

HARNESSING THE IMPACT OF ARTIFICIAL INTELLIGENCE IN THE INFLUENCE OF E-SERVICE QUALITY AND PRICE ON LOYALTY THROUGH CUSTOMER SATISFACTION IN KLIK INDOMARET APPLICATION

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ABSTRACT

This research is an Explanatory Research that aims to analyze the effect of e-service quality and price on loyalty through customer satisfaction on the Klik Indomaret application. This research uses a nonprobability sampling technique with a purposive sampling method. The number of samples used in the study was 212 respondents. The data source used in this research is primary data obtained by distributing questionnaires online to respondents who are users of the Klik Indomaret application. Data analysis method using path analysis with the Statistical Program For Social Science (SPSS) program. The results showed that e-service quality has a significant effect on satisfaction. Price has a significant effect on customer satisfaction. Customer satisfaction has a significant effect on customer loyalty. E-Service quality has a significant effect on loyalty. Price has a significant effect on loyalty. E-Service quality has a significant effect on loyalty through customer satisfaction. Price has a significant effect on loyalty through customer satisfaction.

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1. INTRODUCTION

The modern era, especially those related to the Internet, have the potential to expand opportunities in the trade sector. These developments can make it easier for sellers and buyers to transact goods or services via the Internet. This phenomenon can be called e-commerce, where consumers only need to use the Internet to conduct online transaction activities without the need to visit a physical store. One of the retail companies in Indonesia provides convenience for internet users by creating Electronic Service Quality, which can be abbreviated as E-Servqual. The service can facilitate consumer access to getting the

goods or services needed to be easier, safer, and faster. One application that uses E-Servqual is Klik Indomaret; as a result of the high retail competition in Indonesia, Indomaret launched the Klik Indomaret application to help consumers shop for daily necessities (Pawirosumarto et al, 2023).

Klik Indomaret is a website of Indomaret retail stores in the form of an online store or Indomaret online shopping. PT Klik Indomaret Perkasa launched this application in 2015 (Budianto et al. 2022). Currently, Klik Indomaret can serve major cities other than Jabodetabek. The range of Klik Indomaret delivery areas has also reached many city points in Indonesia, including Bandung, Semarang,

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Yogyakarta, Surabaya, Malang, Jember, Denpasar, Surakarta, Cirebon, and Batam to expand the expansion area to Medan, Palembang, Pekanbaru, Bandar Lampung, Banjarmasin, Samarinda, Pontianak, Makassar, Manado, Palopo and Ambon, plus, all orders will be sent from the warehouse to various regions with Indo Paket and JNE shipping services.

Based on data from Similar Web about the Most Popular Shopping Apps in Indonesia for the period November 2023, the Klik Indomaret application still cannot compete with Alfamart's application, Alfagift. In the Usage Rank category, Alfagift is number 5, and Klik Indomaret is number 13, while in the Store Rank category, Alfagift is number 6, and Klik Indomaret is number 10. Based on Klik Indomaret user reviews on the Google Play Store, problems that are often complained about by users of this application are unilateral cancel orders by Indomaret, the length of service, not all Indomaret being reached with Klik Indomaret, goods are not delivered according to hours, and there are often discrepancies between stock in the application and stock in the store. These problems make consumers disappointed and can affect customer satisfaction with the Klik Indomaret application.

E-service quality is one of the important elements in fulfilling online customer satisfaction. E-service quality is an activity that utilizes electronic media in a network that makes it easier for consumers to transact or carry out distribution activities efficiently and effectively (Putri et al., 2022). Research by Gupron (2019) and Mubarak and Kurriwati (2021) shows that e-service quality has a positive and significant effect on satisfaction. However, research by Hun et al. (2023) shows that e-service quality has no effect on satisfaction.

Apart from service quality, price is also one of the factors that have a significant influence on the level of customer satisfaction. Price is used as intensive information until, finally, consumers can determine the value of a product. Pricing must also be adjusted to the quality of the product because the right price will be accepted by consumers, while the wrong price will be rejected by consumers (Yulisetiari & Prahasta, 2019). Research by Yulisetiari & Prahasta (2019) and Yulisetiari et al. (2022) shows that price has a significant and positive effect on customer satisfaction. However, research by Irfan (2019) and Kurniawati et al. (2019) shows that price has no effect on customer satisfaction.

Customer satisfaction is key for companies to continue to stand and compete. Customer satisfaction is a major component of the long-term survival of a company (Yulisetiari & Prahasta, 2019). The research of Yulisetiari & Mawarni (2021), Yulisetiari et al. (2022, 2022a), Yulisetiari et al. (2023), and Yulisetiari et al (2024) show that satisfaction has a direct effect on consumer loyalty, while in research by Sumadi et al. (2021) shows that customer satisfaction does not have a positive and significant effect on consumer loyalty.

According to Kotler and Keller (2012), loyalty is a deeply held commitment to buy or support a preferred product or service again in the future despite the influence of

situations and marketing efforts that cause consumers to switch. Loyal consumers are very important for companies because they will maintain the company's survival by increasing profits. Saragih's research (2019) shows that e-service quality has a significant and positive effect on loyalty, and in Insani & Madiawati's research (2020), price has a positive and significant effect on consumer loyalty variables.

2. LITERATURE REVIEW

2.1 E-Service Quality

Zhang and Prybutok (2005) define e-service quality as a broader form of service through an internet network that connects buyers and sellers to facilitate shopping activities effectively and efficiently. E-Serqual offers convenience in obtaining information between consumers and electronic-based service providers (Wilis & Nurwulandari, 2020). According Li and Suomi (2009), the indicators of e-service quality are as follows:

- a. Efficiency
- b. Fulfillment
- c. System availability
- d. Privacy
- e. Responsiveness
- f. Compensation
- g. Contact

2.2 Price

Price is an amount of money that is exchanged in order to obtain the right to ownership or use of a good or service. The suitability of the price offered and the company's product for the services offered will create customer satisfaction (Bei & Chiao 2001, Wilis & Nurwulandari 2020). Indicators of the price, according to Rahayu et al. (2023), are as follows.

- a. Affordability
- b. Competitiveness
- c. Price suitability

2.3 Loyalty

Customer loyalty is a high commitment of consumers to repurchase preferred products or services in the future, regardless of situational influences and marketing efforts that can change behavior (Curtis et al., 2011). Indicators of the loyalty variable, according to Kotler and Keller (2012), are as follows.

- a. *Say positive things about the product.*
- b. *Recommending the product to someone who seeks advice*
- c. *Continue purchasing*

2.4 Customer Satisfaction

According to Kotler and Keller (2012), satisfaction is a feeling of pleasure or disappointment that arises from comparing the perception of the results of a product against their expectations. Caruana (2002) argues that customer satisfaction is a measurement used to determine the extent to which consumers feel happy with the

product or service that has been received. Indicators of customer satisfaction variables, according to Fang et al. (2014), are as follows.

- a. Overall satisfactory
- b. Expectation
- c. Experience

3. METHODOLOGY

The population in this study is users of the Klik Indomaret application who have made purchases on Java Island. The data collection method uses nonprobability sampling with purposive sampling technique, with the criteria that respondents aged 17 years and over who have the Klik Indomaret application have made purchases in the past year. Data collection was obtained by distributing questionnaires online through social media. The analysis method in this study uses path analysis. The sample used was 212 respondents.

4. RESULTS

According to Lleras (2005), path analysis is the use of regression analysis to estimate the causal relationship between variables that have been previously determined based on theory. The hypothesis results in this study indicate that testing the e-service quality variable on customer satisfaction with a significance value of $0.000 < 0.05$, so it can be concluded that H_0 is rejected and H_1 is accepted, which means that e-service quality has a significant effect on customer satisfaction in the Klik Indomaret application. The results of testing the effect of the price variable on customer satisfaction with a significance value of $0.000 < 0.05$, so it can be concluded that H_0 is rejected and H_2 is accepted, which means that price has a significant effect on customer satisfaction in the Klik Indomaret application. The results of testing the effect of the e-service quality variable on loyalty with a significance value of $0.000 < 0.05$ so it can be concluded that H_0 is rejected and H_3 is accepted, which means that e-service quality has a significant effect on loyalty in the Klik Indomaret application. The results of testing the price variable on loyalty with a significance value of $0.001 < 0.05$, so it can be concluded that H_0 is rejected and H_4 is accepted, which means that price has a significant effect on loyalty in the Klik Indomaret application. The results of testing the customer satisfaction variable with a significance value of $0.000 < 0.05$ can be concluded that H_0 is rejected and H_5 is accepted, which means that customer satisfaction has a significant effect on loyalty in the Klik Indomaret application.

Path Calculation

The calculation of paths that are already significant can calculate the direct and indirect effects between the independent variables, namely e-service quality, and price, on the dependent variable, loyalty, through the

intervening variable, customer satisfaction. Based on the results of hypothesis testing, the path coefficient value is obtained, as shown in Figure 1.

Based on the path calculation, the direct effect of the e-service quality variable on customer satisfaction is 48%. The direct effect of the price variable on customer satisfaction is obtained as a result of 28.8%. The direct effect of the e-service quality variable on loyalty is obtained as a result of 37.7%. The direct effect of price on loyalty is obtained as a result of 19.6%.

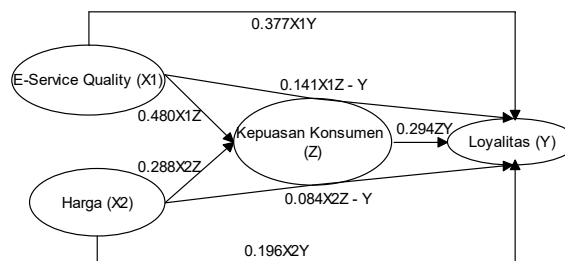


Figure 1. Path coefficient value is obtained

The direct effect of customer satisfaction on loyalty is obtained as a result of 29.4%. Based on the calculation of the indirect effect of the e-service quality variable on loyalty through customer satisfaction, the result is 14.1% smaller than the direct effect, which shows that if the value of the direct effect $>$ indirect effect, then directly e-service quality has a significant effect on loyalty through customer satisfaction. This means that e-service quality has a greater influence on fulfilling loyalty directly than it has on customer satisfaction. The calculation of the indirect effect of the price variable on loyalty through customer satisfaction obtained a result of 8.4% less than the direct effect, which indicates that if the value of the direct effect $>$ indirect effect, the price directly has a significant effect on loyalty through customer satisfaction. This means that price has a greater influence on fulfilling loyalty directly than it does through customer satisfaction.

5. DISCUSSIONS

Based on the results of hypothesis testing show that e-service quality has a significant effect on satisfaction in the Klik Indomaret application with a significance level of $0.000 < 0.05$. The path coefficient value is 0.480, so H_0 is rejected and H_1 is accepted. It shows that the better the electronic services provided, the customer satisfaction will also increase on the Klik Indomaret application. The ease in transactions, the accuracy of shipment and the site always work well makes the consumer feel appreciated and well taken care of. Responsiveness to consumer needs and complaints increases their positive feelings towards the company. The results of this study are in line with the research of Gupron (2019) and Mubarak and Kurriwati (2021), which show that e-service quality has a positive and significant effect on customer satisfaction. The results of

hypothesis testing show that price has a significant effect on customer satisfaction in the Klik Indomaret application with a significance level of $0.000 < 0.05$. The path coefficient value is 0.288, so H_0 is rejected and H_1 is accepted, it means that the better price offered will result in customer satisfaction. If the price matches consumer's expectations based on the quality and benefits they expect, they will feel satisfied because there is no discrepancy between what they pay and what they receive. This research is in line with the research of Yulisetiari & Prahasta (2019) and Yulisetiari, Cahyaningsih, et al. (2022), which shows that price has a positive and significant effect on customer satisfaction. The results of hypothesis testing show that e-service quality affects loyalty in the Klik Indomaret application with a significance level of $0.000 < 0.05$. The path coefficient value is 0.377, so H_0 is rejected and H_1 is accepted, meaning that users of the Klik Indomaret application have been loyal to continue using this application because Klik Indomaret provides convenience in terms of ease of navigation and the various features provided by the Klik Indomaret application. This research is in line with the research of Saragih (2019) which shows that e-service quality has a positive and significant effect on loyalty. The results of hypothesis testing show that price has an effect on loyalty in the Klik Indomaret application, with a significance level of $0.001 > 0.05$. The path coefficient value is 0.196, so H_0 is rejected, and H_1 is accepted, it means that a good price offer can make customers loyal to continue making purchases at Klik Indomaret. If Klik Indomaret offers a competitive price comparable to the given value, users will feel a good deal. These competitive prices can keep users loyal to the application rather than switching to another app that may be more expensive. This research is in line with the research of Insani and Madiawati (2020), which shows that price has a positive and significant effect on loyalty. The results of hypothesis testing show that customer satisfaction affects loyalty in the Klik Indomaret application with a significant level of 0.000

< 0.05 . The path coefficient value is 0.294, so H_0 is rejected, and H_1 is accepted, it means that the more satisfied consumers are in using the Klik Indomaret application, the more loyal consumers will be and continue to use this application. This research is in line with the research of Yulisetiari & Mawarni (2021), Yulisetiari et al. (2022), Yulisetiari et al. (2023) and Yulisetiari et al. (2024), which show that customer satisfaction affects loyalty. Based on the path calculation, it is found that the result of the direct effect of the e-service quality variable on loyalty is 0.377. The indirect effect of the e-service quality variable on loyalty through customer satisfaction is 0.141. The indirect effect is smaller than the direct effect so that it can be interpreted that customer satisfaction weakly mediates between e-service quality and loyalty. Based on this, e-service quality has a greater possibility to influence loyalty directly without passing through the intermediary of customer satisfaction. Then the result of the direct effect of the price variable on loyalty is 0.196. The indirect effect of the price variable on loyalty through customer satisfaction is 0.084. The indirect effect is smaller than the direct effect so that it can be interpreted that customer satisfaction mediates weakly between price and loyalty. Based on this, price has a greater possibility of influencing loyalty directly without passing through the intermediary of customer satisfaction.

6. CONCLUSIONS

Perceived Usefulness has a significant effect on customer satisfaction. Perceived Ease Of Use has a significant effect on customer satisfaction. Perceived Usefulness has a significant effect on customer loyalty. Perceived Ease Of Use has a significant effect on customer loyalty. Customer satisfaction has a significant effect on customer loyalty.

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