer satisfaction as the emotional response individuals experience when comparing their expectations with the actual outcomes or performance. The numerous negative reviews of Shopee highlight that many customers are dissatisfied with their shopping experience on the platform.

According to [9], The degree to which a website efficiently facilitates the acquisition, delivery, and purchasing of goods and services is referred to as e-service quality. Based on research by [10], it is concluded that the best service must be provided in e-commerce to build the value of the service received by consumers. Based on research results from [11], Consumer satisfaction is significantly influenced by the quality of e-services, as it directly impacts customer experience. As the quality of e-services improves, customer satisfaction is likely to increase accordingly.

Security factor is also very important when shopping online. Security in transactions in this research is security that the product matches the description, security that the product being sold really exists, and so on. According to research by [12], security is a method used by online businesses to avoid exploitation from irresponsible parties so that transactions can be carried out safely and purposefully. Based on research by [12]v, customer satisfaction is not necessarily influenced by security measures. According to the findings of various studies, the satisfaction of Shopee e-commerce customers is not significantly impacted by the platform's security protocols. This suggests that consumers may harbor concerns regarding Shopee's ability to adequately protect the personal information they provide [13].

According to [14] in their book entitled "Service, Quality, & Satisfaction" The factors influencing customer satisfaction include product, price, promotion, location, employee service, facilities, and ambiance. According to [15] promotion refers to the process of directly or indirectly informing and persuading consumers about a product or brand being offered. [13] highlight that

promotions have a positive effect on customer satisfaction, suggesting that Shopee's promotional strategies effectively attract consumers at specific times.

Based on the problem of low customer satisfaction that researchers obtained through reviewing the Shopee application on the Google Play Store and the discovery of research which stated that security and promotional variables proved irrelevant to customer satisfaction, therefore, researchers wanted to conduct further research regarding "The Effect of E-Service Quality, Security and Promotion of Shopee E-Commerce Customer Satisfaction in Generation Z in the City of Denpasar."

2. LITERATURE REVIEW

2.1 *Literature Review Promotion Strategy*

Promotion strategy is an approach taken by a company to create value for customers and establish good and profitable relationships with them [16]. A promotion strategy is appropriate, consistent and suitable for use if it is in accordance with the company's set of principles in achieving long-term target markets in the particular competition aimed at by the promotion strategy [16]vv.

2.2 *Literature Review Customer Satisfaction*

Customer satisfaction is the company's goal to build consumer trust so that they can reuse the services offered or re-consume the products offered so that the company can continue to exist and survive. Customer satisfaction represents indicator of success regarding company whether the company is running successfully or not [5]. According to [17], customer satisfaction indicators can be measured by several things, namely:

1. The degree to which a product or service conforms to the customer's expectations and how the customer feels about the product or service is known as conformity to expectations.
2. Interest in visiting again, the emergence of a sense of satisfaction from customers will give rise to a desire to visit or repurchase the product.
3. Willingness to recommend, customers suggest to relatives, friends and people around them to try buying products that they have experienced.

2.3 *Literature Review E-service Quality*

According to Bazher (2021), E-service quality represents a premier category of service excellence that has emerged with the advancement of digital media and technology, facilitating effective and efficient transactions between sellers and consumers. [9] define "e-service quality" or "electronic service quality" as the extent to which an online platform enables the successful and accurate execution of purchasing, ordering, and delivery processes, while also ensuring ease of use for customers. [9] conceptualize service quality in the form of ESERVQUAL which includes 7 indicators, namely:

1. Efficiency, related to the efficiency aspect of e-commerce if it has ease and speed in accessing or using the e-commerce site itself.
2. Fulfillment, all transactions carried out can be completed by the e-commerce site in accordance with customer expectations and correct errors that occur during the transaction process.
3. Availability, providing what consumers need on e-commerce sites.
4. Privacy, related to how e-commerce protects customer information and personal data so that it does not become public consumption.
5. Responsiveness or response, related to the effectiveness of e-commerce in dealing with problems that occur in the online environment.

6. Compensation, related to efforts provided by e-commerce in terms of providing replacement or compensation to consumers if the goods or services provided by e-commerce are not suitable or unsatisfactory.
7. Contact, related to how e-commerce provides opportunities for consumers to fulfill their needs, such as submitting complaints or finding solutions to problems that occur online.

2.4 *Literature Review Security*

Security is a capability of an online shop in an effort to maintain and control the security of data transactions that occur [13]. Security guarantees play an important role in building customer trust regarding misuse of personal data or other cybercrime [13]. According to [18], security indicators are grouped into 5 sections, including:

1. Guaranteed transactions, guaranteed confidentiality of buyers' personal data when carrying out transactions will increase buyers' trust in the online shop.
2. Convenience of transactions through COD (Cash on Delivery), this method is the safest payment method for buyers, because buyers make payment when the order arrives.
3. Proof of transaction via delivery receipt number, this receipt number is the identity of the package and proof that the package ordered was actually sent. Buyers can also track where the goods they ordered have arrived using the receipt number.
4. The image of the online seller, the buyer's view of the seller is very necessary, such as being seen as a good seller, this will give rise to the possibility that the buyer will make another transaction and recommend it to other potential buyers.
5. Product quality refers to the attributes and characteristics of a product that fulfill consumer expectations and elicit a sense of satisfaction.

2.5 *Literature Review Promotion*

Promotion is the art of seducing customers or potential consumers to buy more of the products offered [19] The primary objective of promotion is to effectively inform, influence, persuade, and remind target customers about a company and its promotion mix [20]. [21] identify several key indicators of promotion, including:

1. Promotion reach, indicates the frequency of promotional activities executed by the company in a certain time through available promotional media.
2. Quality of promotion, namely the benchmark that becomes a reference for research on promotions that have been carried out.
3. Promotion quantity, namely the assessment given by consumers of the promotions that have been carried out.
4. Promotion time, the interval during which the company conducts its promotions.
5. Precision in achieving promotional objectives, namely the suitability of the targets required when carrying out promotions to achieve the company's goals.

3. METHODS

To explore the extent to which customer satisfaction with Shopee e-commerce is influenced by e-service quality, security, and promotional activities, the author employs a quantitative research approach with a descriptive methodology. This study, conducted over a period of seven months, is based in Denpasar City. The research focuses on Shopee E-commerce, which has a customer base of 33,132 individuals. The sample size, determined using the Slovin formula, comprises 100 participants. Data will be collected through a questionnaire distributed online via Google Forms to 100 respondents who meet the study's criteria. For the analysis, multiple linear regression will be performed using SPSS version 29.

4. RESULTS AND DISCUSSION

Considering the results obtained from the T test, it shows that the e-service quality (X1) and promotion (X3) variables have a partial positive effect on customer satisfaction (Y) while the security variable (X2) has a negative effect on customer satisfaction (Y).

Table 1. Partial Test Results (T Test)

	Model	t	Sig.
1	(Constant)	4,019	<0,001
	e-service quality	5,930	<0,001
	keamanan	-2,842	0,005
	promosi	4,916	<0,001

Source: SPSS Data Processing Results 29, 2024

The following is an explanation of how each independent variable affects the dependent variable, as shown in Table 1.

1. Testing the e-service quality variable (X1) on customer satisfaction (Y)
The first hypothesis of this study posits that customer satisfaction (Y) is positively influenced by e-service quality (X1). As indicated in Table 5.15, the computed t-value of 5.930 exceeds the critical t-value of 1.984, suggesting that e-service quality significantly impacts customer satisfaction. Therefore, the e-service quality variable has a partial effect on customer satisfaction.
2. Testing security variables (X2) on customer satisfaction (Y)
The second hypothesis of this research suggests that customer satisfaction (Y) is enhanced by security (X2). According to Table 5.15, the computed t-value of -2.842 is lower than the critical t-value of 1.984, indicating that security does not significantly affect customer satisfaction. Hence, the security variable does not have a substantial impact on customer satisfaction.
3. Testing promotional variables (X3) on customer satisfaction (Y)
Based on the data presented in Table 5.15, where the computed t-value of 4.916 is greater than the critical t-value of 1.984, it can be concluded that customer satisfaction is partially influenced by the promotion variable.

Considering the results obtained from F test, it shows that the variables e-service quality (X1), security (X2) and promotion (X3) have a joint effect on customer satisfaction (Y).

Table 2. Simultaneous Test Results (F Test)

	Model	F	Sig.
1	Regression	62,474	<0,001 ^b
	Residual		
	Total		

Source: SPSS Data Processing Results 29, 2024

The computed F-value is 62.474, as demonstrated in Table 2. This F-value of 62.474 is significantly greater than the critical value of 2.70, as listed in the F-table. This result suggests that the hypothesis, which posits that e-service quality (X1), security (X2), and promotion (X3) collectively impact customer satisfaction (Y), is supported.

CONCLUSION

The objective of this study is to investigate the impact of e-service quality, security, and merchandising factors on the satisfaction levels of Generation Z customers using Shopee e-commerce in Denpasar. The following conclusions are derived from the proposed problem components, the data analysis conducted, and the discussion developed in the preceding chapter:

1. E-service quality positively impacts Shopee e-commerce customer satisfaction among Generation Z in Denpasar City, which means H1 is accepted.
2. Security has negative impacts on Shopee e-commerce customer satisfaction among Generation Z in Denpasar City, which means H2 is rejected.
3. Promotion has a positively impacts Shopee e-commerce customer satisfaction among Generation Z in Denpasar City, which means H3 is accepted.
4. E-service quality, security and promotion jointly influence Shopee e-commerce customer satisfaction among Generation Z in Denpasar City, which means H4 is accepted

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