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The Effect of Shopee e-Service Quality and Price Perception on Repurchase Intention: Customer Satisfaction as Mediation Variable

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Abstract

The study is aimed to analyze the effect of e-service quality (e-SERVQUAL) and price perception on repurchase intention to consume Shopee product in Solo City with satisfaction as mediation variable. This is an explanatory research using questionnaires. Population in this study are customers in Solo city who make purchases through e-commerce Shopee. Samples of 100 customers are chosen by purposive sampling method. Methods analysis used is path analysis. Research findings revealed that e-SERVQUAL, price perception, and customer satisfaction have positive and significant effect on repurchase intention. Results of Sobel test show that customer satisfaction mediates the effect of e-SERVQUAL on repurchase intention, but customer satisfaction cannot mediate the effect of price perception on repurchase intention.

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1. Introduction

In general, e-commerce businesses in Indonesia can be divided into five different forms, namely classifieds, customer to customer marketplace, shopping mall, business to consumer and social media shop. The form of business classifieds (list of classified ads) is a web e-commerce service provider that is not involved or facilitates directly online buying and selling transactions that take place. In the form of business classifieds, e-commerce companies only become media that bring together sellers and buyers in one place.

At present one of the fastest growing e-commerce in Indonesia is Shopee. Shopee is an online-based shopping platform that provides a wide range of sales products ranging from electronics, household appliances, clothing, accessories to fashion. In addition to providing a variety of products, another advantage of Shopee is that the buyer can return goods or funds if the goods received are not as desired. Users can also

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find items easily in the search field simply by entering a picture of the item being searched for. Shopee also provides a free postage feature for shipping goods. By ranking fourth in the e-commerce search category that is most in demand by users in the Top 40 e-commerce with a total of 34,510,800 visitors each month (Meidita et al., 2018).

Loyalty to an object, such as a brand, store, service, or company that is shown by behavioral tendencies or attitudinal (psychological) that are beneficial to the object (East et al., 2005). Behavioral intention is an important reference for marketers in achieving marketing success. Clemes et al. (2009) states that behavioral intention relates to the length of the company's relationship with customers and customer loyalty. According to Oliver (1999) behavioral intention or intention to behave synonymous with conative loyalty, namely the commitment of customers to make purchases. Behavioral intention is positively indicated by repurchase intention, while behavioral intention is negatively like complaining behavior or moving to another brand/company. Repurchase intention is the intention of someone to repurchase a product or service by considering previous experience in using the product or service (Hellier et al., 2003).

One of the factors that influence repurchase intention is the quality of services provided by producers. According to Payne (1993) service quality is the ability of an organization to meet or exceed customer expectations. Improving service quality through SERVQUAL dimensions (tangibles, reliability, responsiveness, assurance, empathy) can be used as a marketer's strategy to establish long-term relationships with customers. Study of Srivastava & Sharma (2013) proves that service quality has a positive effect on repurchase interest. Other research findings that provide empirical evidence regarding the effect of service quality on repurchase intention are (Hellier et al., 2003; Srivastava & Sharma, 2013; Idris, 2017). The quality of services in the online environment is important in determining the success or failure of electronic commerce.

Chase & Aquilano (2004) said that e-service quality is a service provided to consumers of internet networks as an extension of the ability of a site to facilitate shopping, purchasing, and distribution activities effectively and efficiently. According to Parasuraman et al. (2005) define e-service quality as the extent to which a website is able to facilitate consumer activities including shopping, purchasing, and shipping both products and services efficiently and effectively. One of the most widely used models is the e-SERVQUAL model developed by Zeithaml et al. (2002). From the SERVQUAL traditional model (Zeithaml et al., 2002), succeeded in developing the five main dimensions of service quality, into seven e-SERVQUAL dimensions described by Tjiptono & Chandra (2016), namely efficiency, reliability, fulfillment, privacy, responsiveness, compensation, and contact. The results showed a positive effect of e-SERVQUAL on repurchase intention and customer loyalty (Jonathan, 2013; Laurent, 2016; Akbar & Djatmiko, 2016; Idris, 2017). In addition to service quality, repurchase intention is also influenced by price perceptions. Price factors can affect repurchase intention of consumers, the intended factor is the suitability of prices with the quality and quantity obtained (Zeithaml et al., 2017). Based on research conducted by Faradiba (2013); Idris (2017) proves that price perception has a positive effect on repurchasing interest.

The relationship between customer satisfaction and repurchase interest has attracted researchers, which states that there is a positive influence on customer

satisfaction with repurchasing interest. Kotler & Keller (2016) define customer satisfaction as consumers' happy feelings that arise after comparing the real performance of a product with their expectations. Customers who feel satisfied tend to find it difficult to change their choices. According to Ho & Lee (2007), the level of customer satisfaction in electronic services can be measured when a customer makes an online purchase on a website, makes the right choice by making a purchase on the website, and feels satisfied every time he makes a purchase on the website.

According to Hellier et al. (2003) customer satisfaction has a positive effect on repurchasing interest. This is also supported by research conducted by Srivastava & Sharma (2013) which indicates a positive influence between customer satisfaction and repurchase interest. Other findings indicate that service quality and price perimeter can affect repurchase intention through customer satisfaction, in other words the influence of service quality and price perception on repurchase intention is mediated by customer satisfaction. This is supported by research conducted by Kuo & Tang (2013); Idris (2017).

Based on the description, satisfaction can be used as a company strategy to maintain customers who can then increase company profits. Satisfaction can encourage repurchase intention. E-commerce service quality, and satisfaction, price is an important reference for e-commerce companies in achieving profitability. As with conventional marketing, Shopee as an e-commerce company seeks to satisfy customers through quality information services. If customers feel satisfied with the price and service information, they will again entrust their needs to the e-commerce company. Behavior for satisfied online customers will more often visit the website that can be trusted, and encourage the intention to repurchase.

The main problem in this study, that until now there has been no research that has developed a model of the four constructs in the context of e-commerce Shopee in Solo City. To fill this gap, this study aims to develop a model to test the causality relationship between e-SERVQUAL Shopee factors, price perception, and customer satisfaction by repurchase intention to customers in Solo City.

2. Methods

This type of research is survey research using a quantitative approach, where data analysis is carried out in this study by performing statistical calculations. The design of this study is an explanatory type that is to explain the causal relationship between variables through hypothesis testing. The population in this study were all Shopee customers in Solo City, using a sample of 100 customers. Sampling uses a purposive sampling technique, the criteria for which are determined that customers have purchased Shopee products at least twice.

This study uses four instruments including e-SERVQUAL, price perception, customer satisfaction and repurchase intention. E-SERVQUAL is the customer's perception of the quality of electronic services provided by Shopee companies to meet customer expectations. Tjiptono & Chandra (2016) developed seven dimensions to measure e-SERVQUAL namely efficiency, reliability, fulfillment, privacy, responsiveness, compensation, and contact. Price perception is the customer's assessment of the price of products offered by Shopee companies. Price perception is measured by three

dimensions, namely affordability, price compatibility with quality, and price lower than competitors (Martin - Consuegra et al., 2007; Idris, 2017). Customer satisfaction is the result of customer evaluation of Shopee electronic products and services that have been consumed to meet customer needs and desires. Customer satisfaction is measured in five dimensions, namely satisfaction with electronic services, security, price, emotional factors, and convenience (Laurent, 2016). Repurchase intention is the intention of someone to repurchase a product or service by considering previous experience in using the product or service (Hellier et al., 2003). Repurchase intention is measured by dimensions namely transactional interest, explorative interest, referential interest, and preferential interest (Idris, 2017).

Data collection technique using questionnaire that is measured by likert scale five point namely Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1). To test the quality of the data tested the validity and reliability of the instrument. Data analysis techniques using path analysis aims to determine the effect of e-SERVQUAL and the perception of prices towards repurchase intention mediated customer satisfaction.

3. Results and Discussion

Respondents of this study are 100 customers who ever consume Shopee product in Solo. Descriptive characteristics of respondents shows that male of 34.2% and female of 65.8%; age < 25 years of 59.9%, 26-40 years of 26.8%, 41-60 years of 13.4%; student of 20.8%, civil servants of 6.7%, self-employed of 36.6%, private of 35.9%; high school education of 56%, D3/D4 of 12%, S1 of 21.5%, S2 of 10.6%; income < 1 million of 21.8%, 1-3 million of 39.4% and > 3 million of 38.7%.

Based on data processing shows that all items, of e-SERVQUAL, price perceptions, customer satisfaction and repurchase intention have a good level of validity (Table 1). The reliability test results show that all instruments have cronbach alpha values ≥ 0.6 (Table 1). Thus all of the research instruments have good reliability. Based on the classical assumption test this research model has fulfilled the assumption test required by the regression model, that is fulfilling the requirements of multicollinearity test, heteroscedasticity test, autocorrelation test, and normality test.

The results of the multicollinearity test show that all independent variables (e-SERVQUAL, price perception, and customer satisfaction) are not linearly correlated. This is indicated by tolerance values > 0.1 and VIF < 10 (Table 2). Thus, this research model does not occur multicollinearity. The results of heteroscedasticity test show that all independent variables (e-SERVQUAL, price perception, and customer satisfaction) have no significant effect on the residual absolute variables (Table 2). This is indicated by the significance value > 0.05 , meaning that the study model did not occur with heteroscedasticity problems. Results of autocorrelation test through Runs test were obtained by asymp. sig. (2-tailed) > 0.05 (Table 2). Thus this research model does not have an autocorrelation problem. Results of normality test through the kolmogorov-smirnov test obtained asymp. sig. (2-tailed) > 0.05 means normal residuals (Table 2).

Table 1 Result of Validity and Reliability Testing

Variables	Dimensions	Corrected Item-Total Correlation	Cronbach Alpha
E-SERVQUAL	Efficiency	0.834	0.965
	Reliability	0.894	
	Fulfillment	0.902	
	Privacy	0.898	
	Responsiveness	0.870	
	Compensation	0.884	
	Contact	0.857	
Price Perception	Affordability	0.796	0.864
	Price compatibility with quality	0.722	
	Price lower than competitors	0.715	
Customer Satisfaction	Electronic services	0.784	0.948
	Security	0.825	
	Price	0.928	
	Emotional factors	0.909	
Repurchase Intention	Convenience	0.856	0.935
	Transactional interest	0.873	
	Explorative interest	0.857	
	Referential interest	0.820	
	Preferential interest	0.844	

Table 2 Result of Classical Assumption Test

Classical Assumption Test	Results	Explanation
Multicollinearity test	Tolerance (0.943; 0.956; 0.904) > 0.1 VIF (1.061; 1.046; 1.107) < 10	No multicollinearity
Heteroscedasticity test	p-value (0.755; 0.702; 0.970) > 0.05	No heteroscedasticity
Autocorrelation test	Asymp. Sig. 2-tailed (0.761) > 0.05	No autocorrelation
Normality test	Asymp. Sig. 2-tailed (0.436) > 0.05	Normal residuals

Testing the hypothesis in this study using path analysis aims to examine the direct and indirect effect of e-SERVQUAL and price perception on repurchase intention through customer satisfaction. The test results of direct effect between variables are presented in Table 3.

Table 3 Path Coefficient of Direct Effect and Hypothesis Testing

Hypothesis	Direct Effect	Path Coefficient	t-Value	p-Value	Result
H1	E-SERVQUAL → Satisfaction	0.146	2.436	0.017	Accepted
H2	Price → Satisfaction	0.308	2.119	0.037	Accepted
H3	E-SERVQUAL → Intention	0.194	4.438	0.000	Accepted
H4	Price → Intention	0.419	4.000	0.000	Accepted
H5	Satisfaction → Intention	0.295	4.026	0.000	Accepted

Hypothesis 1 is proven with estimate value of path coefficient of 0.146 with a positive direction, t-value of 2.436 and p-value of $0.017 < \alpha = 0.05$. Positive path coefficient means the e-SERVQUAL affect on customer satisfaction. These results support the research of Jonathan (2013); Laurent (2016). Hypothesis 2 is proven with estimate value of path coefficient of 0,308 with a positive direction, t-value of 2.119 and p-value of $0.037 < \alpha = 0.05$. Positive path coefficient means the price perception affect on customer satisfaction. These results support the research of Kuo & Tang (2013); Idris

(2017). Hypothesis 3 is proven with estimate value of path coefficient of 0,194 with a positive direction, t-value of 4.438 and p-value of $0.000 < \alpha = 0.05$. Positive path coefficient means the e-SERVQUAL affect on repurchase intention. These results support the research of Jonathan (2013); Laurent (2016); Akbar & Djatmiko (2016); Idris (2017). Hypothesis 4 is proven with estimate value of path coefficient of 0.419 with a positive direction, t-value of 4.000 and p-value of $0.000 < \alpha = 0.05$. Positive path coefficient means the price perception affect on repurchase intention. These results support the research of Zeithaml et al. (2017); Faradiba (2013); Idris (2017). Hypothesis 5 is proven with estimate value of path coefficient of 0,295 with a positive direction, t-value of 4.026 and p-value of $0.000 < \alpha = 0.05$. Positive path coefficient means the customer satisfaction affect on repurchase intention. These results support the research of Qin & Prybutok (2009).

Table 4 Result of Sobel Test – Effect of e-SERVQUAL on Repurchase Intention through Customer Satisfaction

Path	Standardized Coefficients	Standard Error	Sobel Test Statistic	One-Tailed Probability	Two-Tailed Probability
E-SERVQUAL → Satisfaction	A = 0.146	SE _A = 0.060	2.152	0.016	0.031
Satisfaction → Intention	B = 0.355	SE _B = 0.077			

Sources: Result of Online Sobel Calculator

Mediation test is aimed to detect position of mediation variables in model, to test the hypothesis of the six and seven, sobel test was used to examine the relationship existing mediating variables in the hypothesis. Testing of hypothesis 6 aims to examine the indirect effect of e-SERVQUAL on repurchase intention through customer satisfaction. Results of Sobel calculator online are presented are presented in Table 4.

Table 5 Result of Sobel Test – Effect of Price Perception on Repurchase Intention through Customer Satisfaction

Path	Standardized Coefficients	Standard Error	Sobel Test Statistic	One-Tailed Probability	Two-Tailed Probability
Price → Satisfaction	A = 0.308	SE _A = 0.145	1.838	0.033	0.066
Satisfaction → Intention	B = 0.418	SE _B = 0.114			

Sources: Result of Online Sobel Calculator

Hypothesis 6 is proven. Results of sobel test show sobel test statistic 2.152 and p-value (two-tailed probability) $0.031 < \alpha = 0.05$. This indicates customer satisfaction mediates the effect of e-SERVQUAL on repurchase intention. These results support the research of Kuo & Tang (2013); Idris (2017). This finding also supports the research conducted by Jonathan (2013); Laurent (2016) that the effect of e-SERVQUAL on customer loyalty mediated by customer satisfaction.

Testing of hypothesis 7 aims to examine the indirect effect of price perception on repurchase intention through customer satisfaction. Results of sobel calculator online

are presented are presented in Table 5. Hypothesis 7 is rejected, results of sobel test show sobel test statistic 1.838 and p value (two-tailed probability) $0.066 > \alpha = 0.05$. This indicates customer satisfaction cannot mediate the effect of price perception on repurchase intention. The findings of this study do not support the research conducted by Kuo & Tang (2013); Idris (2017).

4. Conclusion

The findings of this study that Shopee e-SERVQUAL, price perception, and customer satisfaction have positive and significant effect on repurchase intention. Results of sobel test show that customer satisfaction mediates the effect of e-SERVQUAL on repurchase intention. However, customer satisfaction cannot mediate the effect of price perception on repurchase intention. Implications of this study, marketing managers must provide good service to customers, because e-SERVQUAL will be able to increase customer satisfaction, and then customer satisfaction will create repurchase intention. In purchasing an online factor price can directly affect repurchase intention, without through satisfaction because customers are more affected by online service quality.

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