

# The impact of interactivity of electronic word of mouth, e-quality of the website, decision support satisfaction on customer loyalty of Mataharimall.com

Y. C. A. Pioh & I. Bernarto

*Pelita Harapan University, Tangerang, Indonesia*

**ABSTRACT:** Nowadays, companies are required to act swiftly, being decisive and accurate in running the business as well as making decisions to face the growing competition in the business environment that moves dynamically and filled with uncertainty. The purpose of this study is to analyze and test the positive effect of the interactivity of E-wom system on decision support satisfaction, the interactivity of e-wom towards e-quality of the website, e-quality of the website on decision support satisfaction and its impact on e-loyalty. Data were collected using a questionnaire. Convenience sampling was applied. Samples were collected from 400 respondents. Statistical analysis was conducted using the approach of Partial Least Square - Structural Equation Modeling (PLS-SEM). This study shows that the interactivity of E-wom system had a positive effect on e-quality of the website and on decision support satisfaction. Then, e-quality of the website had a positive effect on decision support satisfaction. Finally, decision support satisfaction had a positive effect on e-loyalty.

**Keywords:** Interactivity of EWOM, e-quality of the website, decision support satisfaction, e-loyalty.

## 1 INTRODUCTION

Technological developments in the business industry through e-commerce media are increasing, along with the rising number of internet users in the world, especially in Indonesia. The purpose of this study is to analyze and test the positive effect of e-wom system on e-quality of the website and e-quality of the website towards decision support satisfaction that has an impact on e-loyalty. Data was collected using a questionnaire. Mataharimall.com is one of the online retail stores that provides a variety of needs ranging from women's fashion, men's fashion, medical and beauty equipment, electronic equipments to household necessities that provide trusted services and are supported by an experienced team of transactions. The Iprice (2017) data showed a decrease in Mataharimall.com visitors, from 7,576,000 visitors in April to June, to 7,000,000 in July-September, 5,629,000 in October-December, and 3,974,000 in January-March 2018. Thus, it can be assumed that Mataharimall.com's customer loyalty has declined. This study uses a research model from (Yoo et al. 2015).

### 1.1 *The impact of Interactivity of EWOM Systems and Decision Support Satisfaction*

The research by Khan & Hashmi (2016) reveals that interactivity of EWOM systems has a positive effect on decision support satisfaction. While the Ballantine study (2015) shows that if the interactivity e-wom increases, customer satisfaction will increase and contribute to purchase intentions. Furthermore, interactivity e-wom does not only allow customers to make better decisions, but also allow companies to more effectively process customers to achieve satisfaction. Research from (Ballantine 2015); (Khan & Hashmi 2016); (Lin & Yuku 2015). Furthermore, Lin & Yuku (2015) state that there is a positive relationship between interactivity e-wom system and decision support satisfaction. The first hypothesis is:

H1: Interactivity of EWOM system has a positive effect on Decision support satisfaction

### 1.2 *The impact of Interactivity of E-Wom System and E-quality of the Website*

The research from (Lin & Yuku 2015) proves that the interactivity of E-WOM system has a positive

effect on e-quality of the website. Furthermore, Lovelock & Wright (2011) explain that the quality of goods and services is a very important factor in interactivity of e-wom. The study by (Severi et al. 2014) shows a positive response, so customers will have a good impression of the quality of the website. Conversely, a negative response will result in a bad impression in the customer's mind. The second hypothesis is:

H2: Interactivity of EWOM system has a positive effect on E-quality of the website

### 1.3 The impact of E-quality of The Website and Decision Support Satisfaction

The Bastos & Gallego (2008) study reveals that e-quality of the website has a positive effect on decision support satisfaction. Likewise, Utama (2017) states that an important factor of service value or external service value that causes customers to be satisfied is what is sacrificed by the customers must be less than what is obtained. Customer satisfaction is an important factor in the form of affective and emotional responses generated from consumer evaluations such as dislike, satisfaction, dissatisfaction about a product, thus it will make customers understand about the usefulness and benefits of e-quality of the website (Zena & Hadisumarto 2012). The third hypothesis is:

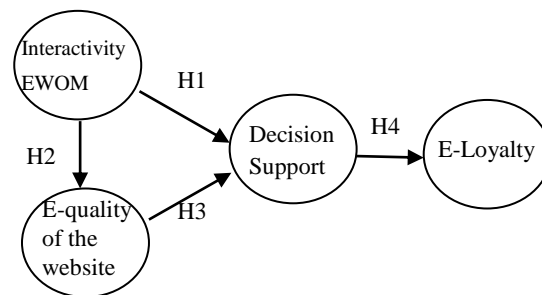
H3: E-quality of The Website has a positive effect on Decision Support Satisfaction.

### 1.4 The impact to Decision Support Satisfaction and E-loyalty

Tang & Huang (2015) explain that decision support satisfaction has a positive effect on e-loyalty, namely if the customer's decision to make a purchase is in line with expectations, for example, the seller offers several benefits to the customer about the information seeking stage by providing affordable prices and providing convenience pleasure, thus customer loyalty will increase. Studies by Abdullah & Tantri (2012) explain that pleasant feelings will increase customer loyalty by the way customers will deliver positively about products to others. The fourth hypothesis is:

H4: Decision Support Satisfaction has a positive effect on E-loyalty

The research model can be seen at Figure 1.



Source: Yoo et al. (2015)

Figure 1. Research Model

## 2 RESEARCH METHODS

The target population was customers who visited Mataharimall.com and are domiciled in the Greater Jakarta area. Convenience sampling was used to get the samples. The sample size was 400 samples. Data collection was done using a questionnaire. Statistical analysis with measurements of Partial Least Square - Structural Equation Modeling (PLS-SEM). This study was adapted from (Yoo et al. 2015) research.

## 3 RESULTS AND DISCUSSIONS

### 3.1. Respondent profile

The profiles of respondents were male and female with more male than female respondents. The number of male respondents was 208 or 52% while the number of female respondents was 192 or 48%. Furthermore, 2 respondents were aged 17-25 years or equal to 1%, 257 respondents aged 25-30 or equal to 64%, 133 respondents aged 30-40 years or 33 %, and 8 respondents aged 40-50 years or 2%.

### 3.2. The Outer Model

In the outer model stage, Hair et al (2014) explain that to test validity by considering the average variance extracted or AVE value ( $>0.5$ ) Next discriminant test using Fornel-Larcker criteria, namely AVE square root value greater than the correlation value between the constructs. Finally, reliability was tested by calculating composite reliability ( $>0.7$ ). Table 1 below shows that all the requirements for validity testing are fulfilled. The result of the outer model can be seen on Table 1.

Table 1. Outer Model Result

Constructs	AVE	Discriminant	Composite Reliability
Interactivity of E-wom	0.700	0.862	0.891
E-quality of the website	0.693	0.819	0.693
Decision support satisfaction	0.579	0.838	0.932
E-loyalty	0.636	0.777	0.840

### 4.3 Inner Model

In this stage, the measurement of the coefficient of determination ( $R^2$ ) was carried out. Table 2 shows the value for each construct is above 5 (Hair et al 2014).

Table 2. Evaluation of  $R^2$ 

Constructs	R-Square
E-quality of the website	0.551
Decision support satisfaction	0.653

Then, the results of the hypothesis test show that all hypotheses are supported. The p-value for each hypothesis is below the significant level of 5% (one-tailed test).

Table 3. Hypothesis testing

Hypothesis	Standardized coefficient	P-value	Description
H1	0.182	0.001	Supported
H2	0.742	0.000	Supported
H3	0.664	0.000	Supported
H4	0.558	0.000	Supported

## 4. CONCLUSIONS

The results of the first hypothesis test show that the interactivity of e-wom has a positive and significant effect on decision support satisfaction. Thus, it can be said that the higher the e-wom system interaction,

the higher the decision support satisfaction. This result is consistent with the research conducted by (Yoo et al. 2015); (Khan & Hashmi, 2016); (Lin & Yuku, 2015). The second hypothesis reveals that the interactivity of E-WOM system has a positive effect on e-quality of the website. This result is in line with the research conducted by (Lin & Yuku, 2015); (Lovelock & Wright, 2011); (Severi et al. 2014). The third hypothesis proves that e-quality of the website has a positive effect on decision support satisfaction. The results of this test are in accordance with the study conducted by (Bastos & Gallego 2008); (Utama 2017); (Zena & Hadisumarto 2012). The fourth hypothesis states that decision support satisfaction has a positive effect on e-loyalty. The results of this test are also in line with the research conducted by (Abdullah & Tantri 2012); (Tang & Huang 2014); (Tjiptono & Diana 2016).

For future research, the same research can be conducted to other e-commerce companies, such as Tokopedia, Zalora, and Bukalapak to see whether this model can be applied equally to different e-commerce. The next obstacle is that the respondents in this study were only customers who live in the Greater Jakarta area. Therefore, a suggestion for further research is to conduct the same research with respondents living in other regions or outside the Greater Jakarta area, because the results may be different if applied to other regions.

## REFERENCES

- Abdullah, T. & Francis T. 2012. Manajemen Pemasaran. Jakarta: Rajawali Pers
- Ballantine, P.W. 2015. Effects of Interactivity and Product Information on Consumer Satisfaction in an Online Retail Setting. *International Journal of Retail & Distribution Management* 33(6): 461-471.
- Bastos, J.A. R & Gallego, P.A.M.2008. Pharmacies Customer Satisfaction and Loyalty: A Frame Work Analysis. "New Trends on Business Administration. *Documentos de Trabajo* 01/08. Retrieved from <https://ideas.repec.org/p/ntd/wpaper/2008-01.html>
- Hair J.F., G.T.M Hult., C. Ringle., & M. Sarstedt. 2014. *A primer on partial least squares structural equation modeling (PLS-SEM)*. California: Sage Publication
- Iprice.co.id (2017) "List of traffic decrease of Mataharimall.com" Retrieved from: [https://docs.google.com/spreadsheets/d/1pr6kYmo4\\_LzLVJIfIQD8KsmwVTRH6Y\\_zlaTFjI9HXY0/edit#gid=265867094](https://docs.google.com/spreadsheets/d/1pr6kYmo4_LzLVJIfIQD8KsmwVTRH6Y_zlaTFjI9HXY0/edit#gid=265867094)
- Khan, M. M. & H. B. A. Hashmi. 2016. Impact of Interactivity of Electronic Word Of Mouth Systems and Website Quality on Customer E-loyalty. *Pakistan Journal of Commerce and Social Sciences* 10(3): 486-504
- Lin, W. B. & T.Y. Yuku .2015. The Influences Of Service Quality On Online Order And Electronic Word Of Mouth On Price Sensitivity Using Loyalty As a Mediating Variable. *int.J.Electronic Business* 12(3): 215-241.

- Lovelock, C. H. & L. K. Wright .2011. *Manajemen Pemasaran Jasa*. Second edition. Jakarta: PT. Indeks
- Severi, E., K. C. Ling, & A. Nasermodeli. 2014. The impact of electronic word of mouth on brand equity in the context of social media. *Journal business and management* 9(8): 84-96
- Tang T. W. & R.T. Huang. 2015. The Relationships among Trust, E-Satisfaction, E-Loyalty, and Customer Online Behaviors. *International Journal of Business and Industrial Marketing* 1(2): 16-25.
- Tjiptono F. & A. Diana. 2016. *Prinsip & Dinamika Pemasaran*. Yogyakarta: Graha Ilmu
- Utama, I G. B. R.. 2017. *Pemasaran Pariwisata*. Yogyakarta: Andi Publisher.
- Yoo Chul Woo, Yong Jin Kim, & G. Lawrence Sanders. 2015. "The impact of interactivity of electronic word of mouth systems and E-Quality on decision support in the context of the e-marketplace". *Journal Information and Management*, 52(4): 496-505.
- Zena, P. A. & A. D. Hadisumarto. 2012. The study of relationship among experiential marketing, service quality, customer satisfaction, and customer loyalty. *ASEAN Marketing Journal* 4(1): 37-46.