The Influence of Service Quality on Reputation and Purchasing Decisions Through Consumer Trust in E-commerce Shopee

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Abstract:- This study aims to determine the service quality of e-commerce Shopee to the reputation and purchasing decisions through consumer trust. This study is a explanatory research with the use of quantitative approach. The population in this study is consumer Shopee in East Java, amounted to 105 respondents who ever make purchases through e-commerce Shopee. Metodology of data analysis used in this study is Structural Equation Model (SEM). The result of this study indicate that service quality influences the reputation and purchasing decisions through consumer trust. Good quality is something that highly expected by consumers, that will influence on reputation and consumer trust who will make a purchasing decisions in e-commerce shopee.

Keywords:- Service Quality, Reputation, Purchasing Decisions, Consumer Trust.

I. INTRODUCTION

Business development is very rapid, until on the internet or online media. Business systems like this are already widely used by multinational companies and small retailers. Business systems with the sales system like this greatly facilitates the target market to buy what was needed without having to visit a store or place of sale. It can also change the behavior of society, with a system of such business is seen spending habits among the people who usually shop offline turn into online shopping.

Shopee is an online store that used most often internet users in Indonesia to buy requirements. The research results of the Internet Service providers Association (APJII) released in November 2020 call that the e-commerce platform is selected by 27,4% of respondents. However, it was noted that there are still 43.2% of respondents claimed never buying needs online. The inhabitants the Island of Java and Sumatra is the most dominant which Shopee into the local potential, including in East Java. Based on the phenomenon, the study has done in the Region of East Java, especially the largest cities, Surabaya, Malang, Kediri, Jember and Banyuwangi.

Shopee is one of the e-commerce in Indonesia that growing rapidly. Platform based online used to shop where Shopee provides a wide range of products such as fashion, household, electronics, beauty products, shoes, skincare, mobile and accessories, clothing, bag, health, food, muslim fashion, shopee mart and other products, which were first launched in Singapore in 2015 as a marketplace consumer-to-consumer (C2C). However, the current has been switched to a hybrid model of C2C and business to consumer (B2C) launching Shopee Mall which is a bold store platform for well known brands.

The services provided by the e-commerce site shopee must be right on target and in accordance with what is expected by the consumer, then the shopee will have a good perception in the eyes of the consumer. In providing the right services and accordingly, the company should be able to understand what is expected by the consumer in order to deliver service that can satisfy. Lupiyoadi (2006; 181) said one of the indicators that into success in a service business is service quality, which is one way to meet the needs and desires of the as well as the accuracy of its delivery to consumers to offset their hope is through the improvement of the quality of service.

In addition to service quality is about the reputation which is perceived by the consumer that is received and connected with the name of the company. Aaker (1997) stated that the reputation of the company (corporate reputation) is the perception of the reputation associated with the company. It means, the name of the company gives a positive influence on the response to the products or services received. So the reputation is also very influential on the sense of trust that are owned by the consumers to shop.

Consumer trust is a priority in e-commerce, for it takes the ability of a competent and meticulous in serving customers. Service quality in the sale of online products include honesty, speed of response to the questions of consumers, the provision of a guarantee or warranty, delivery process, neatness of packaging and other services which support to gain the trust of consumers.

Purchasing decisions are consumer attitudes who will determine a decision before they made the purchase or the actions of a consumers who are looking for different alternatives must then decide to take action purchase. According to Nawangsari (2017) one of the important factors that become a benchmark purchasing decisions online is a trust, with the internet add to the trust in the activities of buying and selling are doing online.

II. THEORY

2.1 Service Quality
Service quality is a critical thing in competitive advantages for a company to make it different with other companies, good service quality for a company is the main key to increase the good profitability. Consumers judge the quality based on the comparison of what they expect and what they get, so with the guarantee of consumer expectations and the thing received by them will help to mantain good service quality for a company (Meister, 1990).

2.2 Reputation
Reputation is the extent to which the consumers have a sense of trust towards the seller, that the seller is competent and professional to customers (Jarvenpa, 2000).

2.3 Consumer Trust
Prasaranphanich (2007:23.1) suggested that, when consumers trust a company, then they will make repeat purchase and share personal information (the positive experience of the product has been used) to the company intended.

2.4 Purchase Decisions
Purchasing decisions is a process undertaken by consumers in meeting their needs in the form of products and services. Purchasing decisions are everything that has done to understand the factors that consumers use to get a product or service in decision making (Mowen and Oliver, 1997).

2.5 Conceptual Framework
Based on the theoretical basis and previous research, it can be explained that service quality service quality and perception of reputation there is an influence on consumer trust and purchasing decisions, and there is an influence of consumer trust on purchasing decisions. So the conceptual framework in this study shows that service quality as an independent variable will influence the dependent variable, namely reputation, purchasing decisions and consumer trust.

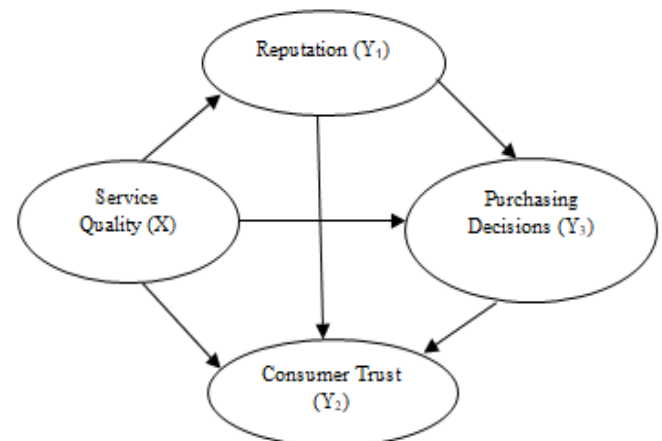The conceptual framework developed in this study is as follows:

Fig. 1 Conseptual Framework

2.6 Research Hypothesis
H_1 : Service quality influences the reputation
H_2 : Service quality influences the consumer trust
H_3 : Reputation influences the consumer trust
H_4 : Consumer influences the purchase decisions
H_5 : Service quality influences the purchase decisions
H_6 : Reputation influences purchase decisions

III. METODOLOGY

This research was conducted in East Java, there are the largest cities include Surabaya, Malang, Kediri, Jember and Banyuwangi. The population of this research is consumers in East Java who have made a purchase transaction in e-commerce Shopee. Sampling technique used in this research is nonprobability sampling with the criteria at least transactions in more than one time, while the way of sampling using purposive sampling where the sampling technique required is with various considerations.

Metodology of data analysis used in this research is Structural Equation Model (SEM). Hair et al., (1995) stated that the appropriate sample size for Structural Equation Model (SEM) is between 100-200 samples. Test data analysis of this study using validity test and reliability test, then performed a normality test and a multicollinearity test. The criteria of goodness that fits in the bushes.

IV. RESULT AND DISCUSION

4.1 General Information
This study was conducted on East Java namely the largest city there are Surabaya, Malang, Jember, Banyuwangi and Kediri using purposive sampling technique as a sampling technique. The sample in this study were respondents who were at least 17 years old and be able to understand the questionnaire and understand the Shopee application and had shopped at least 2 or 3 times. From the research conducted, the most respondents are respondents who have the age of 23 to 28 years with the most status being unmarried and as students.

4.2 Descriptive Statistics

4.2.1 Characteristics of Respondents Based on Domicile

Respondents based on the domicile were divided into 5 groups of 105 respondents, there are Surabaya, Malang, Jember, Banyuwangi and Kediri.

Table 1 Respondents Domicile

Domicile	Frequency (Person)	Precentage (%)
Surabaya	21	20%
Malang	21	20%
Jember	21	20%
Banyuwangi	21	20%
Kediri	21	20%
Amount	105	100%

4.2.2 Characteristics of Respondents Based on Gender

Respondents based on gender characteristics in this study were classified into two, there are male and female

Table 2 Respondents Gender

Gender	Frequency (person)	Precentage (%)
Male	45	42,85%
Female	60	57,15%
Amount	105	100%

4.2.3 Characteristics of Respondents Based on Age

Respondents based on age characteristics in this study were classified into five, there are between 17 to 22 years, 23 to 28 years, 29 to 34 years, 35 to 40 years and more than 40 years.

Table 3 Respondents Age

Age	Frequency	Precentage
17 - 22 Years	23	21,9%
23 - 28 Years	47	44,76%
29 – 34 Years	18	17,14%
35 – 40 Years	17	16,2%
>40 Tahun	0	0%
Amount	105	100%

4.2.4 Characteristics of Respondents Based on Marrital Status

The marital status of the respondents in this study were classified into two, there are married and unmarried.

Table 4 Respondents Marrital Status

Marriage Status	Frequency (person)	Precentage (%)
Married	45	42,85%
UnMarried	60	57,15%
Amount	105	100%

4.2.5 Characteristics of Respondents Based on Job

Respondents based on job characteristics in this study were classified into five namely Government Employees, Private Employees, Students, Retirees and Entrepreneurs.

Table 5 Respondents Job

Profession	Frequency	Precentage
Government Employees	22	20,9%
Private Employees	15	14,3%
Student	48	45,7%
Retirees	0	0%
Entrepreneur	20	19,1%
Amount	105	100%

4.2.6 Characteristics of Respondents Based on Purchase Frequency

Respondents based on the characteristics of the frequency on purchases in this study were classified into two, there are 2 times and 3 times.

Table 6 Respondents purchase decisions

Purchase	Frequency	Precentage
2 times	25	23,8%
3 times	80	76,2%
Total	105	100%

4.3 Goodness of fit Test

Table 7 Goodness of fit test

Criteria fit model	Value fit model	Standard	Description
X_2-*chi-square*	121,298	Expected to be smaller than X2 on df = 84 is 104,138	Marginal
Significance Probability	0.001	$\geq 0,05$	Marginal
RMSEA	0.076	$\leq 0,08$	Good
GFI	0.868	$\geq 0,90$	Marginal
AGFI	0.792	$\geq 0,90$	Marginal
CMIN/DF	1.596	≤ 2 or 3	Good
TLI	0.900	$\geq 0,90$	Good
CFI	0.928	$\geq 0,90$	Good

It is known that the eight criteria used to assess whether or not a model a model is good or not, four criteria are met and four criteria are marginal. Thus it can be said that the model is acceptable, which is means that there are a match between the model and the data.

4.4 Causality test

Tabel 8 Casuality test

Hypothesis			Path Coefficient	C.R.	P	Description
Y1	<---	X	0,263	1,980	0,048	Significant
Y2	<---	X	0,735	3,135	0,002	Significant
Y2	<---	Y1	0,420	2,161	0,031	Significant
Y3	<---	X	0,817	2,714	0,007	Significant
Y3	<---	Y1	0,740	2,915	0,004	Significant
Y3	<---	Y2	0,536	2,994	0,003	Significant

The results of causality test for the influence of service quality variables on consumer trust have a positive path coefficient of 0.263 with a CR of 1.980 and a probability (p) with a significant level of 0.05, which is 0.048 it means that the hypothesis which states that service quality variables influences Shopee consumer trust is acceptable.

V. CONCLUSION

Service quality has a significant influence on reputation. The better of service quality that Shopee provides the better on reputation of the company.

Service quality has a significant influence on consumer trust in East Java. Good service quality that Shopee provides, the more consumers have a sense of trust in the company.

Reputation has a significant influence on consumer trust in East Java. The better reputation of the company then increase the sense of trust a consumer to Shopee.

Consumer trust in East Java have a significant influence on purchase decision. The more consumers believe that increasing the desire to make purchasing decisions.

Service quality has a significant influence on purchasing decisions. The better of service quality that Shopee provides, the consumers in East Java have a sense to increase the purchasing decision.

Reputation has a significant innfluence on purchasing decisions. The better reputation of Shopee, the increasing desire of consumers in the East Java to make purchasing decisions.

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