



Increasing Customer Satisfaction and Loyalty in E-Commerce: A Case Study of Customer Tokopedia in Makassar City

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Abstract. The goal of this study is to see if trust and word of mouth (WOM) have a direct effect on satisfaction and loyalty, as well as an indirect effect via Tokopedia customer satisfaction in Makassar City. This research approach is a quantitative research approach. The population is all Tokopedia customers in Makassar City. The total sample is 172 people, with the technique of determining the sample is done by the technique of Nonrandom Sampling with the type of sampling purpose. Hypothesis testing is done by path analysis and Sobel test. According to the findings of this study, trust and word of mouth (WOM) have a positive and significant direct effect on Tokopedia customer satisfaction, but have no effect on customer loyalty. This study also discovered that customer satisfaction has a positive and statistically significant effect on Tokopedia customer loyalty. The indirect effect also demonstrates that trust and word of mouth (WOM) have a positive and significant direct effect on loyalty in Makassar City via Tokopedia customer satisfaction.

Keywords: Trust · Word of Mouth · Satisfaction · Loyalty

1 Introduction

Business competition is getting tougher in today's era, so business people must be able to maintain business by carrying out various appropriate marketing strategies, one of which is related to the products offered to customers. One of them is that the company must be able to make a customer loyal when using the products or services offered by the company to customers. When the consumer is a customer with a high level of loyalty, it is due to a sense of satisfaction that has been fulfilled by the customer, so to switch to another company the possibility is small [1]. Allison and Yu in Saputra, et al., (2017) suggest that loyalty is a goal to be achieved as the key to the success of a business [2].

According to Kotler and Keller (2009), satisfaction is defined as a person's feelings of pleasure or disappointment as a result of comparing the perceived performance of a product (or outcome) to their expectations or expectations [3]. The customer is dissatisfied if performance falls short of expectations. The customer is satisfied if the performance meets expectations. When performance exceeds expectations, the customer

is overjoyed. According to Bahrudin and Zuhro (2016) research, high customer satisfaction is required to build high customer loyalty [4]. Satisfaction influences customer loyalty. To get loyal customers, the trust factor is one thing that must be considered. In the theory of trust put forward by Morgan and Hunt in Tumbel (2017) that the key to trust is the belief that arises because each party trusts each other so that they have high integrity, are consistent, fair, like to help and are responsible [5].

Referring to the research conducted by Laely (2018) that there is an influence of the trust variable on customer satisfaction [6]. Then, Pratiwi and Seminar (2015) found that trust has a positive and significant effect on customer satisfaction at the Dauh Ayu Savings and Loans Cooperative Denpasar [7]. Likewise with Mahendra (2018) who found that there was an effect of customer trust on customer satisfaction at CV Mitra Perkasa Utomo [8]. Not only affects satisfaction, but also has implications for customer loyalty. Tumbel (2017) who found that trust had an effect on customer loyalty at PT. Bank BTPN Mitra Usaha Rakyat, Amurang branch, South Minahasa Regency [5]. Then, Bahrudin and Zuhro (2016) that to build high customer loyalty requires high trust [4].

Word of Mouth factor also affects the level of customer loyalty. As the Word of Mouth theory proposed by Prasetijo & Ihalauw (2005) that word of mouth communication or known as Word of Mouth (WoM) is a process in which information obtained by a person about a product, either from the mass media, from social interactions as well as from the experience of consumption, is passed on to others and in the process information spreads everywhere [9]. There is a significant positive effect of word-of-mouth on satisfaction [10]. Then, Nugraha and Aditya (2015) found that the word of mouth variable had a significant effect on the consumer satisfaction variable [11]. Furthermore, Word of Mouth will also be able to increase loyalty as Saputra, et al., (2017) who found that word of mouth has a positive and significant effect on customer loyalty [2]. Likewise, research by Oliviana, et al., (2017) found that WOM (Word of Mouth) has a significant effect on consumer loyalty [1].

The phenomenon that occurs is that Tokopedia consumer loyalty in using the Tokopedia marketplace tends not to be maximized. Even though from a report from iPrice, for the second quarter of 2021, Tokopedia is in first place with 147,790,000 visitors per month, while its competitor, Shopee, is behind it with 126,996,700. However, for application rankings on the Play Store and App Store, Shopee is superior because it is at the top of number 1. While Tokopedia is in 2nd place for the App Store and Play Store is ranked 4. This situation shows that the loyalty of Tokopedia marketplace users needs to be more improved, due to the increasing number of competitors such as shopee, bli-bli, and so on.

The researchers are interested in conducting research on the theories and phenomena mentioned above: increasing customer satisfaction and loyalty in e-commerce: a case study of customer Tokopedia in Makassar City.

2 Methodology

This study employs an associative research design in order to examine the direct and indirect effects of trust and WOM on loyalty via customer satisfaction at Tokopedia in Makassar City. The research was conducted in Makassar City, and all Tokopedia customers or users were interviewed. In this study, the population consists of all Tokopedia customers in Makassar City. The number of samples is determined based on 5 – 10 times the number of indicators, where the total indicators of the four variables are 14 indicators, so that when referring to the value of $10 \times 14 = 140$ respondents. The technique for determining the sample is done by using nonrandom sampling technique with purposive sample/judgmental sampling. Path analysis is one of the data analysis techniques used in this research model. In this study, researchers wanted to see the direct effect of trust, WoM, and satisfaction on jobstreet.com user loyalty, as well as the indirect effect where the satisfaction variable became the intervening variable.

3 Result and Discussion

3.1 Validity and Reliability Test Results

Before testing the hypothesis, and the data sourced from the questionnaire in this study, it is necessary to test the instrument first. The results of the validity and reliability test of each variable showed that the questionnaire tested was valid and reliable as many as three statement items related to the confidence variable; as many as four statement items related to the word-of-mouth variable; as many as four statement items related to the user satisfaction variable; and as many as three statement items related to the user loyalty variable, with 140 respondents as many as. Because the corrected item total correlation value is 0.3, the validity test results show that all statement items on the variables of trust, word of mouth, satisfaction, and user loyalty are declared valid. Then, for reliability, it also shows the value of Cronbach's alpha 0.6 so it can be interpreted that the statement items in the questionnaire can be assessed as reliable as a measuring tool for the variables in this study.

3.2 Hypothesis Testing Results

Hypothesis testing is carried out to determine whether or not the independent variable has an effect on the dependent variable, both direct and indirect effects through the intervening variable. The hypothesis on the direct effect is accepted if the value of $t_{count} > t_{table}$ or the value of $Sig. < 0.05$. As for the hypothesis on the indirect effect, it is accepted if the value of $t_{count} > t_{table}$ or the value of $Sig. < 0.05$, where the determination of the t_{count} value and significant value or p-value is carried out using the Sobel calculator (the calculation results are shown in the attachment). The results of hypothesis testing can be seen in the following Table 1.

Table 1 Hypothesis Test Results

Variable	Direct Effect Coefficient	Indirect Influence Coefficient	t _{hitung}	Sig
Trust → Satisfaction	0,177	0	2,114	0,036
Word of Mouth → Satisfaction	0,525	0	5,281	0,000
Trust → Loyalty	0,068	0	0,925	0,356
Word of Mouth → Loyalty	0,113	0	1,413	0,160
Satisfaction → Loyalty	0,642	0	9,649	0,000
Trus → Satisfaction → Loyalty	0	$0,177 \times 0,642 = 0,114$	2,065	0,039
Word of Mouth → Satisfaction → Loyalty	0	$0,525 \times 0,642 = 0,337$	4,632	0,000

Based on Table 1, the results of hypothesis testing are described as follows:

H1: It is suspected that trust has a positive and significant effect on Tokopedia customer satisfaction in Makassar City. Based on data from the results of data processing, it is known that the effect of trust on user satisfaction has a tcount value of 2.114 which is greater than ttable of 1.974 and a p-value or Sig. of 0.036 is smaller than 0.05. This value shows the results that meet the requirements, namely tcount (2.114) > ttable (1.974) or the value of Sig. (0.038) < 0.05 and has a positive value, so it can be concluded that the first hypothesis in this study is acceptable. That is, trust has a positive and significant effect on Tokopedia customer satisfaction in Makassar City.

H2: It is suspected that word of mouth has a positive and significant effect on Tokopedia customer satisfaction in Makassar City. Based on data from the results of data processing, it is known that the effect of word of mouth on user satisfaction has a t-value of 5.281 which is greater than t-table of 1.974 and a p-value or Sig. of 0.000 is less than 0.05. This value shows the results that meet the requirements, namely tcount (5.281) > ttable (1.974) or the value of Sig. (0.000) < 0.05 and has a positive value, so it can be concluded that the second hypothesis in this study is acceptable. This means that word of mouth has a positive and significant effect on Tokopedia customer satisfaction in Makassar City.

H3: It is suspected that trust has a positive and significant effect on Tokopedia customer loyalty in Makassar City. Based on data from the results of data processing, it is known that the effect of trust on user loyalty has a tcount value of 0.925 which is smaller than ttable of 1.974 and a p-value or Sig. of 0.356 is greater than 0.05. This value shows the results that do not meet the requirements, namely tcount (0.925) < ttable (1.974) or the value of Sig. (0.356) > 0.05 and has a positive value, so it can be concluded that the third hypothesis in this study was rejected. This means that trust has a positive and insignificant effect on Tokopedia customer loyalty in Makassar City.

H4: It is suspected that word of mouth has a positive and significant effect on Tokopedia customer loyalty in Makassar City. Based on data from the results of data processing, it is known that the effect of word of mouth on user loyalty has a tcount value of 1.413 which is smaller than ttable of 1.974 and a p-value or Sig. of 0.160 is greater than 0.05. This value shows the results that do not meet the requirements, namely tcount (1.413) < ttable (1.974) or the value of Sig. (0.160) > 0.05 and has a positive value, so it can be concluded that the fourth hypothesis in this study was rejected. This means that word of mouth has a positive and insignificant effect on Tokopedia customer loyalty in Makassar City.

H5: It is suspected that satisfaction has a positive and significant effect on Tokopedia customer loyalty in Makassar City. Based on data from the results of data processing, it is known that the effect of satisfaction on user loyalty has a tcount of 9.649 which is greater than t-table of 1.974 and a p-value or Sig. of 0.000 is less than 0.05. This value shows the results that meet the requirements, namely tcount (9.649) > ttable (1.974) or the value of Sig. (0.000) < 0.05 and has a positive value, so it can be concluded that the fifth hypothesis in this study is acceptable. This means that satisfaction has a positive and significant effect on Tokopedia customer loyalty in Makassar City.

H6: It is suspected that trust has a positive and significant effect on loyalty through Tokopedia customer satisfaction in Makassar City. Based on the data from the data processing, it is known that the influence of trust on loyalty through user satisfaction has a tcount value of 2.114 which is greater than ttable of 2.065 and a p-value or Sig. of 0.039 is smaller than 0.05. This value shows the results that meet the requirements, namely tcount (2.065) > ttable (1.974) or the value of Sig. (0.039) < 0.05 and has a positive value, so it can be concluded that the sixth hypothesis in this study is acceptable. That is, trust has a positive and significant effect on loyalty through Tokopedia customer satisfaction in Makassar City.

H7: It is suspected that word of mouth has a positive and significant effect on loyalty through Tokopedia customer satisfaction in Makassar City. Based on data from the results of data processing, it is known that the effect of word of mouth on loyalty through user satisfaction has a tcount value of 4.632 which is greater than ttable of 1.974 and a p-value or Sig. of 0.000 is less than 0.05. This value shows the results that meet the requirements, namely tcount (4.632) > ttable (1.974) or the value of Sig. (0.000) < 0.05 and has a positive value, so it can be concluded that the seventh hypothesis in this study is acceptable. That is, word of mouth has a positive and significant effect on loyalty through Tokopedia customer satisfaction in Makassar City.

4 Conclusion

Based on the findings from the results of research that has been carried out on, it can be concluded several things, namely: 1) Trust has a positive and significant impact on Tokopedia customer satisfaction in Makassar City. This means that high trust will be able to increase Tokopedia customer satisfaction in Makassar City. 2) Word of Mouth (WOM) has a positive and significant effect on Tokopedia customer satisfaction in Makassar City. This means that the better WOM will be able to increase the satisfaction of Tokopedia

customers in Makassar City. 3) Trust has a positive and insignificant effect on Tokopedia customer loyalty in Makassar City. This means that high trust will be able to increase the loyalty of Tokopedia customers in Makassar City. 4) Word of Mouth (WOM) has a positive and insignificant effect on Tokopedia customer loyalty in Makassar City. This means that the better WOM will be able to increase the loyalty of Tokopedia customers in Makassar City. 5) Satisfaction has a positive and significant effect on Tokopedia customer loyalty in Makassar City. This means that higher satisfaction will increase the loyalty of Tokopedia customers in Makassar City. 6) Trust has a positive and significant effect on loyalty through Tokopedia customer satisfaction in Makassar City. This means that high trust will be able to increase the satisfaction and loyalty of Tokopedia customers in Makassar City. 7) Word of Mouth (WOM) has a positive and significant effect on loyalty through Tokopedia customer satisfaction in Makassar City. This means that a good WOM will be able to increase the satisfaction and loyalty of Tokopedia customers in Makassar City.

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