

The Impact of Online Satisfaction and Trust in Building Loyalty: Study on Indonesia E-Commerce Customers

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ABSTRACT

E-commerce platforms face challenges when it comes to competition that is just a click away. Customers can easily move from one platform to another, so building customer loyalty to establish long-term profitable relationships is necessary. This study investigates the impacts of online satisfaction and trust of e-commerce customers toward loyalty. This study uses data from e-commerce customer respondents in Indonesia who have often shopped online on the Shopee platform. This object is determined to prove that they make repeat purchases through the platform because they feel satisfied and trusted. Respondents vary in age, education, occupation, and income. Thus, the results of this study can be generalized more broadly. A total of 272 respondents were analyzed using SEM with AMOS. The results showed that online satisfaction and trust positively and significantly contribute to loyalty. Furthermore, the most utilized e-commerce benefit by customers is vouchers. Overall, it gives advice for managers to continue to maintain customer loyalty.

Keywords:

Online Satisfaction;
Trust; Loyalty; E-Commerce

INTRODUCTION

Digitalization has shifted consumer behavior in making purchase decisions. Online reviews, social media, and search engines shape consumer recognition. When buying, they frequently depend on recommendations from social media advertisements, friends, and influencers. In addition, the advent of e-commerce platforms has allowed consumers to shop online easily and conveniently. According to Anwar et al. (2020), e-commerce platforms always strive to create a more entertaining and attractive digital marketplace environment and ecosystem to attract customers. Currently, e-commerce platforms compete in providing facilities such as free shipping, vouchers, discounts, and other benefits. However, the most popular e-commerce platform consumers use in Indonesia is Shopee. According to Katadata Media Network (Ahdiat, 2024), throughout 2023, Shopee received 2.35 billion visits. It surpasses its competitor, Tokopedia, which achieved around 1.25 billion, Lazada 762.4 million, BliBli 337.4 million, and the lowest Bukalapak at 168.2 million visits.

This study investigates how online satisfaction and trust can build loyalty in e-commerce customers. This study has two questions: First, does online satisfaction positively affect loyalty? Second, does trust positively affect loyalty? This study uses e-commerce customers in the marketplace category, namely Shopee, as an object. The online environment allows customers to easily move from one platform to another (Chou et al., 2015). Thus, building loyalty to retain customers to make purchases through an e-commerce platform is important. Several previous studies in the e-commerce context have shown that the main factor influencing loyalty is satisfaction and trust (Bhaskar & Kumar, 2016; Nasimi et al., 2018; Othman et al., 2020), then other factors considered are supply chain responsiveness (Holloway, 2024) and website and internet benefit (Erdal & Kaya, 2023).

This study uses two main factors to build long-term relationships: satisfaction and trust. Customer satisfaction is the emotional state resulting from a good experience evaluation (Agag et al., 2024). Customer satisfaction generally results from a comparison between consumer expectations and experience. In e-commerce, contentment can be described as an overall appraisal of the interaction between customers and e-retailers. Online satisfaction can be interpreted as consumers' positive emotional state after an online transaction. The customer is said to be satisfied when the result of his experience meets or exceeds what he expects (Yoo et al., 2023). Customers' perceptions of a product or service are created by contrasting perceived expectations with the customer's post-purchase experience. (Ahmad et al., 2017). Customer satisfaction is important because it is currently a sustainable competitive advantage and a requirement for customer loyalty.

In contrast to traditional trade, an online shopping platform has many rivals. Transactions are only a click away; therefore, businesses must understand how to foster client loyalty in online markets. Maintaining customer satisfaction is a real challenge because consumer satisfaction affects the perceived image, which becomes more volatile online (Bobâlcă & Țugulea, 2016). In fact, according to Hosseini et al. (2024), customer satisfaction is an important factor determining business success in this competitive era.

Furthermore, trust is a key consideration in the digital business sector. In e-commerce, trust refers to confidence in the quality and reliability of the goods and services offered by e-retailers (Bhaskar & Kumar, 2016). Trust is a key component that drives consumer behavior and aids in successfully adopting technology, such as e-commerce (Giao et al., 2020). Trust is critical in e-commerce because additional barriers exist to establishing customer trust. When buying online, customers can't see the real product, only a few pictures, and the customer must pay first before receiving the product. Nasimi et al. (2018) showed that trust affects loyalty. Customers prefer to shop on platforms they trust. Customers will be confident in making purchases through e-commerce platforms when given certain guarantees such as risks borne until the goods are received, free returns if the goods are not in order, free refunds if the number of goods delivered is less, and stemple of original goods. On the other hand, if customers don't trust them, they will avoid making transactions with those e-commerce platforms (Albayrak et al., 2020).

METHOD

This causality study examines the influence of satisfaction and trust on customer loyalty in e-commerce. This study's population consists of Shopee e-commerce platform customers from throughout Indonesia. The study limited the sample to the criteria of customers who had shopped more than six times using Shopee. This criterion aims to capture their perception of the shopping experience that makes them loyal or can be said to do it often. Snowball sampling was utilized due to the unknown and vast population of responders. (Cooper & Schindler, 2017).

This study used a survey approach, utilizing a web-based questionnaire. The questionnaire includes 14 question items from prior research that have been adjusted to the context of this study. Each question item is assessed on a five-point Likert scale. A total of 272 respondents were obtained and used in the analysis. This number already meets the general rule that the sample size is at least 10:1 with the number of questionnaire items (Hair et al., 2013).

After collecting respondents' data, validity and reliability tests are carried out. Furthermore, all hypotheses were examined using the Structural Equation Models (SEM) analytic technique in conjunction with AMOS. This research was conducted to investigate the association between variables in measurement and model structure (Hair et al., 2013). This data analysis technique was chosen because it is more appropriate to analyze latent variables and test the model's overall suitability.

RESULTS AND DISCUSSION

1. Respondents Characteristics

This study collected 272 respondents, characteristically summarized in Table 1. Female respondents dominated the data of this study, consisting of 78% of respondents. It shows that women usually engage in online shopping. In terms of age, this study obtained comprehensive data from respondents ranging from under 20 to more than 40. Around 79% of respondents are in the age range between 21 and 30 years old, which is the productive age. Based on education, respondents with bachelor's degrees dominated the data by 56%.

Meanwhile, the student respondents dominated the data by 38%, followed by private employees as much as 31%. More than half of the respondents (56%) indicated that the benefit of e-commerce that most encourages them to purchase through the Shopee platform is due to the vouchers offered. Most respondents who shop through Shopee are in the range of IDR1,000,000 to IDR3,000,000, which is 36%. However, across the category, this spread shows that the sample includes individuals with varying income levels, thus providing a broad perspective on how revenue can influence online purchasing behavior through e-commerce platforms.

Table 1. Respondents Characteristics

Categories	Type of respondent	Frequencies	Percentage
Gender	Male	59	22%
	Female	213	78%
Age	<20 years old	28	10%
	21–30 years old	214	79%
	31–40 years old	26	10%
	>41 years old	4	1%
Education	Senior High School	64	24%
	Diploma	22	8%
	Bachelor degree	151	56%
	Master degree	33	12%
	Doctoral degree	2	1%
Work	Entrepreneur	20	7%
	Civil servants	31	11%
	Private employees	84	31%
	Housewife	16	6%
	Student/College	104	38%
	Lecturer/Teacher	10	4%
	Others	7	3%
Benefit from E-commerce	Discount	79	29%
	Voucher	152	56%

Categories	Type of respondent	Frequencies	Percentage
Income	Coin	41	15%
	< 1.000.000	82	30%
	1.000.000-3.000.000	99	36%
	3.000.000-5.000.000	43	16%
	> 5.000.000	48	18%

2. Descriptive Statistics

Table 2 presents descriptive statistics showing the research data for each variable. The standard deviation value of the entire data indicates a number below the mean. On the other hand, the overall data shows that most variables have a mean value of more than 3.00. It shows that all respondents who are the study's object are satisfied, trusted, and loyal to shop online at Shopee.

Table 2. *Descriptive Statistics Results*

Variable	Min.	Max.	Mean	Median	Std. Dev.
Online Satisfaction	1.00	5.00	3.60	4.00	0.9876
Trust	1.00	5.00	3.62	4.00	0.8527
Loyalty	1.00	5.00	3.98	4.00	0.8742

3. Statistical Results

Table 3 summarises the validity and reliability test findings and the data feasibility test. Confirmatory Factor Analysis is used in this study to test the construct's validity. The test results demonstrated that the overall components tested in this study - online satisfaction, trust, and loyalty – met the convergent validity with a factor loading value of more than 0.50. Overall, the high factor charge across the constructs indicates the robustness of the measurement model and confirms that the items used in the survey are valid indicators for each construct.

In addition, Cronbach's alpha is used in this study to assess data dependability. The test findings indicated that all variables in this study were reliable, with Cronbach alpha values more than 0.70 (Hair et al., 2013). It implies that all of the variables in this study are highly reliable.

Table 3. *Validity and Reliability Test Results*

Variable	Items	Factor Loading	Cronbach's Alpha
Online Satisfaction	Sat1	0.799	0.884
	Sat2	0.786	
	Sat3	0.817	
	Sat4	0.843	
Trust	Tru1	0.833	0.934
	Tru2	0.904	
	Tru3	0.888	
	Tru4	0.854	
	Tru5	0.822	
Loyalty	Loy1	0.885	0.939
	Loy2	0.938	
	Loy3	0.913	
	Loy4	0.806	
	Loy5	0.812	

Table 4. Causality Test Results

	Estimate	S.E.	CR	P
Online Satisfaction → Loyalty	0.175	0.044	3.941	***
Trust → Loyalty	0.357	0.051	6.993	***

*Significance sign: *p < 0.10; **p < 0.05; ***p < 0.01.*

The first research question seeks to determine whether online contentment improves loyalty. Table 4 shows the causality test findings for the independent and dependent variables. The statistical results show that online satisfaction favors loyalty at a significance level of 1%. An estimate of 0.175 indicates that if online satisfaction increases by one, loyalty will increase by 17.5%. Thus, if customers are satisfied with their transactions on an e-commerce platform, they will repurchase through the platform.

Furthermore, the second research question is whether trust positively affects loyalty. The results showed a positive contribution between trust and loyalty at a significance level of 1%. It is also supported by the estimated value, which shows a positive figure of 0.375. It means that if there is an increase in trust by 1, then the sense of loyalty of children's customers will also increase by 37.5%. Thus, customer trust needs to be built and maintained so that they are loyal and bring long-term profitability.

Discussion

The findings of this study demonstrate that online satisfaction and trust have a favorable and significant impact on loyalty. It means that customers feel satisfied with the process and the benefits of purchasing through e-commerce. Customer satisfaction is very important, especially in online relationships. Satisfaction is an effective response to the purchase situation they feel. Customer satisfaction can be evaluated on the transaction process and the relationship characteristics (Bobâlcă & Țugulea, 2016). When developing loyalists, managers need to consider comfort and an interactive and personal experience with the offender so that the relationship can have character and attachment. The findings of this study can be utilized to understand better the factors that influence customer loyalty and to establish effective relationship strategies for attracting and retaining consumers. This finding is consistent with the research findings of Nasimi et al. (2018), who found that satisfaction strongly influenced loyalty. Furthermore, Bhaskar & Kumar (2016) have also proven that satisfied consumers use more services and are more motivated to buy and recommend the e-commerce platform to others more often. In contrast, dissatisfied consumers will likely search for information about other e-commerce platforms and even switch.

Furthermore, the results that demonstrate the relationship between trust and loyalty show that customers believe Shopee's e-commerce platform ensures the security of their data and transactions. Therefore, customers always have an emotional bond with the platform. This finding aligns with Nasimi et al. (2018), who proved that trust significantly impacts loyalty. On the other hand, e-commerce platforms must also have trustworthiness (Othman et al., 2020). Customer trust is typically directly linked to the security of online transactions. In general, e-commerce customers want their information and payments to be secure. Advanced security

technologies, such as data encryption and certification, can provide this protection (Al Naim & Ghouri, 2023).

On the other hand, customers want to ensure that the e-commerce platform protects their personal information. In terms of products, customers need to be guaranteed that the products sold in e-commerce are genuine and will be delivered as ordered. If that is fulfilled, e-retailers and e-commerce platforms will have a good image in customers' perception.

CONCLUSION

The results conclude that satisfaction and trust are the most important factors in building loyalty. It is in line with what Bobâlcă & Țugulea (2016) suggest that good prices and the security of personal data are important factors that will make customers satisfied and return to make purchases. In the fierce competition in the e-commerce environment, it is important to maintain a relationship with consumers so that they are willing to make a purchase again or even recommend it to others. It can be achieved by delivering on time to meet or satisfy customers' expectations. In addition, information and transaction security guarantees also need to be continuously developed. These findings are additional evidence for managers who will build and create loyalty. Unfortunately, this research is limited to respondents in Indonesia who may have different shopping characteristics and behaviors from cultures in other countries. Further research can be conducted on studies between countries or cultures to determine whether different cultural characteristics will give different results, especially in building customer loyalty in e-commerce.

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