S-Commerce Cues as a Predictor of Repurchase Intention: Customer Satisfaction as Mediating Variable

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ABSTRACT

The purpose of this research is to examine the mediating role of customer satisfaction on the relationship between social commerce (s-commerce) cues (i.e. reliability and responsiveness) and repurchase intention. Data was collected from 211 respondents and 155 respondents can be used for this study. This research conducted Partial Least Square – Structural Equation Modelling (PLS-SEM) analysis by using SmartPLS. The result shows that reliability and customer satisfaction positively and significantly affect repurchase intention, but responsiveness has been found not significant, but positively affect repurchase intention. From this study, s-commerce can implement their marketing strategies through reliability, responsiveness and customer satisfaction that may leads to repurchase intention.

Keywords: s-commerce, reliability, responsiveness, repurchase intention

1. INTRODUCTION

The rapidly developing technology is evident from the very significant growth of e-commerce which then changes the way of doing business and interacting with customers. E-commerce is driving the digital-based economy [1].

With this development, the Indonesian people rely more on e-commerce to make transactions, especially in the Covid-19 pandemic situation which limits direct transactions and forces people to switch to online transactions.

There is one of the marketplaces in Indonesia engaged in the online travel agent (OTA) sector which is quite developed and able to survive the Covid-19 pandemic [2]. They are able to survive with product innovations in the form of services it offers, not only limited to flight ticket bookings, but many other services such as hotel tickets booking for staycations that many people do during the Covid-19 pandemic. In addition, food ordering services are also available with attractive promos provided by the company, which interests people, compelling them to continue to make transactions through the online application. With the innovations and interesting programs offered, the public is also interested in making transactions continuously.

Repurchase intention is a decision to repurchase the same or different products/services in the future [3]. Repurchase intention benefits the company so that the company can also implement marketing strategies in order to encourage repurchase intention of the customers.

Social media has been an efficient method for information transmission, which then gives rise to social commerce (s-commerce). S-commerce represents an opportunity that allows the public to actively conduct marketing and product sales activities in the online marketplace. S-commerce is increasingly popular where s-commerce provides a platform to share personal experiences and also information about a product/service [4]. S-commerce cues consist of several dimensions, namely trust, reliability, responsiveness, and compatibility [4].

Reliability indicates the company's ability to perform the promised services reliably and consistently [5]. Reliability relates to the following three criteria: the product is displayed and described accurately, the customer receives the product/service as ordered, and the delivery is carried out within the promised timeframe [4]. With a reliable system, it will affect repurchase intention [5].

Responsiveness is proven to be one of the important constructs in serving consumers/customers, where responsiveness refers to the willingness to provide prompt service and assistance for the customers [5]. So, with high responsiveness, customers are encouraged repurchase in the future [6].

Customer satisfaction is a positive feeling of the consumers based on transactions or purchases made from previous purchasing experiences [20]. Customers who feel satisfied after making a purchase will be more likely to repurchase in the future [7]. So, when consumers feel satisfaction at the time of making a purchase, consumers will tend to repurchase in the future.

In addition, customer satisfaction mediates the relationship between reliability and repurchase intention. With reliable company services, it will create a sense of satisfaction for customers, which then encourage them to repurchase in the future [5]. Then, customer satisfaction mediates the responsiveness relationship with repurchase intention.

When the company can provide a quick response or response to its customers, they feel confident in making purchases, customers will feel satisfied which will lead to repurchase in the future [6]. Having identified the gap, in this study found a different result with the previous research, where reliability has been found can't predict repurchase intention.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Repurchase Intention

Repurchase intention has been defined as customers' commitment to continuously repurchase a product/ service, despite the marketing efforts and situational influences that may cause switching behavior [8]. Repurchase intention is also defined as the consumers' decision to purchase a same product or from a company again [9]. Therefore, repurchase intention is a customers' commitment to rebuy a product/service on an ongoing basis because of the sense of satisfaction felt by the customer for the product/service provided by the company.

2.2. Reliability

There are three criteria for reliability: products are accurately described and displayed, consumers receive the product, and delivery is done within the promised timeframes [10]. Furthermore, reliability also refers to companie's ability to conduct the promised service consistently and dependably [11]. Therefore, this study concluded that reliability is the company's ability to carry out the promised services reliably, consistently, and as expected by customers.

2.3. Responsiveness

Responsiveness refers to a company's willingness to provide prompt services to assist customers [11]. Furthermore, responsiveness is compliance to listen or help the customers and provide assistance on time [12]. Thus, it can be concluded that responsiveness concerns the willingness in providing assistance and also responding to customers.

2.4. Customer Satisfaction

Customer satisfaction is customers' perceptions towards the product or service's performance in comparison with their expectations [13]. Furthermore, customer satisfaction could be understood as consumers' contentment concerning their purchasing experiences [14]. Therefore, this study concluded that customer satisfaction is a positive response felt by customers towards the purchase or use of a product/service.

2.5. The Effect of Reliability on Repurchase Intention

Based on previous studies, reliability positively influence repurchase intention [12][17]. Reliability affects repurchase intention in shopping online where reliability has been an important issue in the rapidly growing online shopping, which then becomes a factor that influences someone to make repeat purchases in the future.

H1a: Reliability has a positive prediction on repurchase intention.

2.6. The Effect of Responsiveness on Repurchase Intention

Based on previous researches, responsiveness positively affect repurchase intention [6][12]. The existence of good service responsiveness will increase customer loyalty which is shown through future repurchases. With good and fast responsiveness from the company, it will give a positive impression on the customer's shopping experience at the company, which then compels customers to make repeat purchases in the future.

H1b: Responsiveness has a positive prediction on repurchase intention.

2.7. The Effect of Reliability on Customer Satisfaction

Previous studies have concluded a positive impact of reliability on customer satisfaction [5][15]. With good reliability, consumers will feel satisfied because the products/services provided are reliable.

H2a: Reliability has a positive prediction on consumer satisfaction.

2.8. The Effect of Responsiveness on Customer Satisfaction

Previous researches explained a positive impact of responsiveness towards customer satisfaction [6][16]. Responsiveness will increase customer satisfaction by providing a fast response and providing appropriate assistance to customers. This research shows that customer satisfaction can be increased through responsiveness.

H2b: Responsiveness has a positive prediction on consumer satisfaction.

2.9. The Effect of Customer Satisfaction on Repurchase Intention

Previous researchers found that customer satisfaction positively and significantly affect repurchase intention [18][19][22][24]. When consumers are satisfied, they are more likely to purchase repeatedly.

H3: Customer satisfaction has a positive prediction on repurchase intention.

2.10. The Effect of Reliability on Repurchase Intention Through Customer Satisfaction

Previous research found a relationship between reliability and repurchase intention mediated by customer satisfaction [6][12]. When the company is reliable, it will increase customer satisfaction, which will then increase the intention to repurchase.

H4a: Reliability has a positive prediction on repurchase intention through customer satisfaction.

2.11. The Effect of Responsiveness on Repurchase Intention Through Customer Satisfaction

Previous researchers found that customer satisfaction can mediate the relationship between responsiveness and repurchase intention [6][12]. When the company provides a good response, it will increase satisfaction, which in turn will increase consumer repurchase intentions in the future.

H4b: Responsiveness has a positive prediction on repurchase intention through customer satisfaction.

3. RESEARCH METHODOLOGY

In this study, the data was obtained by distributing online questionnaires through Google Form. The questionnaires were distributed to respondents who had made purchases 2 or more times on the online marketplace in Indonesia. A total of 211 respondents have been collected, but only 155 respondents can be used in this study. The data analysis used PLS-SEM with SmartPLS software. This study used 18 indicators that represent 4 variables, whereas 5 indicators represent reliability, 4 indicators represent responsiveness, 5 indicators represent customer satisfaction, and 4 indicators represent repurchase intention.

4. RESULTS & DISCUSSIONS

155 respondents' data in this study were analyzed using the PLS-SEM method. Based on the profiles of respondents that have been collected, there are more women (58.7%) than men (41.3%), most respondents are between 21-24 years old (69.7%), 84 respondents are students (54.2%), 63 respondents live in West Jakarta (40.6%), in which (73.4%) have made purchases 2 times or more.

After determining the respondent's profile, validity and reliability testing was conducted, to determine the necessary statistical tests to accept or reject hypothesis. This study concluded that all variables are valid and reliable because the factor loadings, Average Variance Extracted, Cronbach's Alpha and composite reliability of each variable had exceeded 0.5, 0.5, 0.7, 0.7 respectively [23]. Table 1 presents the results of the measurement model assessment.

Table 1 Measurement Model Assessment Results

Variables	Indicators	Factor Loadings	AVE	Cronbach's Alpha	Composite Reliability
Reliability	REL1	0.841	0.643	0.860	0.900
	REL2	0.810			
	REL3	0.812			
	REL4	0.808			
	REL5	0.733			
Responsiveness	RES1	0.778	0.683	0.845	0.896
	RES2	0.835			
	RES3	0.868			
	RES4	0.823			
Customer Satisfaction	SAT1	0.840	0.721	0.902	0.928
	SAT2	0.738			
	SAT3	0.878			
	SAT4	0.885			
	SAT5	0.894			
Repurchase Intention	RI1	0.856	0.771	0.901	0.931
	RI2	0.882			
	RI3	0.903			
	RI4	0.870			

Table 2 Discriminant Validity Results

	SAT	REL	RI	RES
SAT	0.849			
REL	0.649	0.802		
RI	0.783	0.672	0.878	
RES	0.700	0.814	0.658	0.827

This study proceeded with structural model assessment to conclude whether to accept or reject the hypothesis. A hypothesis will be accepted if the significance value is lower than 0.05. The results were presented on Table 3, 4 and 5.

Table 3 R-Squared Assessment Results

Variables	R-Squared
Repurchase Intention	0.660
Customer Satisfaction	0.509

Table 4 Predictive Relevance (Q^2) Results

Variables	Predictive Relevance (Q^2)
Repurchase Intention	0.496
Customer Satisfaction	0.357

Table 5 Path Coefficient and Hypotheses Testing Results

Hypotheses	Path Coefficient	Sig. Value	Results	Conclusions
H1a: Reliability has a positive prediction on repurchase intention.	0.265	0.005	Significant	Supported
H1b: Responsiveness has a positive prediction on repurchase intention.	0.028	0.790	Not Significant	Not Supported
H2a: Reliability has a positive prediction on customer satisfaction.	0.235	0.021	Significant	Supported
H2b: Responsiveness has a positive prediction on customer satisfaction.	0.508	0.000	Significant	Supported
H3: Customer satisfaction has a positive prediction on repurchase intention.	0.592	0.000	Significant	Supported
H4a: Reliability has a positive prediction on repurchase intention through customer satisfaction.	0.139	0.021	Significant	Supported
H4b: Responsiveness has a positive prediction on repurchase intention through customer satisfaction.	0.301	0.000	Significant	Supported

Table 4 indicates the total impact percentage of reliability and responsiveness on repurchase intention and customer satisfaction. The R-squared result 0.660 and 0.509 implied that reliability and responsiveness had an effect of 66.0% and 50.9% in explaining and affecting repurchase intention and customer satisfaction respectively, while 34% and 49.1% were explained by other variables. Moreover, the predictive relevance (Q^2) value of 0.496 and 0.357 indicated all variables could predict the research model well. Furthermore, Table 5 presented the results of hypotheses

testing. This study concluded that all hypotheses are supported except H1b was not supported in this study.

H1a formulates that reliability positively and significantly predict repurchase intention. This result is in line with the previous studies which showed that reliability positively and significantly affect repurchase intention [12][17]. Where reliability affects repurchase intention in online shopping, so that which become a factor that influence them to purchase repeatedly.

H1b formulates that responsiveness positively but not significantly predict repurchase intention. With a sig. value

of 0.790, it could be concluded that the result of this hypotheses was not supported (H1b not supported). This result is contrary to previous studies, which shows that responsiveness positively and significantly affect repurchase intention [6][12]. However, research conducted by Nguyen, Nguyen, & Tan [21] shows that responsiveness does not affect repurchase intention, because people only use reputable websites that provide complete product information. This also cause consumers to rarely have problems towards their purchase.

H2a formulates that reliability positively and significantly predict customer satisfaction. This result is in line with the previous studies, which showed that reliability positively and significantly affect customer satisfaction [5][15]. Where consumers will feel satisfied because of the products/services provided are reliable.

H2b formulates that responsiveness positively and significantly affect customer satisfaction. This result is in line with prior studies, which showed that responsiveness positively and significantly affect customer satisfaction [6][16]. Where the results implied that customer satisfaction can be increased through the responsiveness.

H3 formulates that customer satisfaction positively and significantly predict repurchase intention. This result is in line with prior studies, which showed that customer satisfaction positively and significantly affect repurchase intention [18][19][22]. Where consumers feel satisfied with their previous purchase leads to repurchase in the future.

H4a formulates that reliability positively and significantly predict repurchase intention through customer satisfaction. This result is in line with prior studies, which showed that reliability positively and significantly affect repurchase intention through customer satisfaction [6][12]. Where the company is reliable, it will make consumer satisfied and it may lead to repurchase in the future.

H4b formulates that responsiveness positively and significantly predict repurchase intention through customer satisfaction. This result is in line with prior studies, which showed that responsiveness positively and significantly affect repurchase intention through customer satisfaction [6][12]. A good and appropriate response leads to customer satisfaction, which in turn will increase consumer repurchase intention in the future.

5. CONCLUSIONS & IMPLICATIONS

This study concluded that reliability and customer satisfaction can positively predict repurchase intention significantly, responsiveness can predict repurchase intention positively but not significantly, reliability and responsiveness can predict customer satisfaction positively and significantly. Finally, reliability and responsiveness can also positively and significantly predict repurchase intention mediated by customer satisfaction.

From these results, the implication for companies, especially those engaged in online fields such as marketplaces, e-commerce/s-commerce, is that they can develop their marketing strategies in encouraging customers to make repurchases.

6. LIMITATIONS & SUGGESTIONS FOR FUTURE RESEARCH

There is a reliability variable that does not predict repurchase intention, so the researcher suggests adding another independent variable that is more relevant so that the relationship between variables is stronger and significant. The researcher also suggests that further researchers can add other variables that are not used in this study, which can also predict repurchase intention.

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