

TIC-322112 - QUESTIONING ONLINE CUSTOMER LOYALTY.docx

Sources Overview

6%		
OVERALL SIMILARITY		
1	Austin Peay State University on 2018-01-15	1%
	SUBMITTED WORKS	
2	STIE Perbanas Surabaya on 2018-10-15	<1%
	SUBMITTED WORKS	
3	rd.springer.com	<1%
	INTERNET	
4	Bridgepoint Education on 2017-01-24	<1%
	SUBMITTED WORKS	
5	54339 on 2014-10-22	<1%
	SUBMITTED WORKS	
6	id.123dok.com	<1%
	INTERNET	
7	University of Hull on 2018-07-24	<1%
	SUBMITTED WORKS	
8	Xiabing Zheng, Matthew Lee, Christy M.K. Cheung. "Examining e-loyalty towards online shopping platforms", Internet Research, 2017	<1%
	CROSSREF	
9	Arab Open University on 2017-12-12	<1%
	SUBMITTED WORKS	
10	Monash University on 2021-09-09	<1%
	SUBMITTED WORKS	
11	Open Learning Centre on 2016-09-26	<1%
	SUBMITTED WORKS	
12	United International Business Schools on 2016-12-04	<1%
	SUBMITTED WORKS	
13	jcreview.com	<1%
	INTERNET	
14	Dorina Rajanen, Min Weng. "Digitization for fun or reward?", Proceedings of the 21st International Academic Mindtrek Conference on - Acade...	<1%
	CROSSREF	

Excluded search repositories:

None

Excluded from document:

- Bibliography
- Quotes

Excluded sources:

None

# Questioning Online Store Customer Loyalty

First author :Endang Purwaningrum,  
Email :  
endang.purwaningrum@akuntansi.pnj.ac.id  
Phone : (62) 81286990952  
Affiliation: Politeknik Negeri Jakarta

Second Author : Tetty Rimenda  
Email :  
rimenda@akuntansi.pnj.ac.id  
Phone : (62) 8129017642  
Affiliation : Politeknik Negeri Jakarta

Third author : Ali Masjono Muchta  
Email :  
[ali.masjonomuctar@akuntansi.pnj.ac.id](mailto:ali.masjonomuctar@akuntansi.pnj.ac.id)  
Phone : (62) 81311065962  
Affiliation : Politeknik Negeri Jakarta

## Abstract

The objective of this research is to identify whether after browsing several web online stores and evaluating the product to be purchased (online behavior), the customer decides to repurchase at his/her favorite online store.

This research is to proof of hypothesis using Smart PLS Structural Equation Model (SEM) and combines with descriptive analysis. The population used in this research is 21905 internet user who brows the online store website. The respondent then is classified according to certain criteria such as age between 20-35, Have a job, living in Jakarta or its rural area and last week visit online store. A questionnaire was designed using a 5 scale Likert model.

Online Behavior (free shipping evaluation, discount evaluation dan read testimony)

effects repurchase. Online behavior effect loyalty. Loyalty behavior identified in this research are including deciding to buy at their favorite online store, returning to their favorite online store even though they have browsed various online web store and believe that their favorite web provides complete goods and services. Repurchase behavior effect loyalty. There is a combination of Online behavior and repurchase behavior that create 54%  $R^2$  value. This means 54% of online behavior and repurchase contribute creates loyalty.

Research Limitations--There are the rest of 56%  $R^2$  value, another researcher probably to find other indicators for becoming loyal for the online store customers.

*Key Words : Customer, Online store, behavior, repurchase, Loyalty*

## 1. Objective

Based on the theory proposed by Nunes, Paul F; Bellin, J; Lee, I; Schunck, O. (Nunes, Bellin, Lee, & Schunck, 2013) which explains that to decide a customer's purchase is no longer through a linear stage; discover>

consider>evaluate>purchase>use.

However, the movement of customers is not linear (non-linear path) to make purchases by placing evaluate as the center of consideration.

The customers behavior seen around online stores is not linear and huge choices available make their behavior difficult to predict and to determine the level of their loyalty Supported by the above theory, the movement of customers are not linear, so it is difficult to determine the loyalty of online store customers because there are many opportunities to evaluate; means compare and contrast.

From the preliminary survey (initial survey,2020) online store customers open



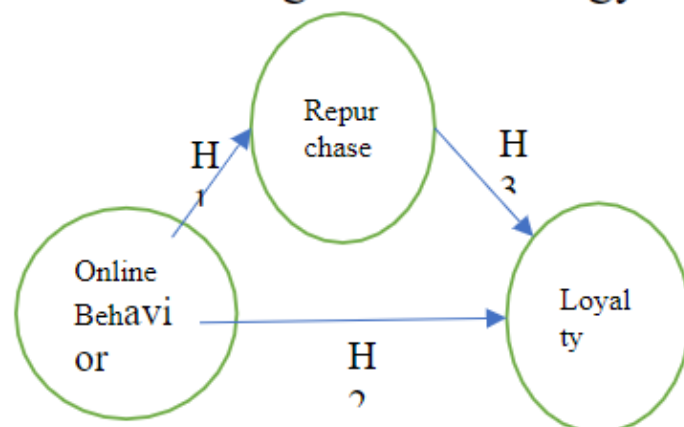
(browse) more than one web store online simultaneously, 72% of customers open 4 online webstores simultaneously. These indicate that customer loyalty to an online store is questioned. After evaluating (browsing several web online stores) do customers remain buying at their favorite online store?

There are two main problems as analyzed in the introduction, first is whether after user browsing (online behavior) in various web online stores, customers continue to buy at favorite online stores (the same online store) and whether after evaluating (browsing and comparing various things/goods) in several web online

stores to determine the choice will still buy at her/his favorite online store.

<sup>10</sup> The purpose of this research is to identify whether after browsing several web online stores and evaluating the product to be purchased (online behavior), the customer decides to purchase (repurchase behavior) at his/her favorite online store. To identify the effect of online behavior on repurchase behavior, to identify the effect of online behavior on loyalty. To identify the effect of repurchase behavior on loyalty. To analyze management perspective toward customer loyalty.

## 2. Design/Methodology



There are three variables to be proven their relationship. The research model developed is as shown in the picture above. Online behavior which is the behavior of customers when browsing web online store, whether this behavior leads to repurchase (repurchase behavior) at the favorite online shop web (the same store) and how much influence it has. Furthermore, repurchase mediates between online behavior and loyalty can reflect loyalty. The online behavior described in this research model reflects those customers have shown satisfied behavior with their previous online shopping experience.

Hypothesis development is based on theoretical concepts (Nunes, Bellin, Lee, & Schunck, 2013) and customer behavior when browsing (Purwaningrum &

Masjono, 2020). From this condition, the hypothesis developed is H1 online behavior affects repurchase behavior. H2 online behavior affects loyalty. H3. Repurchase behavior affects loyalty.

The population used in this research is 21905 internet user who brows the online store website (APJII, 2018). According to the Slovin formula, the sample is 400 respondents. This respondent then is classified according to certain criteria such as age between 20-35, Have a job, Living in Jakarta or its rural area and last week visit online store.

The sample that has been set will be surveyed using a list of questions designed using a Likert scale (5 scale). The questionnaire was designed including all the research variables that have been

determined and considering the existing hypotheses and data were collected using a Google form which was distributed online to respondents who fit the criteria.

SMARTPLS 3 is tool can help decision-making because of the increasingly complex problems and the more factors in

### 3. Literature Review

#### 3.1 Customer Loyalty

(Antarwiyati, Agus, & Kusuma, 2010) said that electronic loyalty has its main characteristics, namely the willingness to revisit and purchase intention from a website and continue to visit the same website even though there are alternative websites. This definition supports the research model developed in this study.

Most studies found that a high level of satisfaction leads to a high level of loyalty, which in turn will result in better company performance. (Kotler & Armstrong, 2012). Several researchers have proven that customer satisfaction affects loyalty (Dehghan, Dugger, Dobrzykowski, & Balazs, 2014) (Maria & Sahid, 2013), (Ayuni, 2019) and many variables that affect customer satisfaction include service quality and commitment (Dehghan, Dugger, Dobrzykowski, & Balazs, 2014) information quality, web design, product variation, transaction ability, response, privacy and security, payment system, delivery customer service (Maria & Sahid, 2013)

Table 1 Loyalty Measurement Dimension

Dimension	Indicators
Survive	For the long term, stay loyal to your favorite online store/for a long time remains loyal to the company (ISORAITÉ, 2016)
Repurchase behavior	Buying products at the same favorite online store/buys new products offered by the company (ISORAITÉ, 2016)
Proud	Creating a positive image of your favorite online store/creates a positive

business science that are considered and affect the decision-making process in question. (Garson, 2016). SMARTPLS 3 can relate a set of independent variables to several dependent variables. even when the predictor displays multicollinearity (Garson, 2016)

Further (Kotler & Armstrong, 2012) explained that there are several classifications of customer loyalty: including strangers, butterflies, true friends, and barnacles. Each class has a different relationship management strategy. Stranger shows low profitability and projected loyalty, there is only a small match between what the company offers and customer needs. So, it is offered that companies do not invest in them. Butterflies have the potential to be profitable, but disloyal. There is a high match between customer needs with what the company has to offer, and the company can create ongoing relationships to please customers, maintain and retain them. This class loyalty can become a friend of the company because it will come regularly, tell friends and the company is willing to build relationships on an ongoing basis. Barnacles are a class with high loyalty, but not profitable. There is a limited match between the customer's needs and what the company has to offer. The point is that different customers want different relationships. The goal is to build relationships with appropriate customers.

image of the company (ISORAITÉ, 2016)]

Word of mouth	Invite friends to shop at your favorite online store/attracting your friends to buy the goods (ISORAITÉ, 2016)
No matter competitors' action	Insensitive to the actions of competitors (ISORAITÉ, 2016)
No matter the price change	Less sensitive to price changes/less sensitive to price changes; (ISORAITÉ, 2016)



Tolerant	Tolerate errors made by the company's favorite online shop (ISORAITÉ, 2016)	Share idea	Willing to share his ideas on improving the products and services (ISORAITÉ, 2016)
Share Information	Willingly provides information (ISORAITÉ, 2016)	Source: Prime Data	

### 3.2. Online Behavior

From research (Purwaningrum & Masjono, 2020) it is proven that online shop customers browse more than one website before deciding to buy and according to theory (Nunes, Bellin, Lee, & Schunck, 2013) customers in deciding to buy no longer follow a linear model, but nonlinear.

There are many factors that need to be considered by the customers when deciding to repurchase (Bhattacharya, 2019). Information transparency is a desire of online store customers that cannot be ignored in making purchasing decisions. For example, problems with delivery, return policy, shipping costs, hidden chargers, etc. Customers need proof of support from other parties (testimonies) that can be read on the web before deciding to buy. If a customer is in the final stages of deciding to buy, they will usually contact the seller to make sure again that the goods purchased can satisfy them.

Table 2 Online Behavior dimension measurement

Dimension	Indicators
browsing	Browsing more than one online web store when shopping (Purwaningrum & Masjono, 2020)
Price Evaluation	Price Evaluation (Nunes, Bellin, Lee, & Schunck, 2013)
Evaluating discounts	Discount Evaluation (Nunes, Bellin, Lee, & Schunck, 2013)
Free shipping Evaluation	Shipping Free evaluation (Nunes, Bellin, Lee, & Schunck, 2013)
Need evaluation	Need (Bhattacharya, 2019)
Transparent evaluation	Transparence (Bhattacharya, 2019)
Devices Evaluation	Mobile and other devices (Bhattacharya, 2019)
Read Testimony	Testimony (Bhattacharya, 2019)

Chat	Using chat before making decision (Bhattacharya, 2019), (ISORAITÉ, 2016).
Tell others	Give recommendations to friends (Wilson, 2019)

Source: Prime Data

### 3.3 Repurchase behavior

The desire to repurchase at the same store can be ascertained to have had a pleasant (satisfaction) experience with the store. Customer Satisfaction is a variable that have an influence on repurchase intention. (Wilson, 2019) and (Bai, Law, & Ivan., 2008) both provide support for the influence of customer satisfaction on repurchase intention.

The results of the study (Purwaningrum & Masjono, 2020) indicates that customers are satisfied with interactions in online web stores. This satisfaction gives an indication of 43% for repurchase intention and 9% for repurchase.

The visible phenomenon is the free shipping campaign. According to research results (Maulana & Asra, 2019) free shipping promotion contributed 19.3% to purchasing decisions, while the remaining 80.7% was influenced by other variables.

Giving discounts through coupons has an influence on the decision to repurchase. The use of price tactics (coupon proneness and value consciousness) which mediates between customer loyalty and repurchase can influence customers to repurchase (repurchase). (Zheng, Lee, & Cheung, 2017).

In this study, the focus of analysis is repurchased, when customers are choosing goods or services on the web, they revisit the same online store (favorite) to make purchase.

Table 3 Repurchase behavior Dimension

Dimension	Indicators
Repurchase behavior	Favorite online store Web Site (Purwaningrum & Masjono, 2020) Repurchase behavior at the same online store

Source: Prime Data

## 4. Finding and discussion

### 4.1 Respondent Profile

There are 61% of age between 18-24, 31% between 25-30, 6% between 31 – 36, and 1 % between 37-42. They live around Jakarta and Tangerang city. The occupation is dominated by private company worker with 70% respondents. The second place occupied by entrepreneur with 12 % respondents. They showed that last visit online store one week before fulfilling the google form interview are the dominant customer. It is 77%. Almost respondents (46%) stated that the free shipping is the service become their first consideration to shop. The second place is the customer testimony (29%). Getting discount is in the third place (20%). (source : Prime data)

The following table show the statistical requirement Data has been processed using Smart PLS 3 and show all the requirement for data fit are match the cut off value required on each measurement items.

Table 6; Construct Reliability and Validity

	14 Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)	Saturated Model	Estimated Model	Cut off value
Cut off Value	>0.7	>0.7	>0.7	>0.5			
Loyalty	0.814	0.825	0.877	0.641	0.085	0.085	<0.1 of 0.08
Online behavior	0.716	0.721	0.841	0.639	0.401	0.401	>0.05
Repurchase	0.721	0.768	0.841	0.64	0.15	0.15	>0.05
Source; Prime Data					Chi-Square	410.126	410.126
					NFI	0.796	0.796

Source Data Primer

### 4.2 Confirmatory Factor Analysis

The following tables show the statistical result

Table 5; Outer loading

	LY	OB	RP	6 status
L17	0.871			Valid
L26	0.796			Valid
L3	0.781			Valid
L5	0.751			Valid
OB1		0.823		Valid
OB21		0.745		Valid
OB9		0.827		Valid
RP1			0.798	Valid
RP2			0.882	Valid
RP3			0.711	Valid

Source; Prime Data

Table 5 shows all valid indicators use in this research. There 26 indicators for LY (loyalty). Only for indicator valid for this research because outer loading factor below 0.7. There are 21 indicator Online behavior and only 3 valid indicator and all repurchase indicators are valid

Table 6 show that the indicators used in this research are valid and reliable to support the hypotheses measurement.



Table 7 the research model is fit to their cut of value. This indicates that the model is reasonably consistent with the data.

Table 8 Discriminant Validity

	Loyalty	Online Behavior	Repurchase
Cut off value <0.85			
Loyalty	0.801		
Online Behavior	0.705	0.799	
Repurchase	0.622	0.66	0.80

Source Data Primer

Table 8 describes that data is valid because all indicators are below 0.85, this mean there is the measurement that are not supposed to be related are actually unrelated.

Table 9 R Square

	R Square	R Square Adjusted
LY	0.541	0.539
RP	0.436	0.435

Source: Data Primer

Table 9 shows the coefficient of determination (R Square) is a way to assess how much an endogenous construct can be explained by an exogenous construct.

Table 10 Collinearity

Statistic

Cut off value 1,2-5 or (0,2-4)

	VIF
L17	2.142
L26	1.607
L3	1.678
L5	1.574
OB1	1.492
OB21	1.291
OB9	1.512
RP1	1.446
RP2	1.609
RP3	1.326

Table 10 show this research is free from collinearity effect

### 4.3 Discussion

The following table shows the result of hypotheses testing using SMARTPLS.

Table 11 Path Coefficient

	(O S)	Mean (M)	(STDEV)	T Statistics ( O/STDEV )	P Values	Result Hypo Test
Cut off value				>=1,96	<0.05	
Online Behavior -> Loyalty (H2)	0.521	0.522	0.047	11.209	0000	Support
Online Behavior -> repurchase (H1)	0.66	0.662	0.03	21.89	0000	Support
Repurchase -> Loyalty (H3)	0.278	0.278	0.049	5.712	0000	Support

Source: prime data

Table 11 shows hypotheses result

The results shows that the highest level of online customers behavior is evaluating free shipping (46%), discount (20%) and read testimony (29%). (See profile for more details). Moreover, they star searching product or service from their favorite online store and found them in their favorite store. After evaluation, especially after chatting and read testimony, they decide to buy at their favorite web store. These are supported by the results of hypothesis testing, namely online behavior affects repurchase, so Free shipping, discounts and read testimonials are the main indicators in determining buying decisions. Meanwhile, other indicators such as need, price, chat are indicators that support purchasing decisions.

Majority respondents (92%) are young generation, their profile show that they are very good customer because every week they visit the online web store, 77% of them visit the web once a week. Evaluations while browsing more than 4 online stores, including shipping evaluation, discount evaluation, read testimonial are common behaviors that arise because of the technological capabilities that make it possible to do



these. This imply that the influence of web quality is very decisive in supporting purchasing decisions.

Loyalty online customer reflected the common behavior identified in this research. and are becoming indication for customer loyalty, hypotheses 2 supports this statement because online behavior effects customer loyalty.

This study, indicated that online store customers who have made repeat purchases and they have a great desire to invite friends or recommend their experience to their friend. Theses can reflect their loyalty an also supported by the results of the hypothesis test that repurchase affects loyalty.

Furthermore,  $R^2$  for repurchase behavior is 43.6%, this means online behavior contribute to repurchase as big as 43,6%, and there is another contributor remain uncounted and need another study to prove, but this  $R^2$  is high enough to use

in support making decision. Combination of Online behavior and repurchase behavior create 54%  $R^2$  value. This means online behavior and repurchase behavior contribute to create loyalty and this value is high enough to support decision making.

## 5. Conclusion

Online Behavior effects repurchase. Online behavior identified in this research are free shipping evaluation, Discount evaluation, read testimony.

Online behavior effect loyalty. Loyalty behavior identified in this research are returning to their favorite online store even though they have browsed various online web store and believe that their favorite web provides complete goods and services.

Repurchase behavior effect loyalty. Repurchase behavior identified are repeat purchase at the favorite online store and recommend their experience to friends.

## References

- Antarwiyati, P., Agus, L., & Kusuma, N. (2010). Determinan electronic loyalty (e-loyalty) pada website. *Jurnal Akuntansi Dan Auditing Indonesia*, 14(1), 14(1). Retrieved from <https://e-resources.perpusnas.go.id:2350/scholarly-journals/determinan-electronic-loyalty-e-pada-website/docview/2389737302/se-2?accountid=25704>
- Ayuni, R. F. (2019). THE ONLINE SHOPPING HABITS AND E-LOYALTY OF GEN Z AS NATIVES IN THE DIGITAL ERA. *Journal of Indonesian Economy and Business : JIEB.*, 34(2), 166-82. Retrieved from <https://eresources.perpusnas.go.id:2350/scholarly-journals/online-shopping-habits-e-loyalty-gen-z-as-natives/docview/2333650007/se-2?accountid=25704>
- Bai, B., Law, R., & Ivan., W. (2008). The impact of website quality on customer satisfaction and purchase intentions: Evidence from Chinese online visitors,. *International Journal of Hospitality Management*, 27(3), 391-402,. doi:<https://doi.org/10.1016/j.ijhm.2007.10.008>
- Bhattacharya, S. (2019, OCTober 9). *Understanding the psychology behind online buyer behavior*. Retrieved March 1, 2021, from [.revechat.com: https://www.revechat.com/blog/understanding-psychology-behind-online-buyer-behavior/](https://www.revechat.com/blog/understanding-psychology-behind-online-buyer-behavior/)
- Dehghan, A., Dugger, J., Dobrzykowski, D., & Balazs, A. (2014). The antecedents of student loyalty in online programs. *The International Journal of Educational Management*, 28(1), 15-35. doi:<http://e-resources.perpusnas.go.id:2166/10.1108/IJEM-01-2013-0007>
- Garson, G. D. (2016). *Partial Least Squares; Regresion and Structural Equation Models*. Asheboro, NC 27205 USA: Statistical Associates Publishing.

- IŠORAITĖ, M. (2016). CUSTOMER LOYALTY THEORETICAL ASPECTS. *ECOFORUM*, 5(2), 292-299. Retrieved 3 1, 2021
- Kotler, P., & Armstrong, G. (2012). *Principles of Marketing*. Singapore: Pearson Prentice Hall.
- Maria, D. D., & Sahid, S. N. (2013). The antecedents of online customer satisfaction and customer loyalty. *Journal of Business and Retail Management Research*, 7(2). Retrieved from <https://e-resources.perpusnas.go.id:2350/scholarly-journals/antecedents-online-customer-satisfaction-loyalty/docview/1700402511/se-2?accountid=25704>
- Maulana, H. A., & Asra, Y. (2019). Analisa Pengaruh Promo Gratis Ongkos Kirim terhadap Keputusan Pembelian pada E-commerce oleh Generasi Z di Daerah Pedesaan. *Jurnal Inovasi Bisnis*, 7(2), 162-165. Retrieved from [www.ejournal.polbeng.ac.id/index.php/IBP](http://www.ejournal.polbeng.ac.id/index.php/IBP)
- Nunes, P. F., Bellin, J., Lee, I., & Schunck, O. (2013). Converting the non stop customer into a loyal customer. *strategy and leadership*, 48-53.
- Purwaningrum, E., & Masjono, A. (2020). *Customer Relationship Management and Web Quality Effect on Customer Retention through Customer Satisfaction*. Depok,: P3M PNJ.
- Wilson, N. K. (2019). The Effect of Website Design Quality and Service Quality on Repurchase Intention in the E-commerce Industry: A Cross-Continental Analysis. *Gadjah Mada International Journal of Business*, 21(2), 187-222. Retrieved from <https://remote-lib.ui.ac.id:2116/10.22146/gamaijb.33665>
- Wiyono, G. (2020). *Merancang Penelitian Bisnis dengan alat analisis SPSS 25 dan Smart PKS 3.2.8*. Yogyakarta: UPP STIM YKPN.
- Zheng, X., Lee, M., & Cheung, C. M. (2017). Examining e-loyalty towards online shopping platforms, The role of coupon proneness and value consciousness. *Internet Reserach*, 27(3), 709-726. doi:DOI 10.1108/IntR-01-2016-0002