The effect of service quality and brand image on customer loyalty with consumer satisfaction as a mediation variable in shopee e commerce

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ABSTRACT
This study aims to analyze the effect of service quality and brand image on customer loyalty on the Shopee e-commerce platform, by considering consumer satisfaction as a moderating variable. This study uses a survey method using a questionnaire distributed to active Shopee customers who have made transactions carried out in January-June 2023. The research sample was taken by purposive sampling involving 250 respondents. Data analysis was carried out using multiple regression analysis and data was processed using Smart PLS 3. The results of this study show that service quality has a significant positive effect on Shopee customer loyalty. In addition, brand image also has a significant positive influence on customer loyalty. This finding shows that the quality of service and Shopee's brand image are important factors in building customer loyalty. Furthermore, consumer satisfaction has also proven to be a significant moderating variable in the relationship between service quality brand image, and customer loyalty. Service quality has a positive and significant influence on customer loyalty through customer satisfaction. Customer satisfaction is a key factor in building customer loyalty, and good service quality can increase the level of customer satisfaction. When customers receive good services, such as prompt responses, effective assistance, and timely delivery, they will have a positive experience.

Keywords: Service quality, Brand image, Customer loyalty, Customer satisfaction, Shopee, E-Commerce

Introduction
The development of technology and the internet has changed the way consumers shop with the existence of e-commerce platforms. One popular e-commerce platform is Shopee, which offers customers a wide range of products and services online. Shopee is an e-commerce platform founded by a Singapore-based technology company also called Shopee. Shopee provides a place for sellers and buyers to transact online. The platform operates in several countries in Southeast Asia and Taiwan. Shopee offers a wide range of products, including clothing, accessories, electronic equipment, beauty products, home appliances, food and beverages, and more. Users can browse through different product categories and purchase the items they want through the Shopee app on their mobile devices or through the Shopee website (Shopee, 2022).
In an increasingly competitive environment, Shopee needs to understand the factors that influence customer loyalty to maintain and increase their market share. In the context of e-commerce, service quality and brand image have proven to be important factors in shaping purchasing behavior and customer loyalty. Good service quality, such as responsiveness to customer inquiries, ease of the purchase process, and on-time delivery, can improve customer satisfaction and build long-term relationships. In addition, a positive brand image creates customer perception of the company's reliability, product quality and reputation (Abdelwahed et al., 2022; Betaubun, 2022; Inoue & Hashimoto, 2023; Volsuuriet al., 2023; Ria Setyawati, 2023).

Through consumer media, problems were found where sellers get claims for goods received by broken buyers (https://mediakonsumen.com/2022/05/11/surat-pembaca/penyelesaian-komplain-shopee-tidak-sesuai-dengan-permasalahan). The buyer attaches clear proof of commensuance. Based on the initial information received, it is suspected that the damage that occurred was more of an error factor in the delivery process. Based on the solution provided, shopee will follow up and investigate the courier. The pattern of solving shopee complaints is first, the buyer submits a complaint with sufficient evidence, the seller responds by must include very, very strong evidence, then the problem is resolved, and the funds are forwarded to the buyer. Procedures like this, of course, for sellers and buyers cannot be considered healthy, it is dangerous, especially for sellers because buyers are not satisfied. Large companies should already have an objective mechanism that protects the rights of sellers and buyers so that their respective growth is maintained.

However, in the context of e-commerce, consumer satisfaction also plays an important role as a moderating variable between service quality and brand image with customer loyalty. Consumer satisfaction is a customer's subjective evaluation of their experience in interacting with a company and its products. As a moderating variable, consumer satisfaction can strengthen or weaken the relationship between service quality and brand image and customer loyalty. This research aims to help understand consumer preferences, needs, and expectations in the online shopping experience. By studying the factors that affect consumer satisfaction, service quality, and brand image, e-commerce businesses can identify areas for improvement and provide a better shopping experience (Yiting Guo, 2023).

According to Philip Kotler and Kevin Keller, brand image can be explained as a perception and belief held by customers. Brand image is a mental image formed in the mind of consumers about a brand, including attributes, associations, and judgments associated with the brand. Perception refers to the way consumers see and understand a brand based on their experience with the brand. Confidence, on the other hand, refers to the views or attitudes consumers have towards a brand, such as trust in the quality, reliability, or value offered by the brand. Brand image can be influenced by a variety of factors, including brand communication, consumer experience, reviews or recommendations from others, as well as associations formed in the minds of consumers. A strong and positive brand image can influence consumers' perceptions, attitudes, and buying behaviors. (Mofokeng, 2023; Alfiah et al., 2023; Anggia Arista, 2020; Nigatu et al., 2023).

Quality of service is an important concept in the business world and has various definitions and approaches put forward by experts. According to Parasuraman, Zeithaml, and Berry service quality is the difference between consumers' expectations of the desired service and their perception of the service received. They put forward the Service Quality Model which consists of five dimensions: reliability, responsiveness, assurance, empathy, and physical evidence. (Agarwal & Dhingra, 2023; Utz et al., 2023).

Grönroos defines service quality as an organization's ability to meet customer expectations and needs by paying attention to technical aspects and interpersonal relationships. According to him, service quality is not only related to the product or service provided, but also to the interaction between service providers and customers. Zeithaml, Bitner, and Gremler explain service quality as a customer assessment of the overall advantages or disadvantages of services provided by an organization. They highlighted the importance of aspects such as tangibles, reliability, responsiveness, assurance, and empathy in creating good service quality.

Berry and Parasuraman proposed the concept of "SERVQUAL" which emphasizes the difference between customer expectations and their perception of the service received. According to them, service quality is measured based on five dimensions: reliability, responsiveness, assurance, empathy, and physical evidence. Grönroos and Voima propose a "service logic" approach that emphasizes that service quality depends not only on what the service provider provides, but also involves the customer's active role in creating value and satisfaction (Yogeshwar V. Navandar A, 2023).

The opinions of the experts above provide diverse perspectives on the quality of service. However, in general, service quality can be explained as a match between customer expectations and their perception of the service received. Dimensions such as reliability, responsiveness, assurance, empathy, and physical evidence are often used as a framework for understanding and measuring service quality.

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Consumer satisfaction is an important aspect of marketing and is the focus of much research and concepts in this field. (Tang, T.W., &; Chi, 2016) According to Philip Kotler and Kevin Keller explain that consumer satisfaction is the level of pleasure or disappointment felt by consumers after comparing the performance of a product or service with their expectations. They highlight the importance of meeting or exceeding consumer expectations to achieve a high level of satisfaction (Damaiyanti et al., 2023a). Richard L. Oliver defines consumer satisfaction as an evaluative response that arises after consumers compare the performance of a product or service, they receive with previously held expectations. According to him, consumer satisfaction involves a comparison between what consumers expect and what they feel after an experience with a product or service (Juliana & Viola, 2023; Tang, T.W; Chi, 2016; Damaiyanti et al., 2023).

Roland T. Rust, Anthony J. Zahorik, and Timothy L. Keiningam argue that consumer satisfaction involves a post-purchase evaluation that includes consumers' feelings about the performance and value of a product or service. According to them, consumer satisfaction can affect customer loyalty and future buying behavior. In the Service Quality Model approach proposed by Parasuraman, Zeithaml, and Berry, customer satisfaction is seen as part of consumer perception of service quality. Customer satisfaction is measured by comparing consumer expectations with their perceptions of the service received. (Habib et al., 2023).

In general, consumer satisfaction refers to a consumer's response, feelings, and evaluation of the product, service, or experience they get. It is closely related to the fulfillment of consumer expectations and the comparison between expectations and performance received. Trustworthiness, product or service quality, value, and positive experience are factors that can affect consumer satisfaction according to experts in this field.

Customer loyalty is a goal desired by many companies and has been a significant topic of research. According to Frederick F. Reichheld and W. Earl Sasser Jr., customer loyalty is the tendency of consumers to choose constantly buy products or use services from a company, as well as recommend the company to others. They highlight the importance of retaining and increasing the market share of existing customers (Mofokeng, 2023). Richard L. Oliver defines customer loyalty as customer loyalty to a brand or company. According to him, customer loyalty includes the intention to continue buying from a particular brand or company, ignoring competitors, as well as showing positive behaviors such as recommending and maintaining long-term relationships.

Philip Kotler and Kevin Keller explain that customer loyalty is the degree to which customers bond emotionally and psychologically with a brand or company. Customer loyalty occurs when customers are satisfied with their experience and have a long-term relationship with a brand or company. In the perspective of the Service Quality Model proposed by Parasuraman, Zeithaml, and Berry, customer loyalty is related to customer satisfaction. Customer loyalty occurs when customers continue to choose to buy or use services from a company based on their ongoing satisfaction (Ann Helen Jakobsen, 2023; Yung Chuan Huang, 2023).

Customer loyalty involves the tendency of customers to maintain long-term relationships, repeat purchases, recommend to others, as well as ignore competitors. Factors such as customer satisfaction, service quality, brand image, positive experience, and trust can affect customer loyalty in the view of experts in this field.

Method

This research is quantitative research using descriptive analysis. The data collection technique in this study used purposive sampling techniques with questionnaire instruments distributed to shopee users among students in Batam City. The number of samples in this study was 100 respondents. Data collection from respondents using questionnaires with interval scales 1-5 and distributed to respondents in January-June 2023. The data analysis technique used in this study is using a multiple regression analysis model tested with the help of SmartPLS 4.0 software.

Results and Discussions

Partial Least Square (PLS) Analysis

This analysis is used to determine how much influence exogenous variables have on endogenous variables. In this study, it will be analyzed how much influence variable X has on variable Y. Here are the results of PLS analysis with the help of SmartPLS (Erlina, 2011) 4.0 software.

Validity Test based on Outer Loading Value and Average Variance Extract (AVE)

In validity tests, outer loading and AVE are used to evaluate construct validity as measured by measurement variables. A high outer loading value indicates that the measurement variable is significantly connected to the
factor in question, while a high AVE value indicates that the measurement variable has sufficient validity in measuring the factor (Erlina, 2011).

In general, in validity tests using SEM, the outer loading value that is considered good is 0.5 or more, while the AVE value that is considered good is 0.5 or higher. However, these limitations may vary depending on the context of the study and the domain being researched. It is important to note that the use of these cut-off values should be used as a preliminary guide and should be linked to broader theoretical and contextual considerations in construct validity assessments.

Construct Reliability and validity

Table 1. Validity Test Results based on Outer Loading

<table>
<thead>
<tr>
<th>Matrik</th>
<th>Cronbach's alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citra Merek</td>
<td>0.893</td>
<td>0.908</td>
<td>0.926</td>
<td>0.757</td>
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<tr>
<td>Kepuasan Kons..</td>
<td>0.768</td>
<td>0.769</td>
<td>0.896</td>
<td>0.812</td>
</tr>
<tr>
<td>Kualitas Pelay..</td>
<td>0.942</td>
<td>0.951</td>
<td>0.953</td>
<td>0.745</td>
</tr>
<tr>
<td>Loyalitas Pelan.</td>
<td>0.916</td>
<td>0.920</td>
<td>0.935</td>
<td>0.705</td>
</tr>
<tr>
<td>Moderating Eff..</td>
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Based on the table above, we can see the validity and reliability tests based on Outer Loading, Average Variance Extracted (AVE) and Cronbach’s Alpha (CA) and Composite Reliability (CR). Validity test results based on Average Variance Extracted (AVE) values based on brand image, customer satisfaction, service quality and customer loyalty. For validity testing with AVE, the recommended AVE value is 0.5. It is known that all AVE values are above 0.7. This means that it has met the validity requirements based on the AVE value.

Path coefficient test

The path coefficient test in structural equation modeling (SEM) is used to test causal relationships between variables in the model. This test provides information about the significance and strength of the relationships between variables proposed in the model. The SEM saddle to be tested, including the variables to be included, the relationships between the proposed variables, and endogenous (variables influenced by other variables) and exogenous (variables affecting other variables) variables.

Figure 1. Validity Test Results based on Outer Loading

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Based on the table above, it can be seen that the brand image variable does not have a significant effect on customer loyalty, the coefficient value of the line is 0.012 with a t-statistic value of 0.071 < 1.96, a P value of 0.225 > 0.05. A negative brand image can help disloyal customers. Poor customer service makes customers have a negative experience with Shopee. Brand image is the perception and judgment formed by customers based on their experience with the brand. Brand image includes elements such as product or service quality, price, reliability, user experience, reputation, and overall image associated with the brand. In addition, a strong and positive brand image can help differentiate Shopee from its competitors. If Shopee is perceived as a brand that is trusted, innovative, or has unique added value, customers may be more likely to choose Shopee compared to its competitors. The results of this study are contrary to the results of research on consistent and sustainable business growth. Satisfied consumers tend to be more resistant to competitive attempts to steal customers. They have a strong loyalty to the brand or company, so they are less affected by promotions or offers from competitors. Satisfied consumers tend to communicate with brands or companies positively. They may provide valuable feedback, suggestions, or inputs, which can help the brand or company to continually improve the product, service, or consumer experience. The results of this study support the results of research that states if consumers are satisfied with a product or brand, they are more likely to continue to buy and use it and tell others about their pleasant experience with the product (Alfiah et al., 2023).

Consumer satisfaction affects customer loyalty showing a line coefficient value of 0.750 with a t-statistic value of 4.914 > 1.96 P value of 0.000 < 0.05. Satisfied consumers tend to make repeat purchases from the same brand or company. They have trust and confidence that the product or service meets or exceeds their expectations, so they don’t have to look for alternatives. Satisfied consumers tend to recommend the brand or company to others. Positive recommendations from satisfied consumers can help increase the customer base and generate sustainable business growth. Satisfied consumers tend to be more resistant to competitive attempts to steal customers. They have a strong loyalty to the brand or company, so they are less affected by promotions or offers from competitors. Satisfied consumers tend to communicate with brands or companies positively. They may provide valuable feedback, suggestions, or inputs, which can help the brand or company to continually improve the product, service, or consumer experience. The results of this study support the results of research that states if consumers are satisfied with a product or brand, they are more likely to continue to buy and use it and tell others about their pleasant experience with the product (Saleem et al., 2023; Handayani et al., 2020).

Service quality has no effect on customer loyalty showing a line coefficient value of 0.124 with a t-statistic value of 0.756 < 1.96 P value of 0.225 > 0.05. Poor service quality can create a negative user experience. If customers feel that the services provided by Shopee, such as the responsiveness of the customer service team, ease of communication, or assistance provided, are satisfactory, they are likely to feel more attached and satisfied with the use of the platform. The results of this study are contrary to the results of research on consistent and reliable service quality that can build customer trust in Shopee as a brand. Customers tend to become more loyal to brands that are reliable and provide good service in meeting their needs and expectations. When customers face problems or obstacles when using Shopee, quick and effective responses in resolving these problems can increase customer satisfaction. Customers who feel well heard and helped in addressing issues are more likely to maintain loyalty to the platform. Good service quality also includes effective and transparent communication between Shopee and customers. Good communication can help build stronger relationships between customers and brands, increase satisfaction, and influence customer loyalty (Fitria Sari & Marlius, 2023; Min Joo Leutwiler Lee a, 2023; Romero et al., 2023; Wong & Chan, 2023; Wu et al., 2023; Zhai et al., 2023).

Consumer satisfaction weakens the effect of service quality on customer loyalty showing a line coefficient value of 0.168 with a t-statistic value of 0.952 < 1.96 P value of 0.171 > 0.05. This is because service quality remains an important factor in influencing customer loyalty. Even if customers feel very satisfied with the brand, poor or unsatisfactory service can still damage relationships and affect customer loyalty in the future. Therefore, companies must remain focused on improving service quality to maintain customer satisfaction and strengthen customer loyalty. In some situations, consumers may only require basic functional fulfillment of the product or service they are purchasing. If the product or service meets their basic needs without any problems, they may not care much about the quality of additional service that a particular brand can offer. (Chang et al., 2023; Khanmohammadi et al., 2023).

Consumer satisfaction weakens the effect of brand image on customer loyalty showing a path coefficient value of 0.135 with a t-statistic value of 0.918 < 1.96 P value of 0.179 > 0.05. High consumer satisfaction can
have a positive impact on customer loyalty, not necessarily that brand image is irrelevant or unimportant. Shopee's brand image remains an important factor in shaping consumer perception, differentiating Shopee from competitors, and influencing purchase decisions and customer loyalty. Therefore, both brand image and consumer satisfaction must be considered and managed properly in an effort to build and maintain Shopee customer loyalty. Therefore, both brand image and consumer satisfaction must be considered and managed properly in an effort to build and maintain Shopee customer loyalty. When consumers have a very positive direct experience with a product or service, they may be more likely to measure their loyalty based on those personal experiences than based on the brand image generated by advertising or branding. While a strong brand image can help attract consumers, if their hands-on experience is very satisfying, they may be less affected by that brand image in their next purchase decision. (Bernardi et al., 2023).

A positive brand image can provide positive expectations for consumers' experiences with brands or platforms like Shopee. If Shopee's brand image is perceived favorably by consumers, they tend to have positive expectations and are more likely to feel satisfied when using Shopee's services. A strong brand image can be one of the factors that lead to consumer satisfaction. When consumers are satisfied with their experience using Shopee, they tend to give positive feedback and recommend Shopee to others. This can help strengthen Shopee's overall brand image among potential consumers, which in turn can affect customer loyalty. Brand image and consumer satisfaction interact and influence each other. A positive brand image can increase consumer satisfaction, and high consumer satisfaction can strengthen brand image. These two factors can play a role in shaping Shopee's overall customer loyalty. Brand image and consumer satisfaction interact and influence each other. A positive brand image can increase customer satisfaction, and high consumer satisfaction can strengthen brand image. These two factors can play a role in shaping Shopee's overall customer loyalty (Joseph Zeqiri A, 2023).

Conclusion

Based on the discussion above, it can be concluded. Service quality does not have a significant effect on Shopee customer loyalty. Brand image does not have a significant effect on Shopee customer loyalty. Consumer satisfaction affects Shopee customer loyalty. Customer satisfaction weakens the effect of service quality on Shopee customer loyalty. Consumer satisfaction weakens the influence of brand image quality on Shopee customer loyalty. Research limited to the context of Shopee may not be directly generalizable to other e-commerce platforms. Each e-commerce platform has unique characteristics and variables, so the results of this study may not be directly applicable to different contexts. Suggestions for future researchers to expand the scope of samples used in the study can provide a wider representation of Shopee's consumer population. For example, involving respondents from different age groups, educational backgrounds, and different geographic regions can help better understand the effect of service quality, brand image, and consumer satisfaction on customer loyalty. Combining qualitative research methods with quantitative research can provide a more comprehensive insight into the influence of service quality, brand image, and consumer satisfaction on Shopee customer loyalty. In-depth interviews or case studies can help understand the consumer experience in detail and in more in-depth context.

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