

STRATEGY AND IMPLEMENTATION OF SUSTAINING E-CUSTOMER LOYALTY TO SHOPEE USERS IN EAST JAVA

P. Vitasari^{1*}, Nurul Maziyah², Fuad Achmadi³, Eko Kusuma Hadi⁴,
Lulud Akidin⁵, and Zulfani Haki⁶

¹⁻⁶Industrial Engineering, National Institute of Technology Malang, Indonesia

*Corresponding author: primavitasari19@gmail.com

ABSTRACT: The digital economy is growing, especially in e-commerce. Indonesia is one of the countries with an excellent opportunity for the growth and development of e-commerce. This research studied Shopee e-commerce as the most popular marketplace to create strategies and implementations to maintain consumer loyalty. A total of three hundred and ninety-three customers participated in filling out the survey questionnaire. Data collection through surveys using Google Forms for questionnaires. The survey results reference strategies implemented to maintain customer loyalty at Shopee. Improve service quality, especially in privacy indicators. Responses from consumers show that privacy, responsiveness, and contact are leading indicators that need to be considered in making service improvement strategies. Furthermore, the strategy is to improve service quality, especially on privacy indicators. Shopee needs to explain the privacy policy in an attractive visual form, such as a slideshow that cannot be skipped every time a user logs in. Responsiveness: Shopee provides convenience for return options that are not suitable, Shopee handles returns well, Shopee offers a guarantee for the goods provided, Shopee tells what to do if my order is not processed, Shopee can overcome problems in transactions well. Contact: Shopee should improve service quality by being more responsive and faster to handle customer complaints and questions on social media. Implementing improvements is recommended to Shopee so that it is better in service and satisfies consumers.

Keywords: E-commerce, Shopee, Digital Business, SERVQUAL, Customer Satisfaction

1. Introduction

The concept of digital economy was first introduced by Tapscott, a social phenomenon that affects the economic system. The phenomenon has characteristics of an intelligence space, including information, various access to information instruments, information capacity, and information processing. The components of the digital economy that have been identified for the first time are the ICT industry, e-commerce activities, and digital distribution of goods and services. Data on the number of users in the e-commerce business in Indonesia touches a fantastic value; this e-commerce causes e-commerce companies to compete fiercely [1]. Each company is increasingly careful and creative in building and determining its competitive strategy. E-commerce companies compete to provide the best service, such as free shipping, discounts, cash on delivery, and other promos [2]. Some e-commerce sites such as Shopee, Tokopedia, and Lazada have used this service.

However, focusing only on promotional strategies will certainly not make consumers loyal to the company. This is because consumers are accustomed to shopping only because of promos.

Once the company no longer applies for promotions, consumers will switch to other companies that can give them better promotions. If e-commerce companies do not notice this, the company will lose consumers. Therefore, it would be better for e-commerce companies to focus on improving service quality and satisfying their consumers [3;4]. E-commerce is a place to conduct buying and selling business activities using electronic transaction media that connects companies, producers, consumers, and the general public [5]. Many types of E-commerce are developing in Indonesia; the most popular types of E-commerce in Indonesia include Tokopedia, Tokopedia, lazada, bukalapak, blibli, and so on. Shopee is a significant marketplace and has been most sought after by the online community in previous years.

Shopee is one example of a company that has successfully taken advantage of e-commerce market opportunities in Indonesia. Shopee as one of the e-commerce that is in great demand by consumers. The majority of Shopee users are women and make purchases of necessities such as clothes, makeup, food, gadgets, and necessities. Shopee, the top e-commerce company with the

highest number of users in Indonesia, must continue improving its services so that they are not abandoned by consumers. Shopee still needs to learn from its competitor, Lazada, where Lazada was ranked first in Indonesia the previous year.

The research results conducted by a researcher [6] stated that e-service quality has a significant relationship with behavioural intentions, including e-wom through e-satisfaction. Another study suggests that e-service quality has a substantial relationship with e-loyalty, including e-wom and participation through e-satisfaction [7]. Several studies state that e-service quality affects e-customer satisfaction, and e-customer satisfaction affects e-customer loyalty [7, 8, 9, 10]. Some of the literature studies were conducted to review the dimensions of E-SERVQUAL, such as reliability, responsiveness, web design, ease of use, privacy, and information quality [11,12,13].

Competition between platforms requires e-commerce players to always improve their service to consumers. This research conducts a survey of service quality and formulates strategies to maintain consumer loyalty in Shopee e-commerce, especially in the East Java region.

2. Method

The type of research used is quantitative descriptive research. This study focuses on the breadth of information, so this method suits variables stammered with many samples. The data collection method used is a survey method with a research instrument, namely a questionnaire. The data collection process with surveys is conducted online using Google Forms and can be accessed via mobile phones or laptops; this is intended so that respondents can quickly fill out questionnaires. Furthermore, this online questionnaire will be distributed through social media such as WhatsApp.

The population of Shopee users in East Java is four point one million consumers as buyers, sampling with the purposive sampling method, which is with the aim of loyal consumers with the criteria of being Shopee users for at least one year, active in using Shopee, often shopping at Shopee. So, it was determined that the number was three hundred and ninety-three respondents. The data analysis used is descriptive static, which describes respondents' responses to measured variables.

3. Result

The study's results were obtained by conducting a survey of 393 Shopee users in the East Java region. The survey was conducted to

obtain data on responses from consumers related to service quality and satisfaction. The results of the analysis obtained that the quality of service influences customer satisfaction. Therefore, a strategy concept is required to maintain satisfaction so that consumers are loyal to Shopee.

To preserve customer loyalty, it is necessary to focus on maintaining and improving the dimensions of E-SERVQUAL. The future can increase the comfort customers feel when making transactions, which is expected to affect the level of customer satisfaction and loyalty. This can be done by paying attention to each dimension.

1. The E-SERVQUAL variable is obtained in the privacy indicator of 0.851. This means that Shopee must improve the quality of service, especially in terms of privacy indicators. In the fifth privacy point indicator, Shopee has a clear privacy policy, getting an average value of 3.94, the lowest value among other indicators with an average value above 4.3. In this case, it is necessary to clarify the existing privacy policy and socialise it. The privacy policy on Shopee appears the first time the application is installed and on the Shopee account-policy settings menu. The most considerable loading factor value in the E-SERVQUAL variable is obtained in the privacy indicator of 0.851. This means that Shopee must improve the quality of service, especially in terms of privacy indicators.
2. In the fifth privacy point indicator, Shopee has a clear privacy policy, getting an average value of 3.94, the lowest value among other indicators with an average value above 4.3. In this case, it is necessary to clarify the existing privacy policy and socialise it. The privacy policy on Shopee appears the first time the application is installed and on the Shopee account-policy settings menu. The privacy policy provided by Shopee is complete and precise, but too much to allow consumers to ignore reading and skip it when logging into the application. The recommended solution is for Shopee to explain the privacy policy in an attractive visual form, such as a slideshow that cannot be skipped every time a user logs in. So that customers will automatically read and understand Shopee's privacy policy.
3. The E-SERVQUAL variable was obtained at the responsiveness indicator of 0.830. This means that Shopee must pay attention to service quality, especially responsiveness indicators. On the responsiveness indicator, all question items show a number above 4.15. The result shows that respondents agree that

Shopee's service is good in terms of responsiveness. Shopee's services are Shopee provides convenience for return options that are not suitable, Shopee handles returns well, Shopee offers a guarantee for the goods provided, Shopee tells what to do if my order is not processed, Shopee can overcome problems in transactions well. For this reason, Shopee must maintain quality on responsiveness indicators that have been assessed well so that consumers feel satisfied and consumer loyalty increases.

4. The E-SERVQUAL variable is obtained at the contact indicator of 0.783. On item "you can contact shopee not only through the complaint and call service," - the average value obtained from the response is 3.91. This means consumers still feel that Shopee services for consumer complaints or questions on other social media still need improvement. Consumers find it difficult to contact Shopee on social media. Therefore, Shopee should improve its service quality by being more responsive and fast to handle customer complaints and questions on social media. In addition, on question items, you can contact other buyers to ask about items they have purchased before; the average value obtained from the customer is 3.93. In this case, Shopee also needs to improve services on the chat feature between buyers. The existence of a chat feature between buyers is feared to be an entry point for acts of abuse, but this can be anticipated by approving the receipt of the message before the message is received by the recipient of the message to achieve company goals, it must also be able to implement these strategies effectively. So is the case with strategies to maintain e-customer loyalty. Several strategies are implemented by Shopee in terms of service quality, privacy and responsiveness.

The privacy policy provided by Shopee is complete and clear but too much to allow consumers to ignore reading and skip it when logging into the application. To access Shopee's privacy policy, access steps are required to Account Settings, then Shopee Policy, then access the Privacy Policy. Not all Shopee users are responsive to accessing the privacy policy. Implementing the strategy to maintain e-customer loyalty is also carried out in the dimension of service responsiveness. Among Shopee's services are that Shopee provides convenience for return options that are not suitable, and Shopee handles returns well. The picture shows the return options provided by Shopee. Users can use this option if the items purchased and received are not suitable for then Shopee will make a refund

In addition, Shopee also offers a warranty for the goods provided. The warranty provided by Shopee is a guarantee of conformity of products received and original product guarantees specifically for goods with certain brands and from particular sellers. With a product suitability guarantee, the buyer can apply for a return of goods for further purchase funds and shipping costs, which will be returned to the buyer. Meanwhile, with the original product warranty, users can apply for a return of goods. Shopee provides compensation in the form of a refund of 2 (two) times the purchase price if the item is not original. In this case, Shopee can provide good quality service to satisfy consumers.

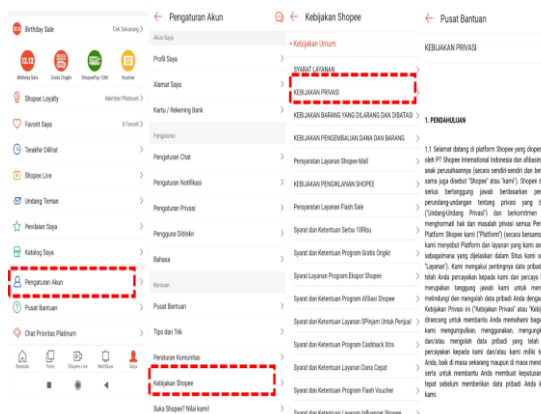


Figure 1 Shopee Privacy Policy

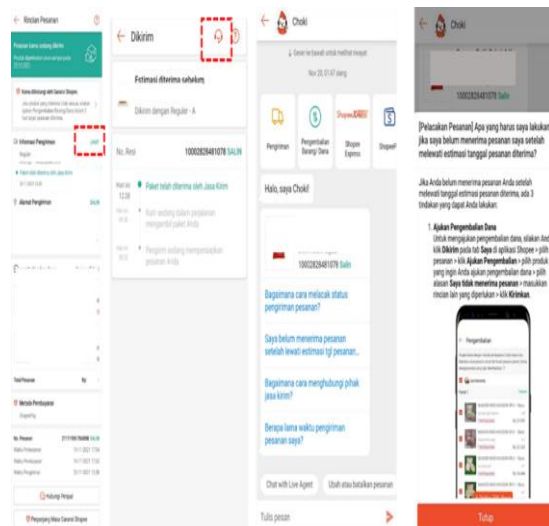


Figure 2 Shopee Solves Problems in Transactions

Another item in the responsiveness dimension is that Shopee tells what to do if the order is not processed, and Shopee can solve problems in the transaction correctly. Users find it easy to overcome transaction problems because Shopee has explained and provided the handling steps. All responsiveness indicators that have been considered good must be maintained by Shopee so that consumers feel satisfied and consumer loyalty increases. With a good strategy, consumer loyalty can be maintained, and the company is increasingly encouraged to deliver the best customer service.

4. Discussion

The results above support similar findings that such research on e-service quality significantly affects the e-loyalty of Shoope customers in the city of Medan [14]. E-service quality must receive serious attention from Shopee to guarantee Shoope customer satisfaction and loyalty [15].

A study stated that, unlike the study results, there was no significant influence of electronic service quality on electronic customer loyalty. However, the analysis of different variables stated that e-service quality influenced e-customer satisfaction. There is an effect of e-customer satisfaction on e-customer loyalty [16].

Other research examines how responsiveness positively and significantly impacts consumer satisfaction. This study shows that responsiveness has a significant effect on purchase interest. The results show that responsiveness significantly influences purchase interest through trust [17]. The research results prove this. The three dimensions of E-ServQual, namely reliability, compensation, and contact, do not influence consumer confidence. The results also show that all dimensions of E-ServQual simultaneously affect consumer confidence [18].

According to similar research, customer loyalty is essential for long-term business growth and sustainability. This is because satisfied and trusting customers continue to use the platform consistently and even recommend it to others. Therefore, customer satisfaction and trust are the keys to strengthening Shopee's position in the e-commerce market [19]. All dimensions of service quality show a positive effect on customer satisfaction. The E-Satisfaction variable positively and significantly affects e-loyalty to Shopee users [20].

5. Conclusions

In the description of the results above, it can be concluded that the improvement in service quality expected by the majority of Shopee users

to get satisfaction is in three points, leading factors such as privacy, responsiveness, and contact. Furthermore, the strategy to maintain consumer loyalty based on these three points is that Shopee explains the privacy policy visually so that consumers can understand. Responsiveness: consumers want Shopee to keep the service provided and given well by consumers. Contact, consumers expect Shopee to be more sensitive in responding to customer complaints. Suggestions for future research are to conduct studies with a more significant number of variables and a wider sample size. So that it can provide a better contribution to the management of Shopee.

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