The Effect of E-Service Quality on E-Customer Loyalty with E-WOM and Brand Image as Mediating Variables
(Study on Shopee Food Consumers in Malang City)

Al Mukaromah Dewi Puspita[1], Sudarmiatin [2], Titis Shinta Dhewi [3]

[1,2,3] Department of Master Management, Faculty of Economics and Business, State University of Malang

[*]Coresponding Author

Email : adewipuspita@gmail.com

Abstract

The development of the world of business and trade cannot be separated from technological advances. Applications for ordering food and beverages facilitate consumers to order online by using smartphone when they do not have much time to come directly to the store (offline). The aim of this study is that to find out Shopee Food Indonesia, which will be a strong competitor for other food and beverage service companies. This study was a quantitative research using SPSS 25. The populations in this study were consumers who used Shopee Food with a sample of 280 respondents. Meanwhile, the analysis technique used path analysis and Sobel test. The results of the description analysis of the E-Service Quality variable on E-Customer Loyalty with E-WOM and Brand Image resulted in a value in the very good category. The results of this study show that (1) E-Service Quality is proven to have a direct positive and significant effect on E-WOM. (2) E-Service Quality is proven to have a direct positive and significant effect on Brand Image. (3) E-Service Quality is proven to have a direct positive and significant effect on E-Customer Loyalty. (4) E-Service Quality is proven to have a direct positive and significant effect on E-Customer Loyalty. (5) E-Service Quality is proven to have a direct positive and significant effect on E-Customer Loyalty. (6) E-WOM is able to mediate the relationship between the influence of E-Service Quality on E-Customer Loyalty. (7) Brand Image is able to mediate the relationship between the influence of E-Service Quality on E-Customer Loyalty. The suggestions for Shopee Food Indonesia is that it should improve the quality of the system, merchants and employees; besides, stay active on all social media such as Instagram, Facebook, Twitter, etc. It is expected that with social media, it can provide information between companies and consumers.

Keywords: Brand Image, E-Customer Loyalty, E-Service Quality, E-WOM

INTRODUCTION

The impact of the pandemic (Covid-19) has become one of the sectors which has affected the food and beverage business in Indonesia. Therefore, companies should implement strategies in order to survive during the pandemic and in the future. Currently, public consumption of both primary and secondary needs achieved by online services. The development of the world of business and trade today cannot be separated from technological advances; especially, information technology and e-commerce. According to Wijaya (2018), one of the innovations which should be provided by food industry business actors is the ease of delivery and serving of food to consumers, one of the solutions is food delivery services which are increasingly in demand. Consumer confidence in safety currently affects consumer lifestyles, consumers no longer eat in place but change to online food orders (Azmi & Genoveva, 2020).

In We Are Social, internet users on food delivery applications in Indonesia were recorded at 74.4% (Lidwina, 2021). Indonesia had the highest percentage in the world. The survey found that 44% of Gen Z food delivery users were new users who had just started using the service during the pandemic, and 90% of them stated that they would like to continue using the food delivery service after the pandemic (Rahajeng, 2021). The results of the Nielsen Singapore Report survey show that 58% of Indonesians choose to buy ready-to-eat food

through an online application via their mobile phone. The main reason consumers choose online applications is that it can save time or effort in queuing and waiting.

Shopee is a mobile platform in Southeast Asia (Indonesia, Philippines, Malaysia, Singapore, Thailand, Vietnam) and Taiwan. Shopee is well known by the public as one of the largest online stores which offer online buying and selling transactions. Shopee now comes with a food and beverage delivery service under the name Shopee Food. The online food and beverage delivery service at Shopee Food is the same as other online food and beverage delivery services. ShopeeFood ads had released on January 10, 2021 on the official Shopee Indonesia YouTube channel (Bestari, 2021). In the ad video, it is seen that Shopee Food will provide promos to its users. The presence of Shopee Food, of course, will be a new competitor for the other two companies. Shopee Food will later become a strong competitor for other food and beverage delivery service companies. Various food and beverage delivery applications (food delivery) are increasing and competing to provide attractive offers to their users so that they continue to use their services with various new features. Before the Covid-19 pandemic, online food and beverage delivery was a rising trend in urban areas with the help of technology companies.

Seeing the various values which are offered by food and beverage delivery application services; especially, Shopee Food which is relatively new, gives consumers a lot of consideration in their commitment to survive in depth. Furthermore, consumer actions to re-subscribe or repurchase a selected product or service consistently in the future, even though the influence of the situation and marketing efforts have the potential for behavior change. Customer loyalty is important for companies to focus on differentiating the company's products from competitors. The goal is that to attract new customers and retain existing customers. Every organization or company should pay attention to the brand image of the products or services offered.

Loyalty in online business has become an important issue because its ease consumers change from one online site to another; besides, the ease with which consumers can compare purchasing the same product between different online sites (Eroglu, 2014). E-service quality which is provided by a company greatly determines the level of e-customer loyalty of a user since it will make every transaction more practical and easier (Gull, Tanvir, Zaidi and Mehmood, 2020). When someone (customer) is satisfied in buying or using a product or service in a place, he tends to tell his experience and recommend the product or service to others through various social media; such as, IG, Facebook, Twitter, Blog, WA and so on (Lomi, Bessie and Kasim, 2016).

Consumers tend to buy products with well-known brands since they feel more comfortable with things which are already known. They assume that familiar brands are more reliable, always available and easy to find and have unquestionable quality so that brands which are more well-known are more often chosen by consumers. Furthermore, according to Kenneth and Donald (2018), "Brand Image reflects the feelings that consumers and businesses have about the whole organization as well as individual products or product lines". Companies which see this and act proactively will defend their business proposition and create a positive image of the brand within the mental framework of consumers so that keeping the company relevant in the post-Covid-19 era. This study focuses on the Shopee Food delivery service application, where Shopee Food makes Shopee the first e-commerce in Indonesia which has food and beverage delivery services.

RESEARCH METHODS

This study used quantitative research with descriptive and explanatory research methods. The populations in this study were all consumers who use the Shopee Food application in the city of Malang. Moreover, the sampling technique in this study used a purposive sampling technique. Data obtained from online distribution of questionnaires used Google Form media. The numbers of samples in this study were 280 respondents by using the Infinite Population formula. In addition, data analysis techniques used path analysis and Sobel test. The research design is as follows:
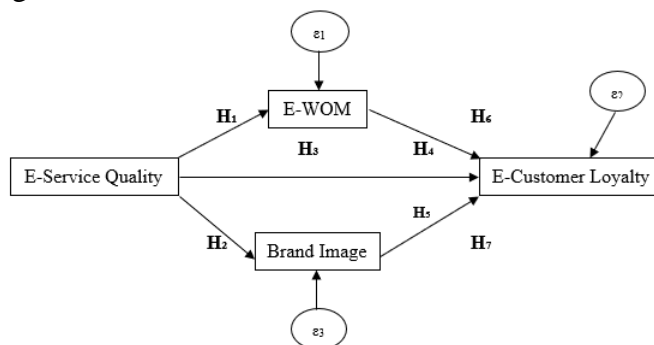

Figure 1. Research Design
Source: Research Results (2022)

$$Z = \beta z1x1X1 + \beta z2x1X1 + \varepsilon1 + \varepsilon2$$
$$Y = \beta yx1X1 + \beta yz2Z1 + \beta yz2Z2 + \varepsilon3$$

Explanation:
X : *E-Service Quality*
Z_1 : E-WOM
Z_2 : *Brand Image*
Y : *E-Customer Loyalty*
ε1 : structure *Error* 1
ε2 : structure *Error* 2
ε3 : structure *Error* 3

The largest number of respondents came from women aged 21-25 years who were Strata 1 (S1) graduates, employee jobs and had income per month is dominated by income of Rp. 2,000,000.00 - Rp. 3,000,000.00. It shows that consumers who come from among employees have a higher level of interest in Shopee Food application users.

Table 1 Summary of Influence Calculation between Variables

Variable	T Count	T Table	Sig.	Desciption
X → Z_1	6,367	1,97	0,000	H1 diterima
X → Z_1	7,525	1,97	0,000	H2 diterima
X → Y	2,308	1,97	0,022	H3 diterima
Z_1 → Y	4,108	1,97	0,000	H4 diterima
Z_1 → Y	7,318	1,97	0,000	H5 diterima
X → Z_1 → Y	3,461	1,97		H6 diterima
X → Z_1 → Y	5,237	1,97		H7 diterima

Source: Research Results (2022)

In the test of the direct effect of e-service quality on E-WOM, it is found that the variable X on the variable Z_1 with a t count value of 6.367 > t table = 1.97 so that it confirms that t count > t table and sig value. 0.000 <0.05; besides, it can be concluded that the variable e-service quality has a direct and significant positive effect on E-WOM so that H1 is accepted. Furthermore, in the test of the direct effect of e-service quality on brand image, it is obtained that the variable X on the variable Z_1 with a value of t count 7.525 > t table = 1.97 so that it confirms that t count > t table and sig value. 0.000 <0.05; besides, it can be concluded that the e-service quality variable has a direct and significant positive effect on brand image so that H2 is accepted. In the test of the direct effect of e-service quality on e-customer loyalty, the variable X is obtained against the Y variable with a t count value of 2,308 > t table = 1.97 so that it confirms that t count < t table and sig value. 0.022 <0.05; besides, it can be concluded that the variable e-service quality has a direct and significant positive effect on e-customer loyalty so that H3 is accepted. E-wom on e-customer loyalty is obtained by variable Z_1 against variable Y with a value of t count 4.108 > t table = 1.97 so that it confirms that t count > t table and sig value. 0.000 <0.05; besides, it can be concluded that the e-wom variable has a direct and significant positive effect on e-customer loyalty so that H4 is accepted. Meanwhile, brand image on e-customer loyalty is obtained by variable Z_1 against variable Y with a value of t count 7,318 > t table = 1.97 so that it confirms that t count > t table and sig value. 0.000 <0.05; besides, it can be concluded that the brand image variable has a direct and significant positive effect on e-customer loyalty so that H5 is accepted. Based on the Sobel test calculation, it is obtained that t was 3.461 so that the t value obtained is t count > t table which is 3.461 > 1.967. Therefore, it proves that e-wom is able to mediate the relationship between the influences of e-service quality on e-customer loyalty so that H6 is accepted. Based on the calculation of the Sobel test above, it is obtained that t is 5.237 so that t value obtained is t count > t table which is 5.237 > 1.967. Hence, it proves that brand image is able to mediate the relationship between the influences of e-service quality on e-customer loyalty so that H7 is accepted.

RESULTS AND DISCUSSION

In the first hypothesis, e-service quality has a positive and significant effect on e-wom. It means that the higher the e-service quality, the higher the e-wom tends to be. This study supports previous research (Saodin, 2019; Dhamore, Patil and Ghorpade 2019; Rachbini, Anggraeni and Wulanjani, 2021). The result of this study shows that E-service quality will leave a positive impression which is embedded in the minds of consumers who use Shopee Food. Some customers choose to share their consumption experiences with their friends or post them on website reviews, where it is possible for others to see.

In the second hypothesis, E-Service Quality has a positive and significant effect on brand image. It means that the higher the E-Service Quality, the higher the brand image tends to be. This study supports previous research (Pratiwi, Sunaryo and Mugiono, 2021; Kang and Chung, 2018; Alipoor, 2016) which stated that e-service quality has a positive and significant effect on brand image. The result of this study shows that if Shopee Food can provide quality e-service well, it will create a great Shopee Food brand image in the minds of Shopee Food users.

In the third hypothesis, E-Service Quality has a positive and significant effect on e-customer loyalty. It means that the higher the E-Service Quality, the more likely it is to increase e-customer loyalty. This study supports previous research (Pratondo and Zaid, 2021; Handayani, Widowati and Nuryakin, 2021; Muharam, Chaniago, Endraria and Harun, 2021) which stated that e-service quality has a positive and significant effect on e-customer loyalty.

The result of this study shows that the better the level of website service (e-service quality) on the Shopee Food website, the more customer loyalty (e-loyalty) through the website will increase.

In the fourth hypothesis, e-wom has a positive and significant effect on e-customer loyalty. It means that the higher the e-wom, the more likely it is to increase e-customer loyalty. This study supports previous research (Santika, Pramudana and Astitiani, 2020) which stated that E-WOM has a positive and significant effect on e-customer loyalty. The result of this study shows that increasing online word of mouth efforts will increase e-customer loyalty in the online market. Electronic word of mouth is able to show a greater role in predicting repurchase intentions since a businessman also needs to communicate their products to consumers and potential customers through social media in the form of impersonal (mass media) or interpersonal (formal conversations between sellers and consumers, or informal conversation over the internet)

In the fifth hypothesis, brand image has a positive and significant effect on e-customer loyalty. It means that the higher the brand image, it tends to increase e-customer loyalty. This study supports previous research (Wilis and Nurwlandari, 2020; Riyadi, 2019), which stated that brand image has a positive and significant effect on e-customer loyalty. The result of this study shows that a company seen through a positive image in building customer trust and loyalty. By having loyal customers, the company will get benefit since they will be willing to buy more often, spend more money on products and services, recommend products and services to others and sincerely advise others to buy the company's products.

In the sixth hypothesis, there is a positive and significant indirect effect between E-Service Quality on e-customer loyalty through e-wom. This study supports previous research (Putri and Sumaryono, 2021; Pasumarthy, 2015) which stated that the effect of e-service quality on e-customer loyalty is mediated by E-WOM. The results of this study shows that the existence of information circulating through e-WOM on social media plays a role in influencing or strengthening consumer intentions to repurchase a product through the Shopee Food application so that it will increase e-customer loyalty.

In the seventh hypothesis, there is a positive and significant indirect effect between E-Service Quality on e-customer loyalty through brand image. It supports previous research (Ningsih, Jaman and Sopiah, 2019) which stated that the effect of e-service quality on e-customer loyalty is mediated by brand image. The result of this study shows that the brand image variable is able to bridge the influence of e-service quality on e-customer loyalty to Shopee Food users in Malang City. E-service quality is able to increase e-customer loyalty by building a positive brand image for Shopee Food users in Malang City. Shopee Food users feel that Shopee has a positive image so that users become loyal.

CONCLUSION

The results of the description analysis of the E-Service Quality variable on E-Customer Loyalty with E-WOM and Brand Image resulted in a value in the very good category. In this study dominated by women, are in the age range of 21-25 years. Based on the latest education, it shows that those who dominate are graduates of Strata 1 (S1), work shows that employees dominate. Income per month, shows the income of IDR 2,000,000 - IDR 3,000,000.00.

The results of the relationship between the E-Service Quality variable and E-WOM show ($\beta = 0.357$) with a significant value (0.000 <0.05) and the t-count value of 6.367 > t-table 1.972. This means that E-Service Quality is proven to directly have a positive and significant effect on E-WOM. The results of the relationship between the E-Service Quality variable and Brand Image show ($\beta = 0.411$) with a significant value (0.000 <0.05) and the t-count value of

7.525 > t-table 1.972. This means that E-Service Quality is proven to directly have a positive and significant effect on Brand Image. The results of the relationship between the E-Service Quality variable and E-Customer Loyalty show (β = 0.122) with a significant value (0.022 <0.05) and the t-count value is 2.308 > t-table 1.972. This means that E-Service Quality is proven to directly have a positive and significant effect on E-Customer Loyalty. The results of the relationship between the variables of E-Service Quality and E-Customer Loyalty show (β = 0.225) with a significant value (0.000 <0.05) and a t-count value of 4.108 > t-table 1.972. This means that E-Service Quality is proven to directly have a positive and significant effect on E-Customer Loyalty. The results of the relationship between the variables of E-Service Quality and E-Customer Loyalty show (β = 0.411) with a significant value (0.000 <0.05) and a t-count value of 7.318 > t-table 1.972. This means that E-Service Quality is proven to directly have a positive and significant effect on E-Customer Loyalty.

Based on the results of the H_1 Sobel test, it is known that the t value is 3.461 (t count > t table is 3.461 > 1.967). This proves that E-WOM is able to mediate the relationship between the influence of E-Service Quality on E-Customer Loyalty. Based on the results of the H_1 Sobel test, it is known that the t value is 5.237 (t count > t table, namely 5.237 > 1.967). This proves that Brand Image is able to mediate the relationship between the influence of E-Service Quality on E-Customer Loyalty.

This study can add to the literature related to the variables of E-Service Quality, E-Customer Loyalty, E-WOM and Brand Image. Therefore, it can help companies to maintain and control the quality of website electronic services. Shopee Food users can feel satisfied and they will give review with good word of mouth on social media, as well as improve their brand image to maintain customer loyalty and customer loyalty. The results of this study are expected to provide an overview to Shopee Food Indonesia so that it becomes a reference for market expansion and towards the right consumer target. In addition, this study has research limitation that is only use path analysis techniques. Thus, further research is expected to use more detailed data analysis.

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