
Key Factors Analysis of Customer Satisfaction of Marketplaces in Batam City

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Abstract

This study aims to analyze customer satisfaction in the city of Batam. The data collected in this study were 400 respondents. This study uses primary data using an online questionnaire (google form). Respondents are Batam residents who use the marketplace. The sampling method used is non-probability sampling. This research uses a quantitative analysis method. This study uses the Partial Least Squares (PLS) methods with SPSS Statistics. The study results are Shopee (Indonesia) and Taobao (China) are the most widely used marketplaces in Batam. E-Service quality, brand image, price, product quality, and trust significantly influence a purchase decision. In addition, price, product quality, and trust significantly affect customer satisfaction. Although e-service quality and brand image are not determinants in the satisfaction felt by marketplace users, they are the basis for consumer observations and decisions when buying the desired product.

Keywords: customer satisfaction; purchase decision; trust; price; product quality

JEL Classification: L15; M11; M31

INTRODUCTION

The number of marketplace users has increased dramatically during the pandemic. Before COVID-19, consumers visited shops or malls to buy the products they wanted, especially when purchasing daily necessities. But when COVID-19 appeared, habits changed immediately. The activity becomes unusual. People are forced to stay at home and reduce activities outside the house for safety and to minimize the spread of the COVID-19 virus, which is quite dangerous. Therefore, businesses are also forced to mitigate their actions and are asked to interact remotely, including MSMEs. According to research by Gunadi et al. (2021), MSMEs in Indonesia have experienced a decline in income in the second month of the pandemic and are experiencing financial and non-financial difficulties due to the COVID-19 pandemic outbreak. This is due to a decrease in revenue, and business owners are looking for ways and starting to switch to selling digitally through the marketplace to improve their business economy. According to information from the Indonesian E-Commerce Association (idEA), around 19 million MSMEs immediately switched to selling on digital platforms under the auspices of idEA. The government is also targeting 30 million MSMEs to have switched to digital by 2024. The negative impact of the COVID-19 pandemic did not last long. A positive effect is immediately encouraging all fields to carry out digitalization, including the economic sector. According to NielsenIQ, it is recorded that the number of consumers who shop online in Indonesia using the marketplace will reach 32 million in 2021, the number has increased drastically compared to 2020, which was only 17 million. Indonesian Central Bank saw an increase in the number of transactions in the marketplace in March 2020. In addition, in line with social distancing and PPKM regulations implemented by the government, marketplace purchases increased from 18.1% to a total of USD 98.3 million. Then, it rose again to bring the total transaction to USD 1.4 billion. As many as 40% of new marketplace users say they will continue to use the marketplace even after the pandemic ends (SIRCLO & Ravenry, 2021).

According to research by Hadiani & Hendrayati (2021), customer satisfaction is consumers' emotional response to evaluating the products they consume. Meanwhile, Leninkumar (2017) said that customer satisfaction is a form of attitude based on experience after a client obtains a product or uses a service and pays for it. According to studies, e-service quality has a significant positive effect on customer satisfaction (Ghani, 2020; Handayani et al., 2021; Pratamal et al., 2022). There is a relationship between product quality and customer satisfaction in the marketplace. The higher the e-service quality owned by the marketplace, the higher the customer's trust. Then, Handayani et al. (2021) argue that brand image significantly influences customer satisfaction in the marketplace, because the better the brand image, the higher the satisfaction felt by the customers or users of the marketplace. According to studies, brand image also has a positive and significant influence on purchase decisions as an intervening variable and customer satisfaction because it assumes that if the marketplace has a good impression, there will be an increase in the purchase decision and customer satisfaction (Dash et al., 2021; Vierdwiyan & Syafarudin, 2020). Then, Taufikqurrochman et al. (2021)

conducted research that examined e-service quality and prices at Tokopedia. The higher the e-service quality available on the marketplace, the higher the customer satisfaction. Likewise, the more affordable the price, the more significant the impact on customer satisfaction. According to research by Muharam et al. (2021), e-service quality and trust have a significant beneficial effect on customer loyalty, and this effect is mediated by customer satisfaction. According to research by Sfenrianto et al. (2018), more than 180 million dominated by young people making e-marketplace one of the most promising business areas in the world. Increasing satisfaction in Indonesian e-marketplaces is still challenging for all sellers and buyers, where threats and fraud can be easily found.

This study aims to determine customer satisfaction in Batam and how e-service quality, brand image, price, product quality, and trust influence customer satisfaction mediated by purchase decisions. Marketplaces that became the object of this research are Amazon, Alibaba, Taobao, and E-bay, which are foreign-owned marketplaces. Meanwhile, the second research object are Tokopedia, Shopee, Lazada, Blibli, and Bukalapak, which are Indonesian marketplaces. The results of this research are expected to provide education and information to the public regarding the level of customer satisfaction with using foreign and Indonesian marketplaces in Batam City.

METHOD

The data collection technique used in this study uses primary data or data obtained directly without intermediaries. Preliminary data were obtained by distributing questionnaires in the form of a google form distributed to all marketplace users in the city of Batam. Based on the calculation results, the number of samples needed in this study was 400 respondents. This study can be grouped as comparative causal research, which is the research to see the effect of one variable on other variables (Bakker, 2018). This type of research analyzes the relationship between e-service quality, brand image, price, product quality, and trust as independent variables and customer satisfaction as the dependent variable mediated by purchase decisions. The objects used in this study are marketplace users in Batam. Based on the official website of BPS the number of Batam people recorded is 1,196,396. The target age in this study was 18 to 45 years old. The sampling method used is non-probability sampling. This research uses a quantitative analysis method. To carry out data management and data testing in this study using the Partial Least Squares (PLS) methods using SPSS Statistics. The use of this method is due to the existence of a mediating variable that connects the independent and dependent variables. The following is a figure of the research model in this study:

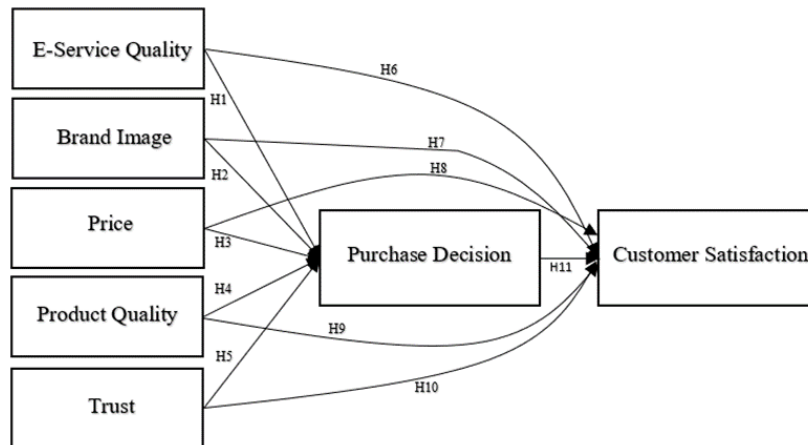


Figure 1. Research Model

Based on the figure above, the hypothesis used in this study is as follows:

H1: E-service quality has a significant influence on purchase decision.

H2: Brand image has a significant influence on purchase decision.

H3: Price has a significant influence on purchase decision.

H4: Product quality has a significant influence on purchase decision.

H5: Trust has a significant influence on purchase decision.

H6: E-service quality has a significant influence on customer satisfaction.

H7: Brand image has a significant influence on customer satisfaction.

H8: Price has a significant influence on customer satisfaction.

H9: Product quality has a significant influence on customer satisfaction.

H10: Trust has a significant influence on customer satisfaction.

H11: Purchase decision has a significant influence on customer satisfaction.

RESULTS AND DISCUSSION

Table 1. Descriptive Statistic Results

Marketplace Types	Number of People	Valid Percent
Indonesian Marketplaces	172 (Total)	
Shopee	121	71.2%
Tokopedia	42	24.7%
Buka Lapak	6	3.5%
Blibli	1	0.6%
Lazada	2	1.2%
International Marketplaces	84 (Total)	
Taobao (China)	52	61.9%
Alibaba (China)	1	1.2%
Amazon (America)	11	13.1%
E-bay (America)	20	23.3%
International and Indonesian Marketplaces	144 (Total)	
Alibaba & Shopee	11	7.6%
Alibaba & Tokopedia	10	6.9%
Amazon & Lazada	5	3.5%
Amazon & Shopee	10	6.9%
Amazon & Tokopedia	6	4.2%
E-bay & Blibli	7	4.9%
E-bay & Bukalapak	1	0.7%
E-bay & Shopee	4	2.8%
Taobao & Lazada	5	3.5%
Taobao & Shopee	85	59%
Note: the data were obtained by survey and processed by SPSS.		

Based on table 1 above, the use of Indonesian marketplaces is more dominating compared to international marketplaces. In table 1, the number of Indonesian marketplaces is 172 people, international marketplace users are 84 people, while users of International and Indonesian Marketplaces are 144 people. Based on the descriptive statistical analysis results, Shopee dominates the use of the Indonesian marketplace in Batam which reached 71.2%. Apart from Shopee, Taobao is more widely used by Batam city residents in the international marketplaces category which reached 61.9%. There are also Batam residents who use International and Indonesian marketplaces. However, Shopee and Taobao still dominate over Amazon, E-bay, Tokopedia, etc.

Table 2. Convergent Data Validity Test Results and Discriminant Validity

Variables	Code	Outer Loadings	AVE	Cross Loading	Status
E-Service Quality	EQ1	0.743	0.657	0.810	Valid
	EQ2	0.781			
	EQ3	0.865			
	EQ4	0.833			
	EQ5	0.824			
Brand Image	BI1	0.726	0.538	0.734	Valid
	BI2	0.699			
	BI3	0.711			
	BI4	0.762			
	BI5	0.767			
Price	P1	0.807	0.661	0.813	Valid
	P2	0.771			
	P3	0.817			
	P4	0.825			
	P5	0.843			
Product Quality	PQ1	0.737	0.593	0.770	Valid
	PQ2	0.713			
	PQ3	0.822			
	PQ4	0.784			
	PQ5	0.789			
Trust	T1	0.806	0.645	0.803	Valid
	T2	0.784			
	T3	0.695			
	T4	0.861			
	T5	0.859			
Purchase Decision	PD1	0.780	0.525	0.724	Valid
	PD2	0.648			
	PD3	0.732			
	PD4	0.651			
	PD5	0.797			
Customer Satisfaction	CS1	0.779	0.525	0.724	Valid
	CS2	0.649			
	CS3	0.732			
	CS4	0.654			
	CS5	0.794			

Note: the data were obtained by survey and processed by SmartPLS 3.0.

According to Ghazali & Latan (2015), the convergent validity of the measurement model with reflexive indicators can be seen from the correlation between the score of the item/indicator and the construct score. Individual indicators are considered valid if the resulting loading factor is > 0.6 based on the results of the data test conducted from 400 respondents who met the criteria declared valid. Because each variable has a high level of correlation and exceeds 0.6, then, for the Average Variance Extracted (AVE) value, a good model has required the AVE value of each construct is > 0.5 (Ghozali & Latan, 2015). Based on the results of the data test that has been carried out, the results of the AVE data test are declared valid. They exceeded 0.5 without removing any indicator variables. In addition, discriminant validity using cross-loading indicators can be said to be valid

if the results of the data test shows > 0.70 (Ghozali & Latan, 2015). Based on the discriminant validity data test results, it was declared valid and exceeded 0.70. According to Ghozali & Latan (2015), the reliability data test is measured by two criteria, namely Cronbach's alpha and composite reliability of the indicator block that measures constructs. The construct is declared reliable if the composite reliability and Cronbach alpha value are > 0.70 . Based on the data test results, it was stated as reliable and exceeded 0.70.

Table 3. Direct Effect Test Results

Hypothesis	Relations between Variables	Sample Mean	P-values	Status
H ₁	E-Service Quality → Purchase Decision	0.237	0.000	Significant
H ₂	Brand Image → Purchase Decision	0.155	0.000	Significant
H ₃	Price → Purchase Decision	0.239	0.000	Significant
H ₄	Product Quality → Purchase Decision	0.314	0.000	Significant
H ₅	Trust → Purchase Decision	0.186	0.000	Significant
H ₆	E-Service Quality → Customer Satisfaction	-0.001	0.385	Not significant
H ₇	Brand Image → Customer Satisfaction	0.001	0.316	Not significant
H ₈	Price → Customer Satisfaction	0.146	0.000	Significant
H ₉	Product Quality → Purchase Decision	0.314	0.000	Significant
H ₁₀	Trust → Customer Satisfaction	-0.004	0.013	Significant
H ₁₁	Purchase Decision → Customer Satisfaction	1.002	0.000	Significant

Note: the data were obtained by survey and processed by SmartPLS 3.0.

According to the test results in table 3 above, it is shown that in hypothesis 1, e-service quality significantly influences purchase decisions. This statement is supported by the sample mean and p-values that meet the requirements. This proves that e-service quality in the marketplace positively affects the purchase decision of marketplace users in Batam City. This is supported by the study that stated that e-service quality plays an important role in creating perceived value within the scope of online shopping in the marketplace (Sinurat & Ali, 2020).

In hypothesis 2, brand image has a significant positive influence on the purchase decision. This proves that the brand image owned by the marketplace can influence purchase decisions made by marketplace users in Batam city. This is supported by the study that stated that the greater the brand image owned by the marketplace, the greater the desire of consumers to buy products in the marketplace (Susanti & Lamidi, 2022).

In hypothesis 3, the price significantly positively influences the purchase decision. This is supported by the study that stated that consumers like the affordable price. The cheaper the price offered, then the greatly affects the purchasing decision of the consumer (Adirineksa et al., 2020).

In hypothesis 4, product quality has a significant influence on the purchase decision. This is supported by the study that consumers will decide to buy based on the quality of the products sold by the seller in the marketplace (Christiarini &

Rahmadilla, 2021; Safitri et al., 2022). The better the quality of the product that is owned, the more consumers in the marketplace will also increase.

In Hypothesis 5, trust has a significant positive influence on the purchase decision. This is supported by the study that stated that consumers need trust reflected through the integrity, benevolence, and competence of sellers in the marketplace before they make a purchase decision (Mahliza, 2020).

In hypothesis 6, e-service quality is not significant to customer satisfaction. This is supported by the study that stated e-service quality does not determine the satisfaction felt by consumers when shopping (Candra & Juliani, 2018).

In hypothesis 7, brand image has no significant effect on customer satisfaction. This statement is different from the study that stated that brand image has a significant influence on customer satisfaction (Handayani et al., 2021).

In hypothesis 8, the price has a significant effect on customer satisfaction. This is supported by research that stated that If a product's price in the marketplace is low, then customer satisfaction will increase along with good quality.

In hypothesis 9, product quality has a significant influence on customer satisfaction. This is supported by the study that stated that the better the quality of the products sold on the marketplace, the higher the satisfaction consumers feel with these products (Andri et al., 2022).

In hypothesis 10, it appears that trust significantly influences customer satisfaction. This is supported by the study that stated that the better the consumer's trust in the marketplace, the better the consumer's satisfaction with the marketplace (Novita et al., 2022). This is supported by the quality of services provided which is one of the foundations of consumer confidence in the marketplace.

In hypothesis 11, purchase decision has a significant influence on customer satisfaction. This is supported by Vierdwiyan & Syafarudin (2020).

Table 4. Determination Coefficient Test Results (R^2)

Variables	R-squared Adjusted	Status
Customer Satisfaction	0.937	Strong
Purchase Decision	0.887	Strong

Note: the data were obtained by survey and processed by SmartPLS 3.0.

Based on the results in table 4, R-squared value for the customer satisfaction variable is 0.937, which indicates that this variable is strong enough. The R-squared value for the purchase decision variable is 0.887, which indicates that this variable is also strong enough.

CONCLUSION

After the tests that have been carried out and the explanation in this research, it can be concluded that Shopee, an Indonesian marketplace, and Taobao, a Chinese marketplace, are more dominant and widely used by the people of Batam. Then, e-service quality and brand image are not directly significant to customer satisfaction. However, e-service quality and brand image have a significant positive direct effect on customer satisfaction. Although e-service quality and brand image are not

determinants in the satisfaction felt by marketplace users, they are the basis for consumer observations and decisions when buying the desired product on the Marketplace.

In addition, price, product quality, and trust directly and significantly positively affect purchase decisions and customer satisfaction. This is an essential main point for consumers who shop in Indonesian and foreign marketplaces. Because the quality of service in the marketplace could be better, consumers will also doubt the service they get when buying the desired product. The price and product quality are also essential and are highly considered by marketplace users. Of course, consumers are aiming for affordable prices but with good product quality. In addition, if marketplace users trust the marketplace, consumers who are new to using the marketplace will feel free to try to buy the desired product based on the number of users.

The results of this conclusion illustrate that service in the marketplace is vital for maintaining the quality of owned service. Brand image is also significant for marketplaces so that marketplaces have their characteristics based on logos and platform colors that are unique from the marketplace itself. Price, product quality, and consumer trust in the marketplace are also very important. Based on the results of the research that has been done and the conclusions that have been described, there are several suggestions given in this study, namely, the marketplace companies need to improve their e-service quality in their marketplace further, there is a need for speed in dealing with problems experienced by consumers. Then, it is necessary to increase the uniqueness of the owned brand image. Then further in-depth research is needed regarding the use of foreign marketplaces in Indonesia to find an in-depth comparison of foreign and Indonesian marketplaces.

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