



TikTok-GOTO Acquisition: Can E-Service Quality & E-Trust Foster E-Loyalty via E-Satisfaction?

Mirza Fawwaz Maulasena¹, Ratih Hurriyati²,
and Heny Hendrayati³

^{1,2,3} Universitas Pendidikan Indonesia, Bandung 40154, Indonesia
mirzafawwaz@upi.edu

Abstract. The latest acquisition of TikTok by GOTO in Indonesia emphasizes today's consolidated understanding of customer loyalty drivers in the dynamic e-commerce environment. This research aims to establish how e-service quality and e-trust enhance e-loyalty through e-satisfaction among Indonesian TikTok Shop users aged 18-34 (n=111). Employing a quantitative approach and structural equation modeling (SEM), it is revealed that e-service quality and e-trust positively affect e-satisfaction. Conversely, e-satisfaction serves as a full mediator for the e-service quality and e-loyalty relationship but only partially for the e-trust and e-loyalty relationship. These studies underscore the mediating effect of e-service quality, e-trust, and e-satisfaction one-loyalty. In terms of practical implications, this study is useful for firms such as TikTok Shop and GOTO, as it provides directions on how to emphasize customer retention within an evolving setting.

Keywords: E-commerce, E-service quality, E-trust, E-satisfaction, E-loyalty, TikTokShop, GOTO, Acquisition, Indonesia

1 Introduction

Indonesia's e-commerce market expanded, rising from GMV of US\$51. \$ 9 billion (2022) to 62 billion US dollars (2023) [1] [2]. Nevertheless, it was overthrown in market share distribution in the subsequent year 2023 [3]. A government ban was reported to have caused around 20% of TikTokShop users to lose [4]. As a response, TikTok Shop acquired a 75. 1% of Tokopedia (GOTO) equity is US\$1. 5 billion [5]. This acquisition is designed to create a holistic e-commerce platform and synergies between TikTok's strong marketing of its services and Tokopedia's strong existing transaction platform for merchants. Thus, this research investigates e-service quality & e-trust capability to foster e-loyalty via e-satisfaction in the recent TikTok- GOTO acquisition strategies.

The factors influencing e-customer loyalty in the e-commerce context remain complex. Positive and significant influences were found between e-service quality, e-trust [6], and e-satisfaction [7] towards e-loyalty, but disparities exist. Several authors found an insignificant influence of e-service quality [8], [9], e-trust [8], [10], and e-satisfaction [7], [8] towards e-loyalty. Also, the extent of mediation influence by e-satisfaction

in these relationships differs; it is mediated fully [9], partially [11], or not at all [8]. Thus, this study aims to investigate the complex relationships between e-service quality, e-trust, e-satisfaction, and e-loyalty regarding the recent TikTok-GOTO acquisition in Indonesia.

As the e-commerce environment changes dynamically, especially in Indonesia since the TikTok-GOTO acquisition [3], [4], it is essential to improve the understanding of e-loyalty because of the contradictions in the literature [6], [7], [8], [9], [10], [11]. Previous research has analyzed different e-commerce sites and online services. For example, [6] investigated the OTAs in Saudi Arabia, [9] concentrated on the Shopee e-commerce platform in Indonesia, and [12] examined e-commerce platforms in Pakistan. This research attempts to set itself apart from other related works by focusing on e-loyalty drivers within the TikTok Shop context in Indonesia after acquiring GOTO in December 2023.

2 Methods

This research adopts a quantitative research method. The model has e-service quality as an independent variable, a second-order construct with efficiency, privacy, and system availability, compared to first-order constructs with 12 indicators from [6]. The second independent variable is e-trust, which has three indicators from [6]. The third variable is e-satisfaction, which has four indicators from [6]. Finally, the dependent variable is e-loyalty, which has four indicators adapted from [6]. Every indicator is measured by the 7-point semantic differential scale (SDS).

The participants in this study were determined to be active users of TikTok Shop in Indonesia before 4 October 2023. To identify the participants, purposive sampling was applied, and we targeted only users within the age range of 18-34 years, and the frequency of transactions that have been completed on the platform was at least 2. Purposive sampling is a nonprobability sampling technique where participants are selected intentionally and for specific reasons associated with the study's objectives [12]. It is unknown how many samples in the target population meet these criteria; however, at least 100 samples were used as an acceptable standard according to the published literature reporting on such analyses [13], [14].

The measurement instrument's validity and reliability are checked by analyzing IBM SPSS v. 27 to get to the data analysis procedure. This ensures the information collected from the developed questionnaire is accurate and reliable. Then, to examine the proposed relationships among the research variables, Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis with the help of SmartPLS v329 shall be employed.

3 Results and Discussion

3.1 Results

A sample of 111 students was used to analyze the hypotheses using structural equation modeling (SEM) with a two-stage analysis. The first stage is the outer model evaluation, which examines the extent to which the measurement model fits the data. This stage uses a hierarchical component model (HCM) structure with six first-order constructs (FOCs): Efficiency (EFFI), Privacy (PRIVA), and System Availability (SYSA) as single second-order constructs of Electronic Service Quality (E-SQ). The FOCs included in this study include Electronic Trust (E-TRU), Electronic Satisfaction (E-SAT), and Electronic Loyalty (E-LOY) with their related indicators. The outer model evaluation sees the use of a Separate Two-Stage approach. The results are as in **Table 1**.

Table 1. Outer Model Evaluation Results

No.	SOC	FOC	Item	Loading	CR	AVE	VIF	
1	E-SQ	EFFI	EFFI	0.917	0.868	0.622	2.485	
			PRIV	0.927			2.471	
			SYSA	0.726			1.549	
			EFFI01	0.754				
			EFFI02	0.852				
			EFFI03	0.787				
			EFFI04	0.758				
2	PRIV	PRIV	PRIV01	0.873	0.929	0.765		
			PRIV02	0.893				
			PRIV03	0.863				
			PRIV04	0.870				
			SYSA01	0.541				
			SYSA02	0.829			0.845	0.584
			SYSA03	0.831				
SYSA04	0.816							
3	E-TRU	E-TRU	ETRU01	0.924	0.945	0.853		
			ETRU02	0.946				
			ETRU03	0.899				
4	E-SAT	E-SAT	ESAT01	0.868	0.940	0.797		
			ESAT02	0.910				
			ESAT03	0.919				
			ESAT04	0.874				
5	E-LOY	E-LOY	ELOY01	0.897	0.938	0.791		
			ELOY02	0.854				
			ELOY03	0.908				
			ELOY04	0.898				

Source: Author's work

Assessment of the first-order measurement model construct validity was generally satisfactory for all the FOCs, their reflective indicators having met the recommended or ideal values for loadings (> 0. 708), composite reliability (CR > 0. 70) and average variance extracted (AVE > 0. 50) as recommended by [15]. Nonetheless, the total CR and AVE values were still acceptable for SYSA to justify maintaining it. The second-order construct (SOC) of E-Service Quality (E-SQ) is a formative measurement model. As per the Disjoint Two-Stage Approach, Latent variable scores were checked for collinearity (VIF < 0. 50), and outer loadings were higher than the cut-off value (>0.708) [15], [16]. Although not very high, these results show acceptable evidence for the construct validity of the E-SQ construct. Particulars are indicated in **Table 2**.

Table 2. Direct Effect Results Between Variables

No.	Direct Effect	Path Coefficients	T Statistics	P Values	Status
1	E-SQ -> E-SAT	0.494	6.223	0.000	Accepted
2	E-TRU -> E-SAT	0.401	4.110	0.000	Accepted
3	E-SQ -> E-LOY	0.145	1.428	0.154	Rejected
4	E-TRU -> E-LOY	0.224	2.051	0.041	Accepted
5	E-SAT -> E-LOY	0.557	5.355	0.000	Accepted

Source: Author’s work

The path coefficients were used to analyze the various hypotheses assumed to exist between the constructs. The findings of the analysis also support the first hypothesis to some extent by showing a positive and significant path coefficient of E-Service Quality on E-Satisfaction ($\beta=0.494$, $t=6.223$, $p<0.05$). Likewise, in the context of H1, the path coefficients E-Trust on E-Satisfaction were positive and significant ($\beta=0.401$, $t=4.111$, $p<0.05$); thus, it supports H2. The path of E-Service Quality to E-Loyalty was also positive ($\beta = 0.145$) but not statistically significant ($t = 1.428$, $p = 0.154$). The analysis did not confirm H3, and we shall explain why the effect was non-significant in the discussion section. The path coefficient for E-Trust on E-Loyalty was positive and statistically significant ($\beta=0.224$, $t=2.051$, $p<0.05$), thus it confirms H4. The result of this study also confirms H5, which is E-Satisfaction significantly and positively affects E-Loyalty ($\beta=0. 557$, $t=5. 355$, $p<0. 05$).

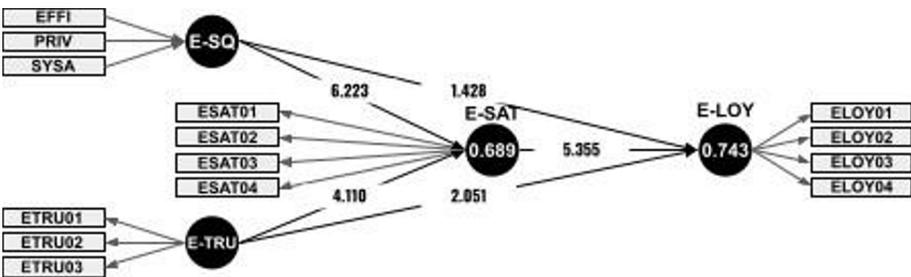


Fig. 1. Path Analysis Output

Fig. 1. shows the result of the R-squared of the endogenous constructs, which are E-Satisfaction (0. 689) and E-Loyalty (0. 743). These values show that in the case of E-Satisfaction and E-Loyalty, 68.9% of the variances are predicted by the proposed model and is expected to predict 74.3% of the variances for E-Loyalty. The remaining 31.1% of the E-Satisfaction and 25.7% of the E-Loyalty variance could be attributed to other factors which have not been considered. Thus, based on the magnitude of R-squared values, it can be inferred that E-Service Quality, E-Trust, and E-Satisfaction are predictors in forming E-Loyalty in Indonesian TikTok Shop users. Therefore, to test the significance of each of these presented relationships, refer to **Table 2**.

Table 3. Indirect Effect Results Between Variables

No.	Indirect Effect	Path Coefficients	T Statistics	P Values	Status
1	E-SQ -> E-SAT -> E-LOY	0.275	3.998	0.000	Accepted
2	E-TRU -> E-SAT-> E-LOY	0.224	3.275	0.001	Accepted

Source: Author's work

In this study, it has been found that e-satisfaction fully mediates the relationship between e-service quality and e-loyalty. The indirect effect given by e-satisfaction is significant and positive ($\beta=0.275$, $t=3.998$, $p<0.05$), while the direct effect between e-service quality and e-loyalty is not significant (referring to H3). Therefore, H6 can be accepted. Partial mediation of the e-trust-e-loyalty relationship by e-satisfaction is evident. While the indirect effect remained significant ($\beta = 0.224$, $t = 3.275$, $p = 0.001$), a significant direct effect of e-trust on e-loyalty was also observed (refer to H4). This supports H7.

3.2 Discussion

We concur with [7] and [9], who explained that e-service quality positively impacts e-satisfaction, accepting efficiency, privacy, and system availability as factors vital for enhancing user satisfaction among Indonesian TikTok Shop users. The significant influence of e-trust on e-satisfaction, as posited in [6] and [7], highlights the significance of developing user confidence and trust for e-satisfaction in Tik-Tok Shop. Notably, we proposed and, like [8] and [9], found that e-service quality didn't directly affect e-loyalty in our study. In addition, akin to the findings reported in [6] and [7], e-trust significantly and positively affected e-loyalty in Indonesian TikTok Shop users, which supports the notion that enhancing user trust is important for developing e-loyalty. Last of all, coherently with [7], [9], e-satisfaction positively influenced e-loyalty and, therefore, it can be stated that the users' satisfaction is a crucial tool when talking about e-loyalty. Our decision to reject Hypothesis 3 is similar to the stand by [9], who stated that e-satisfaction was a mediator between the e-service quality and e-loyalty among Shopee users in Indonesia. The sixth conclusion indicates that e-service quality in Tik-Tok Shop enhances e-loyalty through the development of user satisfaction. The seventh finding extends previous works. In the case of OTA hotel service users in Saudi Arabia, partial mediation of e-satisfaction was apparent in the link between e-trust and e-loyalty

[6]; it aligned in the current study where e-trust in TikTok Shop promoted e-loyalty directly and through enhancing satisfaction with the platform.

4 Conclusions

This study investigated the effect of e-service quality (efficiency, privacy, and system availability) and e-trust for e-loyalty through e-satisfaction amongst Indonesian TikTok Shop users post the GOTO acquisition. In conclusion, this paper has pointed out that both factors increase e-satisfaction and that firms should undertake service-oriented, user-centric, and trust-oriented strategies. The other implication is that e-satisfaction is synonymous with e-loyalty; hence, it is useful in cultivating the customer's commitment. Particularly, e-satisfaction fully mediates the relationship between e-service quality and customer loyalty, whereas the relationship between e-trust and customer loyalty is only partially mediated by e-satisfaction. This means that the users' satisfaction is a significant component that assists in rebuilding trust and positive service experiences into loyalty.

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