

The Electronic Service Quality in Increasing Consumer's Interest to Shop for Fashion Products in Zalora Indonesia

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Abstract- The growth of e-commerce in Indonesia has become one of the fastest growing digital economy industries, so this is followed by a more competitive business situation. Zalora provides an innovation in the form of the application of artificial intelligence to provide a more memorable shopping experience. The purpose of this research was to determine the effect of electronic service quality in increasing consumer interest in shopping again at Zalora Indonesia. The population in this research are consumers who have shopped at Zalora. The analytical method used is the test spearman rank correlation coefficient, t test and determination coefficient test. The research finding that the quality of electronic services contributes to consumer interest in repeat buyers by 79.03%.

Keywords: *Electronic Service Quality, Repurchase Intention.*

Introduction

The growth of e-commerce in Indonesia is one of the five sectors of the digital economy industry that has the fastest growth among the other four sectors, namely online media, online transportation, travel and travel, and digital financial services (economy.okezone.com). E-commerce sites are not only a medium for business transactions, but can also be used as a channel for companies to interact and communicate with customers (Sullivan & Kim, 2018).

There are various kinds of commodities offered on the e-commerce platform including electronic products, food, care, beauty, toys, travel, digital music, furniture, video games, and others. One product that is favored by consumers is fashion products. Fashion is a commodity in e-commerce whose number of transactions is far above the average compared to other commodity transactions (kompas.com).

When online retail is becoming more competitive (Rezaei et al., 2014) so that there needs to be unique and strong efforts to attract consumer attention, it is therefore worth noting that online customer expectations have consistently increased in recent years (Sullivan & Kim, 2018). Online businesses may be more prone to negative customer perceptions due to lack of personal contact, inability to check products before buying, physical distance, and retailer credibility (Javed & Wu, 2020).

Customer experience in online shopping is increasingly important (Dailey & Ülkü, 2018), so there is a need for technological developments in response to this. ZALORA Indonesia also makes it easier for consumers to shop through technology, one of which is the smart image search feature. This feature was launched by ZALORA Indonesia in 2017. This technology is called artificial intelligence (AI). Artificial intelligence (AI), which is a smart image detector to shorten the process when consumers search for visuals on the site. This is done by photographing a product such as clothes, shoes, bags, or anything else. Then, the ZALORA Indonesia application will provide recommendations for items that are similar to what consumers want

(id.techinasia.com). This image search feature can make it easier for consumers to overcome consumer difficulties in describing clothes in text searches (dailysocial.id). So, consumers can find it easier to find products that match their desires. Consumers can try to search for products with this feature through their smart phones.

The existence of electronic services offered by ZALORA Indonesia for consumers to be able to shop online more easily, has not been able to increase the interest of consumers to want to make repeat purchases to shop online at ZALORA Indonesia. This can be seen from the results of the Top Brand Index survey which shows a decline every year from 2016 to 2019 which can be seen in the following figure.



Figure 1. Top Brand Index at ZALORA Indonesia 2016-2019 years

Source: https://www.topbrand-award.com/top-brand-index/?tbi_find=ZALORA Indonesia

Based on the picture above, it can be seen that Indonesia's ZALORA index from 2017 to 2019 has decreased. In 2017 to 2019, the percentage index decreased by 40.10 percent, 15.5 percent and 10.8 percent respectively. It can be correlated that consumers agree that ZALORA Indonesia has provided good service, but this is not able to encourage repurchase interest from consumers.

To support the data above, researchers conducted a pre-survey of 30 respondents regarding which e-commerce they chose as in the following figure. Based on the pre-survey conducted by researchers of 30 respondents regarding which e-commerce to choose, Shopee is superior in first place with the number of respondents who chose as many as 13 respondents (45 percent). Meanwhile, ZALORA Indonesia is in second place with 9 respondents (31 percent), followed by Tokopedia (14 percent), Berrybenka with 2 respondents (7 percent), and Lazada with the number of respondents who chose as many as one respondent (3 percent). This means that respondents who become e-commerce consumers prefer another e-commerce, namely Shopee rather than ZALORA Indonesia.

This research aims to determine how much influence the quality of electronic services on consumer repurchase interest in ZALORA Indonesia so that it can provide a clear picture related to the phenomenon that is currently happening. Research is also expected to provide solutions that can be used to increase people's interest in shopping regularly at Zalora. Because acquiring new customers requires more resources than retaining existing customers, on this basis it is very important for online businesses to retain loyal customers (Hung et al., 2012).

Theoretical Background

Service quality is important when buying and selling activities occur. With the emergence of technological developments that also affect these buying and selling activities, this has changed how companies and consumers interact through electronic goods. So, the quality of electronic services needs to be considered.

Electronic Service Quality is an electronic-based service that is used to facilitate shopping, purchase and delivery of products and services effectively (Widiaputri & Bafadhah, 2018). Services provided to internet network consumers are an extension of the ability of a site to facilitate shopping, purchasing and distribution activities effectively and efficiently (Hendriana, 2016). Based on Li (2009), there are five dimensions of measuring Electronic Service Quality, namely Reliability, Responsiveness, Privacy & Security, Trust and Ease of use.

Interest to buy back online is interpreted as a customer's plan to buy back from a retailer in the future (Javed & Wu, 2020). The extent to which customers are willing to buy the same product and is an objective predictor of future purchasing behavior (Lin & Liang, 2011). This desire is subjective because it relies on personal experience with customers when interacting with online service providers (Wu et al., 2014). In fact, the service quality of each interaction with consumers will lead to the final performance of consumers' attitudes, preferences, satisfaction, loyalty, and repurchase intentions (Chang et al., 2020). From the customer's point of view, this is the result of the customer's attitude and commitment to buying back certain products (Samad, 2014). The indicators of repurchase interest according to Lucas and Britt in Amrullah (2016) can be identified by several indicators, namely transactional interest, referential interest, namely one's interest in referencing others, preferential interests and explorative interests. Based on the description above, the hypothesis that can be taken in this study are: E-Service Quality has a positive effect on repurchase intention

Methodology

The method used in this study is verification and hypothesis testing, with the population in the study being consumers who have made a purchase at Zalora at least once. The analytical method used is the test spearman rank correlation coefficient, t test and determination coefficient test. All of these tests with a significance level of five percent using the help of IBM Statistics 22 SPSS software.

Results and Discussion

Based on the results of the Spearman Rank correlation calculation, the correlation coefficient value is 0.889. These results indicate that the quality of electronic services has a very strong relationship with consumer interest in repeat buyers. The correlation value is positive, which indicates that the relationship is unidirectional. Where the better the quality of electronic services, the higher the consumer's interest in making repeat buyers.

To ensure acceptance of the proposed hypothesis, namely the quality of electronic services has a positive and significant effect on consumer interest in making repeat buyers, it is necessary to test the hypothesis with the t test. Then the statistical test results are obtained as follows:

$$t_{\text{count}} = \frac{rs \sqrt{n-2}}{\sqrt{1-rs^2}}$$
$$t_{\text{count}} = \frac{0,889 \sqrt{110-2}}{\sqrt{1-0,889^2}}$$
$$t = 20,1760$$

Based on the results of the above calculations, it can be seen that the tcount value obtained is tcount (20.1760) > t table (1.6592). In accordance with the criteria for testing the hypothesis that Ho is rejected and Ha is accepted, it means that the quality of electronic services has a positive and significant effect on consumer interest in making repeat buyers.

Based on the correlation value obtained between the quality of electronic services with consumer interest in making repeat buyers of 0.889. Thus, the coefficient of determination can be calculated as follows:

$$\begin{aligned}Kd &= (rs)^2 \times 100\% \\Kd &= (0,889)^2 \times 100\% \\Kd &= 79,03\%\end{aligned}$$

From the results of the above calculations, it can be seen that the coefficient of determination obtained is 79.03 percent. This shows that the quality of electronic services contributes to consumer interest in repurchasing by 79.03 percent, while the remaining 20.97 percent is a contribution from other variables not examined.

Conclusion

Competition in a more competitive e-commerce industry requires a company to be more responsive in increasing its competitiveness, especially in creating a shopping experience through electronic services. Zalora uses artificial intelligence technology that functions in smart image detection so that it can shorten the search process and consumer considerations before making a purchase. The results in this study found that the quality of electronic services contributed to consumer interest in making repeat buyers by 79.03.

However, the application of this technology still finds problems that make potential consumers or consumers confused about using this technology. So it is suggested that the emergence of an active role for the company to further encourage the provision of information through customer service or promotional platforms. With direct or indirect explanations, it is hoped that potential consumers will be aware of the technology and be interested in using it.

The application of technology also needs to pay attention to the response and acceptance of its users so that the innovation efforts made by the company can be used properly by users. So a systematic dialogue with potential users is needed regarding which aspects are still being complained about, which aspects need to be held and other inputs. This is able to encourage companies to be able to compete better in the arena of increasingly fierce online business competition.

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