

THE INFLUENCE OF PERCEIVED E-SERVICE QUALITY DIMENSIONS ON CUSTOMER INTENTION TO REPURCHASE: A CASE OF MILLENNIAL GENERATION ON SHOPPING ONLINE IN INDONESIA

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ABSTRACT

The purpose of this article is to investigate the relationship between e-service quality dimensions and repurchase intention of millennial generation of Indonesia on online shopping behavior. A qualitative review of e-service quality dimension and intention to repurchase construct was conducted to identify the relationship between the constructs. This study focuses on seven e-service quality dimensions to predict repurchase intention. The results are expected to extend the knowledge of different context of e-service quality measurement and its consequences. A survey was conducted to 100 judgement sample size of shopping online consumers by distributing self administered questionnaires. To test the proposed model is by using multi regression was employee. The analytical results showed that all of perceived e-service quality dimensions namely ; privacy, system availability, contact, compensation, responsiveness, fulfillment, and efficiency affected intention to repurchase differently based on the value of regression coefficients and all dimensions statistically significant. Future research should consider a variety of e-service and segment and using different methodology such as in-depth interview or longitudinal study.

Keywords: E-service quality, Online shopping, Millennial generation.

ABSTRAK

Tujuan artikel ini adalah untuk mengetahui hubungan antara dimensi kualitas layanan elektronik dan niat membeli ulang generasi milenial Indonesia terhadap perilaku belanja online. Tinjauan kualitatif dimensi kualitas layanan elektronik dan niat membeli kembali konstruk dilakukan untuk mengidentifikasi hubungan antara konstruk tersebut. Penelitian ini berfokus pada tujuh dimensi kualitas layanan elektronik untuk memprediksi niat pembelian ulang. Hasilnya diharapkan dapat memperluas pengetahuan tentang berbagai konteks pengukuran kualitas layanan elektronik dan konsekuensinya. Sebuah survei dilakukan terhadap 100 ukuran sampel penilaian konsumen belanja online dengan menyebarkan kuesioner yang dikelola sendiri. Untuk menguji model yang diusulkan adalah dengan menggunakan regresi berganda pada karyawan. Hasil analisis menunjukkan bahwa seluruh dimensi kualitas layanan elektronik yang dirasakan yaitu; privasi, ketersediaan sistem, kontak, kompensasi, daya tanggap, pemenuhan, dan efisiensi mempengaruhi niat membeli kembali secara berbeda berdasarkan nilai koefisien regresi dan semua dimensi signifikan secara statistik. Penelitian di masa depan harus mempertimbangkan variasi layanan elektronik dan segmen serta menggunakan metodologi yang berbeda seperti wawancara mendalam atau studi longitudinal.

Kata kunci: Kualitas layanan elektronik, Belanja online, Generasi milenial.

INTRODUCTION

The term of e- service has been used increasingly by experts and practitioners for the last decades (Ojasalo 2010). E-service is defined as the electronic provision of service to customer (Saanen, Sol and Verbraeck, 1999). E-service commonly linked to provision service to customers through internet that may also include e-Commerce, although it may also include non-commercial services (online) E-Service constitutes the online services available on the Internet (Muhammad Rais & Nazariah, 2003). Electronic services are services that basically use the existence and progress of

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information and communication technology in serving consumers. Electronic services consist of three main components namely; service providers, service recipients, and media or service delivery channels, namely information technology and the internet. E-service or electronic service is basically the provision of services via the internet. An electronic service is required to have a 'front-end' web-based system and a 'back-end' information system. In this case the web has an important role as a liaison between service providers and recipients in electronic service systems (Hopker and Hole, 2001). According to Boyer, Halo and Roth (2001), e-services provide a unique opportunity for businesses and offer new business models including in the design of service strategies and the development of new service products. Electronic services in business are called e-Commerce or e-business although electronic services are also used by the government which is called e-government.

Shopping online is part of e-business or e-commerce that emerged in line with the progress of the internet. E-shopping has eliminated time, exact and distance limits for shopping as virtual stores. The Internet has fundamentally changed consumer shopping behavior forever. Online shopping is part of e-business or e-commerce that emerged in line with the progress of the internet. E-shopping has eliminated time, exact and distance limits for shopping as virtual stores. The Internet has fundamentally changed consumer shopping behavior for a while. Online shopping appears like mushrooms in the rainy season. Competition has increased drastically because entry barriers are not too difficult while market opportunities are growing rapidly. Competition has increased sharply and one way to compete is to improve service quality, which is called e-service quality

By using multi dimensional scaling on high contact service encounter, the measurement of service quality and still used to the present is SERVQUAL concept (Zeithaml, et al., 1988). SERVQUAL consists of five service dimensions named Tangible, Reliability, Responsiveness, Assurance, and Empathy. Recently, in the context of online service marketing, researchers have attempted to modify SERVQUAL in several models according to consumer developments and perceptions. Barnes and Vidgen (202) have developed an electronic service marketing quality measurement model called WebQual. Furthermore, Parasuraman et al., (2005) have developed a more complex E-S-QAL model. Another approach is used by Lee and Lin (2005) and proposes four dimensions of measuring the quality of online service marketing in relation to customer satisfaction, namely; website design, reliability, responsiveness and trust affect overall service quality. In the study of on online service marketing quality measurement modeling, Ladhari (2010) has identified six dimensions of online service marketing quality measurement, namely; 'reliability/compliance, responsiveness, web design, ease of use/usability, privacy/security, and quality/usefulness of information. However, Ladhari (2009) said that there is still another dimension in the context of marketing certain electronic services.

Repeat purchasing is very important income growth and stability for all business because repeat purchasing will increase the sales and profit from current customers (Berry and Parasuraman 1991; Reichheld and Sasser 1990). Repeat purchasing of existing customers is more profitable than to acquisition of the new one (Dwyer, Schurr and Oh 1987). Over the last decades, there have been a number of studies on the impact of E-service quality in service on intention to repurchasing (Chang and Wang 2011; Blut et al., 2010; Brady and Robertson, 2001). Customer intention to repeat purchasing in the first phase for repeat purchasing behavior. Intention to repeat purchasing is based on customers experiences on the previous service encounter.

The millennial generation or often called generation Y is a group of people who were born after generation X. This generation, based on their age, are those born around 1980 to 2000s. Research conducted by the Alvara Research Center in 2020 said that the millennial generation has great potential for business. Recently, the millennial generation has become a hot topic of discussion among the public because of their very distinctive behavior. Not only in terms of education and technology, but also the behavior of millennials who are more independent in terms of employment, income and consumption patterns. They can be classified as individual buyers or consumers. Individual consumers are consumers who make purchases without being influenced by others. (Laudon, 1994). In 2020 and beyond, the millennial generation will dominate the population in Indonesia with a portion of around 34 percent, followed by 20 percent of generation X, and 13 percent of the baby boomers (born 1946 to 1964).

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Based on data of Central Bank of Indonesia (BI) in 2020, the value of e-commerce transactions in 2021 will reach IDR 401 trillion. Even though it is still growing by double digits, Indonesia's e-commerce transactions are starting to slow down. According to the results of a survey by the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia in 2021 has reached 210.03 million users. Meanwhile, the second most dominant population comes from the millennial generation with 69.38 million people or 25.87 percent (BPS 2020).

An extended review of literature indicates that there have been no previous studies concerning the impact of e-service quality on intention to repeat purchasing of online shopping of millennial generation in Indonesia. Therefore, present research attempts to contribute to the literature in online shopping by examining the perception of e-service quality in online shopping in relation to intention to repeat purchasing on online shopping behavior particularly millennial generation of Indonesia. The research results will provide some useful information on which dimension of service quality should online shopping addressed based on assumption that each dimension may influenced customers satisfaction and intention to repurchase differently. The dimensions of e-service quality that are primarily involved in this relationships will be explored.

This article is structured as follows. The first is the literature review of e-service quality, customer satisfaction and customer intention to repurchase. The second the hypothesa is proposed and then examined empirically using a survey. Subsequently , data are analyzed and discussed. And finally, suggestion of research implementation and venues for future research.

METHOD

A survey research was conducted to investigate the relationship between independent variables (dimensions of e-service quality) and dependent one (customer intention to repurchase). A regression analysis was conducted to test the hypotheses after reliability of measure being used were ascertained. One hundred and twenty self administered questionnaires were distributed to millennial generation of Indonesia at various location in the third largest city of Indonesia via judgemental sampling distribute. Fifteen decline to participate, five questionnaires were incomplete or unusable, leaving an effective sample size of 83% and response rate of 0.95%. The requirement to be a sample is that respondents have shopped online at least once for the last three months. Respondents were first informed of the study description, and asked to fill in the questionnaires. To provide certain personal data is optional or leave blank. All original scales in English of Parasuraman, Zeithaml, and Malhotra (2005) were adapted to Indonesia context and translated into Bahasa Indonesia by using back-to back translation to avoid lost in translation and to get the original meaning. Perception of e-service quality was measured with Likert Scale. The respondents were instructed to indicate the extend to which they agreed or disagreed with each of 29 items (1=strongly disagreed ,5 strongly agreed). Customer intention to repurchase was measured with five items developed specifically for this study through many trials and revision. Suggestions from other researchers are also very helpful and valuable. Using Likert Scale, the respondents were instructed to indicate the extend to which they are agreed or disagreed with each item of the five items)1 strongly diagreed,5 strongly agreed). "I will be repurchasing Z items from XXX online shop"; "If I need something else I will buy it from the online shop XXX", were two examples of the scale items.

DISCUSSION

Descriptive Statistics

Means, standard deviation reliabilities, and bivariate correlations of the variables are presented in Table 1. All scales exhibit Cronbach's alphas higher than .60, thus suggesting the adequate scale reliabilities (Nunnally, 1990).

Tabel 1: Descriptive Statistics, Reliability and Bivariate Correlations

	<i>ESQEF</i> <i>F</i>	<i>ESQFU</i> <i>L</i>	<i>ESQSA</i> <i>A</i>	<i>ESQSY</i> <i>A</i>	<i>ESQRE</i> <i>S</i>	<i>ESQCO</i> <i>P</i>	<i>ESQCO</i> <i>T</i>	<i>IRE</i> <i>P</i>
<i>Correlation*</i>								
<i>ESQ-Efficiency (ESQE)</i>	1							
<i>ESQ-Fulfilment (ESQFUL)</i>	.78	1						
<i>ESQ-System availability (ESQSYA)</i>	.82	.78	1					
<i>ESQ-Privacy (ESQPRI)</i>	.75	.71	.74	1				
<i>ESQ-Responsiveness (ESQRES)</i>	.80	.82	.72	.92	1			
<i>ESQ-Compensation (ESQCOP)</i>	.72	.65	.70	.84	.72	1		
<i>ESQ-Contact (ESQCOT)</i>	.74	.72	.82	.78	.75	.80	1	
<i>Intention to Repurchase (IREP)</i>	.55	.68	.75	.72	.76	.80	.78	1
<i>Cronbach's Alpha</i>	.87	.83	.84	.84	.86	.85	.83	.85
<i>Mean</i>	4.08	4.52	4.13	4.56	5.32	4.34	4.80	3.88
<i>Standard Deviation</i>	.90	.89	.87	.96	.92	.88	0.85	1.03

* All bivariate correlation are significant at .05 level

Influence of e-service quality dimensions on customer intention to repurchase (H1)

To test this hypothesis, Intention to repurchase was regressed on efficiency, fulfillment, system availability, privacy, responsiveness, compensation, and contact dimensions of e-service quality. The multi regression results are shown in Tabel 2. These results reveal that all dimensions influenced intention to repurchase but with different level of influences. The order e-service dimensions by value of regression coefficients are; privacy ($\beta = .298, t = 2.215$), system availability ($\beta = .249, t = .118$), contact ($\beta = .216, t = 2.607$), compensation ($\beta = .205, t = 2.092$), responsiveness ($\beta = .201, t = 2.500$), fulfillment ($\beta = .191, t = 3.173$), efficiency ($\beta = .103, t = 2.046$).

Tabel 2: Multiple Regression Results

<i>Independent Variable</i>	<i>Unstandardized coefficient</i>				<i>Collinearity Statistics</i>	
	β	Std. error	<i>t-value</i>	Sig.	Tolerance	VIF
<i>1. Constant</i>	.027	2.311	.012	.991		
<i>ESQ-Efficiency (ESQE)</i>	.103	.050	2.046	.044	.909	1.101
<i>ESQ-Fulfilment (ESQFUL)</i>	.191	.060**	3.173	.002	.825	1.213

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<i>ESQ-System availability (ESQSYA)</i>	.249	.118*	2.105	.038	.824	1.214
<i>ESQ-Privacy (ESQPRI)</i>	.298	.133	2.215	.027	.804	1.215
<i>ESQ-Responsiveness (ESQRES)</i>	.201	.081	2.500	.014	.830	1.244
<i>ESQ-Compensation (ESQCOP)</i>	.205	.096	2.092	.039	.875	1.143
<i>ESQ-Contact (ESQCOT)</i>	.216	.83	2.607	.011	.775	1.290

a. *Dependent variable Intention to repurchase*

Note : *: $p < .05$; ** $p < .01$ (two-tailed)

$F = 16.260$; $p < .05$; $R^2 = .553$; Adjusted $R^2 = .519$

The results of this study reveal that for millennials in Indonesia who shop through online shops, the quality of the e-service they receive influences their intention to make repeat purchases significantly and positively. They will not only buy back the same item but they will also intent to purchase other items from the same online store.

Based on the value of the regression coefficient, it is known that each dimension of e-service quality has an effect but on a different level. In other words, there are dimensions of e-service quality that are very influential and some are lacking, although overall, all dimensions of e-service quality affect consumers' intentions to make repeated purchases. The order e-service dimensions by value of regression coefficients are; privacy ,system availability, contact , compensation , responsiveness , fulfillment , efficiency.

Privacy related to security, which includes guarantees that customer data will not be shared to any party and credit card information security is guaranteed. System availability refers to the technical functionality of a web site or application , i.e. the extent to which a web site or application is available and can function properly. All kinds of technical functions must be able to run smoothly without being hampered by anything. Contact is a dimension that refers to the availability of online shop for customers to be able to talk directly to customer service staff either through online conversations or via telephone lines but not talking to machines when customers need additional information regarding products and services. Compensation is a dimension that involves return policies ,cash back, and refund policy due to the system failures that often occur on the website. Responsiveness includes the ability of online shops in conveying the right information for the customer and also when a customer is having trouble accessing the web site or application. Fulfilment, related to the accuracy of the promised of service or product ordered by consumers including process and the promised time of delivery according to what is expected by the customer. Efficiency leads to the ability of customers to enter the website, find the desired product and get related information about the product, as well as the process check out products with minimal effort. There is a chance that the results of this study were also effected by the adaptation of e-service measurements to local cultural of Indonesia.

CONCLUSION

The results of this study contributed to the literature of e-service quality measurement by suggesting redefined consequences of e-service dimension measurement. (intention to repurchase). In addition, this study contributes to the development of consumer behavior and service marketing studies. In term of theoretical implication, the current study suggests that each dimension of e-service quality may exhibit different level of influence on consumer behavior in the case of online shopping in Indonesia. The results of this study indicate that e-service quality should be examined at the level dimension, rather than an aggregate evaluation since each dimension may have different importance or relevance to the customers. In this regard, this study contributes to the service marketing and consumer behavior by suggesting that culture and others factors beside e-service quality dimensions have to consider as addition to those dimensions previously identified. The presents study argues that

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each e-service quality dimensions of interest need to be specified when conducting an e-service quality study.

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