

The Influence of Trust, Customer Satisfaction and Service Quality on Gen Z Loyalty to the Shopee Application

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| Article Information | | Abstract |
|---------------------|------------------|---|
| Submission date | 09 December 2023 | <p>Research aim: This research aims to test and analyze the significant influence of the variables of trust, customer satisfaction and service quality on the Loyalty of the Generation Z Management Study Program, Universitas Nusantara PGRI Kediri on the Shopee Application partially or simultaneously.</p> <p>Design/Method/Approach: This research uses a quantitative approach and the technique used is associative causal. The population for this research is all customers who have made transactions on the Shopee application and the sample used in this research is 100 respondents who have made at least one transaction on the Shopee application and were analyzed using the multiple linear method.</p> <p>Research Findings: The results of this research are that the partial trust variable does not have a significant effect on loyalty. Customer satisfaction has a positive and significant effect on loyalty. Service quality has a positive and significant effect on loyalty. The variables of trust, customer satisfaction and service quality simultaneously have a significant effect on the loyalty of the Generation Z Management Study Program at Nusantara University PGRI Kediri on the Shopee Application.</p> <p>Theoretical contribution/Originality: research on the influence of trust, customer satisfaction and service quality on Gen Z loyalty in the Shopee application has several theoretical contributions that can provide a better understanding of the relationship between variables.</p> <p>Practitioner/Policy implications : This research provides practical implications for the Shopee Application in increasing customer satisfaction and loyalty</p> <p>Research limitations: limitations in this research were that it was conducted on a limited sample, so the results cannot be generalized to the entire generation z population.</p> <p>Keywords: trust, customer satisfaction, service quality, loyalty</p> |
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1.Introduction

The presence of COVID 19 has caused many activities to be carried out online. Indonesia is included in the top 5 countries with the longest population online, namely with an online habit of 8.3 hours/day, which is dominated by accessing social media [1] . Shopee is an application that is often opened for online shopping. Shopee is *the marketplace* that is

most widely used or in demand by the public at the end of 2021 [2] . Generation Z is a generation that grew up amidst the rapid development of information technology and social media, they are often considered the first generation to be truly connected digitally from birth. So Generation Z grew up in a high-tech era and most of them had access to digital, internet and social media from an early age. Along with varying consumer needs, it provides opportunities for business people. This fact has caused many online stores to appear. Shopee is one of the applications that is easy to download and use on their mobile phones and has become very popular among this generation.

For business people, the Shopee marketplace provides benefits such as increased income, faster service to customers, fast payments, more cost-effective sellers and more accessible to many people. Shopee's development in Indonesia is very fast, Shopee Indonesia implements an interactive buying and selling service system between buyers and sellers with a live chat feature. Shopee also provides many payment methods via bank transfer, COD, Indomart and debit cards.

The emergence of many new opportunities with the development of online business can create and maintain relationships between sellers and customers. Loyalty has become an important issue in online business not only because customers can buy goods easily, but also because customers can compare similar goods with other online stores easily and quickly [3] . According to Mowen and Minor in the book *Marketing Management (Digital Marketing Perspective)*, consumer loyalty is a positive attitude towards a trademark by giving a commitment to a brand which ultimately results in the intention to repurchase in the future [4] . *Loyalty* is an important thing to determine a customer's attitude regarding their commitment to repurchase and recommend to potential new consumers. Consumer loyalty can also be formed by providing trust , satisfaction *and* service quality *so* that consumers can make repeat purchases . After-purchase satisfaction or dissatisfaction is determined by consumer evaluation of the difference between initial expectations and perceptions of actual product performance after using the product. It is important for *marketplace companies* to manage a loyal customer base, because long-term customer relationships are not only a major profit contributor, but also have high potential to expand sales volumes in the future [5] .

Factors that can influence customer loyalty are customer trust. Customer trust can be interpreted as self-confidence or credibility, where credibility is the extent to which business players can make customers believe in what they offer. [6] . Trust is very important in forming an *online business*, because consumer trust is the way to develop a business in the future. Customer trust can be interpreted as a person's willingness to accept risks from the behavior of another party based on the hope that the other party is able to carry out consequential actions for the party who has trusted him, regardless of the willingness to monitor and control the actions of the trusted party.

According to Philip Kotler and Kevin Lane Keller, quoted from the book *Marketing Management and Customer Satisfaction*, consumer satisfaction is a person's feeling of joy or disappointment that arises after comparing the performance (results) of the product in question against the expected performance [7] . Consumer satisfaction will be created if a

company provides good service. This is a subjective evaluation made by customers regarding the extent to which a product or service meets or exceeds their expectations. Consumer satisfaction is critical in business because it can have a direct impact on customer loyalty, brand reputation, and the long-term success of a company.

Service quality is an effort to meet consumer needs according to their wishes and guarantee the accuracy of delivery methods that meet customer expectations and satisfaction [8]. Service quality is comparing the difference between expectations and reality regarding the expected service and the service received by customers. Customer satisfaction is an important aspect, therefore, service quality is a determining factor in evaluating the overall services provided by the company. Service quality can only be assessed based on the customer's perceived experience. Service quality is the expected level of excellence and control over that level of excellence to fulfill customer desires. If the service quality of an online shop is good, then customers will most likely choose that shop as their next choice [9].

This research is very relevant to current market trends, where more and more people are turning to online shopping. In this case, it is Gen Z in the Management Study Program at Nusantara University PGRI Kediri which the researchers consider to have a strong connection with the title chosen by the author because it is closely related to marketing trust, customer satisfaction and service quality to loyalty. This research uses an innovative approach by considering factors such as trust, customer satisfaction, and service quality in influencing consumer loyalty. Therefore, this research can make a significant contribution to the development of marketing strategies. This research is supported by previous research which analyzes the influence of service quality, customer satisfaction and trust on consumer loyalty of OVO 2019 users. The results of this research are that there is a significant influence of Service Quality, Customer Satisfaction and Consumer Trust on OVO Consumer Loyalty, namely 40.7%. Service Quality, Customer Satisfaction and Consumer Trust have a positive influence on Consumer Loyalty [10].

The update in this research is to combine studies from Hafidz and Muslimah, (2023) which analyzed the influence of service quality, brand image, customer trust and customer satisfaction on customer loyalty for Herbalife products [11]. And research conducted by Rahmawaty et al., (2021) analyzed the influence of E-Service Quality and E-Trust on E-Customer Loyalty through Customer Satisfaction as an Intervening Variable (Study of Gopay Users in Bandung) [12]. The difference in research is in the object studied.

1.1. Statement of Problem

Gen Z's trust in the Shopee *marketplace* tends to be low because there are still many shops that don't have the *Star Seller title*, which means there are still many shops that are less active, lack reviews and the number of sales on the Shopee marketplace is still lacking. Gen Z, who was born in the era of technology, looks at shops in as much detail as possible. shop on the *shope marketplace*. Customer Satisfaction (*Customer Satisfaction*) is still lacking because Gen Z considers that the products sold on the Shopee marketplace do not meet expectations and service quality. (*Service Quality*) received by Gen Z in the Shopee *marketplace* is relatively poor, they think the seller is not fast enough to respond to questions.

1.2. Research Objectives

The aim of this research is to test and analyze the influence of trust, customer satisfaction and service quality on the loyalty of the Generation Z Management Study Program at Nusantara University PGRI Kediri on the Shopee application.

2. Method

This research was carried out using quantitative methods, namely methods used to reveal the facts of a phenomenon so that it can be evaluated based on theory. Data collection in this research was carried out by distributing questionnaires. The measurement scale used in the questionnaire is the Likert scale.

population in this research is Gen Z customers who use the Shopee Application, the number of which is unknown or infinite, therefore the researchers determined the population by limiting all Gen Z users of the Shopee Application, Management Study Program, Nusantara University, PGRI Kediri, who have made at least one transaction. The sampling procedure used in this research is non-probability with a *purposive sampling technique*, namely a technique with certain considerations [13]. In determining the sample, researchers used the *Lameshow formula*.

$$n = \frac{Z^2 p(1 - p)}{d^2}$$

$$n = \frac{1,96^2 \cdot 0,5(1 - 0,5)}{0,1^2}$$

$$n = 96,04 \text{ atau } 96 \text{ responden}$$

Based on the results of the calculations above, the sample size required in this research is 96.04 respondents or rounded up to 100 respondents. The data used was then processed using SPSS version 23 with multiple linear regression techniques.

3 . Results and Discussion /Results and Discussion

The analysis technique used is multiple linear regression and the researcher's data used is primary data. To fulfill the requirements specified in the use of multiple linear regression models, it is necessary to test several classical assumptions.

3.1 Normality Test

The Normality Test is used to test whether the dependent variable and independent variable or both have a normal distribution or not. Proof of whether the data has a normal distribution or not can be seen in the Kolmogrov Smornov test, histogram and normal probability plot. In the Kolmogrov Smirnov test it can be said to be normal if the 2 tailed significant value is more than 0.05. In a histogram, data is said to have a normal distribution if the data is shaped like a bell. Meanwhile, a normal probability plot is said to be normal if there is a distribution of points around the diagonal line and the distribution follows the direction of the diagonal line.

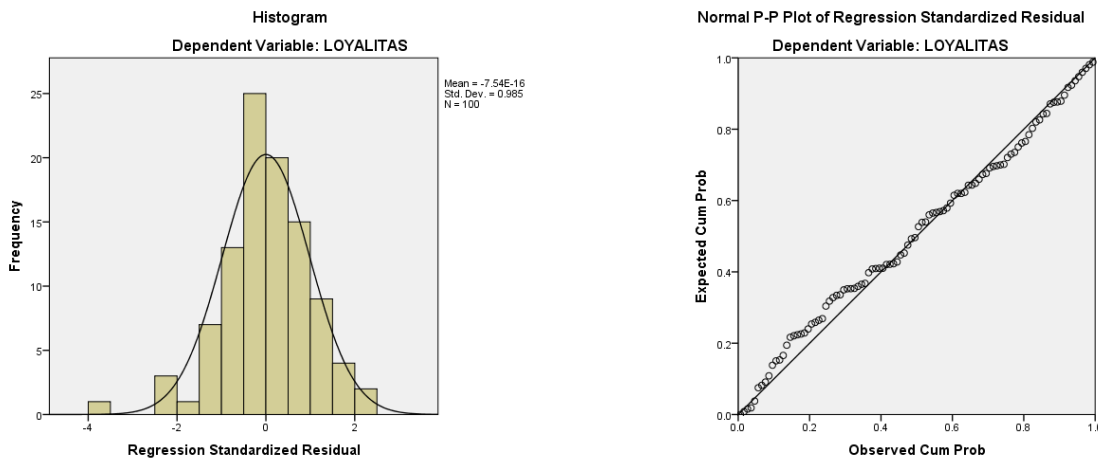


Figure 3.1.1 Histogram Normality Test Results, P-Plot

| One-Sample Kolmogorov-Smirnov Test | | |
|------------------------------------|----------------|--------------------------|
| | | Unstandardized Residuals |
| N | | 100 |
| Normal Parameters ^{a, b} | Mean | .0000000 |
| | Std. Deviation | 2.78441002 |
| Most Extreme Differences | Absolute | .073 |
| | Positive | .046 |
| | Negative | -.073 |
| Statistical Tests | | .073 |
| Asymp. Sig. (2-tailed) | | .200 ^{c, d} |

a. Test distribution is Normal.

Table 3.1.1 Kolmogrov Smirnov Normality Test Results

Based on the table and image above, the results of the normality test can be seen that the data analyzed has a normal distribution. Meanwhile, the histogram results show that the variable data is shaped like a bell. The normal probability plot results show that the points or data spread around the diagonal line and follow the direction of the diagonal line, so that this regression model meets the normality assumption.

3.2 Multicollinearity test

The multicollinearity test aims to test whether the regression model finds a correlation between independent variables. A good regression model should have no correlation between (independent) variables. The method used to detect multicollinearity is to use or look at the VIF (Variance Inflation Factor) value. The results of the multicollinearity test from the two correlation matrices between independent variables, tolerance value and VIF are shown in the table below.

The basis for decision making in the multicollinearity test is

- a. If the Tolerance value is > 0.1 and the VIF (Variable Inflation Factor) value is < 10 , it can be concluded that there are no symptoms of multicollinearity between the independent variables in the regression model.
- b. If the Tolerance value is < 0.1 and the VIF (Variable Inflation Factor) value is > 10 , it can be concluded that there are symptoms of multicollinearity between the independent variables in the regression model.

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|-----------------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| | | | | | | | | |
| 1 | (Constant) | 4,593 | 2,192 | | 2,095 | ,039 | | |
| | TRUST | ,176 | ,100 | ,190 | 1,761 | ,081 | ,356 | 2,807 |
| | CUSTOMER SATISFACTION | ,300 | ,114 | ,231 | 2,638 | ,010 | ,545 | 1,834 |
| | SERVICE_QUALITY | ,343 | ,083 | ,442 | 4,140 | ,000 | ,366 | 2,731 |

a. Dependent Variable: LOYALTY

Table 3.2.1 Multicollinearity Test Results

Based on the table above, it is known that the VIF value of each variable is Trust of 2.807, the Satisfaction variable is 1.834 and the Service Quality variable is 2.732. It can be seen that these three variables have a VIF value of less than 10 and with a tolerance value of > 0.10 , so the regression model can be said to be free from multicollinearity. In this case, there is no multicollinearity between the independent variables.

3.3 Heteroscedasticity Test

The purpose of the heteroscedasticity test is to test whether in the regression model there is inequality of variance and residuals from one observation to another. The way to find out whether heteroscedasticity is present or not is to look at the graph plot. If a certain pattern occurs, such as the dots forming a pattern (wavy, widening then narrowing) then this indicates heteroscedasticity is occurring.

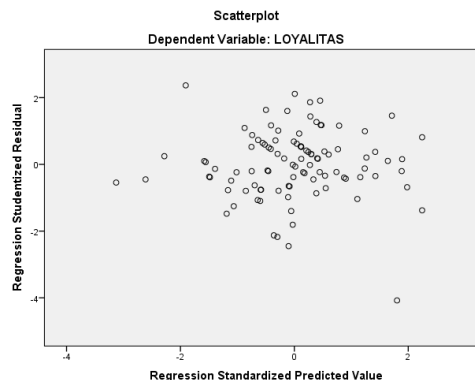


Figure 3.3.1 Heteroscedacity test results

3.4 Multiple Linear Regression Analysis

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4,593 | 2,192 | | 2,095 | ,039 |
| | TRUST | ,176 | ,100 | ,190 | 1,761 | ,081 |
| | CUSTOMER SATISFACTION | ,300 | ,114 | ,231 | 2,638 | ,010 |
| | SERVICE_QUALITY | ,343 | ,083 | ,442 | 4,140 | ,000 |

a. Dependent Variable: LOYALTY

Table 3.4.1 Multiple Linear Regression Test Results

From these results it is obtained that variable X_1 is trust X_2 , customer satisfaction X_3 service quality influences loyalty. Based on the data above, it can be seen in multiple linear regression. A constant of 4.593 means that the independent variable has a positive relationship with the dependent. The regression coefficient X_1 is 0.176. A positive coefficient means that there is a positive relationship between trust and loyalty. If trust gets better, customer loyalty towards the Shopee application will also increase. The regression coefficient X_2 satisfaction is 0.300, meaning that if the variable The regression coefficient X_3 Service quality is 0.343, meaning that if the variable

3.5 Adjusted R²

The coefficient of determination is used to determine how much the independent variable can explain the dependent variable. Coefficient of determination R shown in SPSS in the model summary written in the coefficient of determination R² in the SPSS table. If the R value is small, it means that the ability of the independent variable to explain the independent variable is very limited.

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | ,775 ^a | ,600 | ,587 | 2.82758 |

a. Predictors: (Constant), SERVICE_QUALITY, CUSTOMER_SATISFACTION, TRUST

b. Dependent Variable: LOYALTY

Table 3.5.1 Adjusted R Square Test Results

Based on the table above, it can be seen that the Adjusted R Square value is 0.587. This shows that the independent variables of trust, customer satisfaction and service quality are able to explain the dependent variable (loyalty) by 58.7% and the remainder (100% - 58.7%) = 41.3% is influenced by other variables outside the research model .

3.6 T-test (Partial Test)

The t test (Partial Test) is used to show how far the independent variables individually explain the dependent variable. The t value is carried out to partially test the influence of the independent variable on the dependent variable. Partial test results using the t-test whose values were compared with a significance of 0.05 which can be seen in the table below.

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4,593 | 2,192 | | 2,095 | ,039 |
| | TRUST | ,176 | ,100 | ,190 | 1,761 | ,081 |
| | CUSTOMER SATISFACTION | ,300 | ,114 | ,231 | 2,638 | ,010 |
| | SERVICE_QUALITY | ,343 | ,083 | ,442 | 4,140 | ,000 |

a. Dependent Variable: LOYALTY

Table 3.6.1 T-test results

The table above shows that the t-test results obtained a significance value for the trust variable of (0.081 > 0.05), so H0 is accepted and Ha is rejected. This means that the trust variable has no significant effect on shopee application customer loyalty

Based on the calculation results in the table above, the significance value of the satisfaction variable is as large as (0.010 < 0.05), so H0 is rejected and Ha is accepted. This means that the satisfaction variable has a positive and significant effect on shopee application customer loyalty

Based on the calculation results above, the significance value of the service quality variable is (0.000 < 0.05), so H0 is rejected and Ha is accepted. This variable of service quality has a positive and significant effect on shopee customer loyalty.

3.7 F Test (Simultaneous)

The F test is used to test how the independent variables, trust (X_1), satisfaction (X_2) and service quality (X_3) simultaneously influence the independent variable, namely loyalty (Y). The F-test can be searched by comparing the results of the probability values. The following are the results of simultaneous testing using the F-test whose values will be compared to 0.05 which can be seen in the table below.

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 1151.019 | 3 | 383,673 | 47,988 | ,000 ^b |
| | Residual | 767,541 | 96 | 7,995 | | |
| | Total | 1918,560 | 99 | | | |

a. Dependent Variable: LOYALTY

b. Predictors: (Constant), SERVICE_QUALITY, CUSTOMER_SATISFACTION, TRUST

Table 3.7.1 F Test Results

Based on the F-test in the table above, a significance value is obtained ($0.000 < 0.05$), so the hypothesis H_0 is rejected and H_a is accepted. This means that the variables of trust, customer satisfaction and service quality simultaneously have a significant effect on loyalty.

4. Conclusion

The results of the t-test obtained a significance value for the trust variable of ($0.081 > 0.05$). This means that the partial trust variable has no significant effect on loyalty. Customer satisfaction has a positive and significant effect on loyalty as evidenced by the significance value ($0.010 < 0.05$.) This means that if customers are satisfied, they will be more loyal. Service quality has a positive and significant effect on loyalty as evidenced by a significant value ($0.000 < 0.05$). This means that the better the quality of service provided by Shopee, the higher customer loyalty will be. The variables of trust, customer satisfaction and service quality simultaneously have a significant effect on loyalty . Apart from that, the coefficient of determination R^2 is 58.7 %. This shows that the independent variables trust, customer satisfaction and service quality are able to explain the dependent variable (loyalty) by 58.7%) and 41.3% is influenced by other variables outside the research model.

Shopee is better improve the system again and filter more sellers who will register on Shopee. So that consumer trust is created due to aspects of product quality, product guarantees, and the effectiveness of the system displayed by consumers . From there consumers can assess quality and reduce the risk of receiving defective or unsuitable products. Sellers are also required to respond *quickly* to questions from consumers or customers. Sellers in online stores must be able to gain the trust of consumers so that consumers feel satisfied when making online purchases.

The results of this research can be used as a tool to conduct further research, especially in the same field of study. Future research needs to expand the research variables so as to produce better research. This was proposed because of evidence that the variables of trust, customer satisfaction and service quality have an effect of 58.7% on loyalty. So other factors such as product design location and so on also need to be researched because they involve customer loyalty.

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