

A STUDY OF THE INFLUENCE OF SERVICE QUALITY, PERCEIVED VALUE, TRUST, AND PRICE ON DELIVERY SERVICES ON ONLINE CUSTOMER LOYALTY

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ARTICLE INFO

Keywords:

Service Quality
Perceived Value
Trust
Price
Customer Satisfaction
Customer Loyalty

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ABSTRACT

The use of e-commerce sites has increased rapidly. This also increases the use of expedition services as a carrier for the mobility of goods from the hands of the seller to the hands of the buyer. Considering the important role that shipping services have, more and more shipping service businesses are emerging and competing to maintain their existence. To improve previous research, this study presents a discussion of the effect of the service quality, perceived value, trust, and price variables provided by the expedition service on the emergence of customer satisfaction and customer loyalty. This study analyzed primary data from 217 respondents obtained through the distribution of online questionnaires and observed the effect of each variable using the PLS-SEM analysis method. It was found that service quality, perceived value, trust, and price had a significant effect on customer satisfaction and loyalty. Then, trust is able to mediate service quality and perceived value in a positive way toward customer satisfaction.

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1. INTRODUCTION

In the modern era, technology has contributed significantly to the development of long-distance communication. Similarly, forwarding and shipping services aid in the mobility and distribution of small and large quantities of goods across great distances. The development of e-commerce platforms or digital businesses that enable humans to conduct buying and selling activities and transactions online also contributes to the rising demand for delivery services. With this convenience, it is possible to fulfill needs ranging from primary to secondary to tertiary with the tap of a finger, and goods can be delivered directly to the buyer's home without the need to leave. Thus, the demand for delivery services increases. The world was then struck by the Corona Virus Disease 2019 (Covid-19) pandemic in 2019. People have been compelled to adapt by performing all work and activities at home, also known as "work from home," which heavily relies on digital technology platforms.

Tokopedia is one of the largest and most popular online marketplaces in Indonesia. Tokopedia is an original Indonesian e-commerce marketplace that operates exclusively in Indonesia. According to the 2022 databox, Tokopedia is the most popular application, as evidenced by its achievement of the highest number of visitors compared to its rival e-commerce, which totaled 157.2 million visits in the first quarter of 2022. (Databoks, 2022). Tokopedia also offers a variety of local courier options, which sellers and buyers can select based on their individual preferences. Pos Indonesia, Nugraha Ekakurir Line (JNE), Jet & Tony (J&T), Titipan Kilat (TIKI), Ninja Express, Wahana, and Sicepat are among the available couriers. Tokopedia is still the e-commerce platform with the most users, with approximately 147 million users in the second quarter of 2022. (CNBC Indonesia, 2022).

With the growing popularity of online shopping and the rising demand for expeditionary and shipping services during the COVID-19 pandemic, there are more and more competitors in the industry. Additionally, consumers will have a greater variety of shipping service brand options than in the past. For the sake of stability in profitability and long-term business continuity, this is what motivates a delivery service business to prioritize optimal service to increase customer loyalty.

Consumer loyalty is essential and must be maintained by all businesses. Lee and Cunningham (2001) argue that consumer loyalty greatly contributes to increasing profits and creating a sustainable competitive advantage for the continuity of service industries or businesses (El-Adly, 2019). (El-Adly, 2019). This indicates that maintaining consumer loyalty is equivalent to maintaining profitability and creating a competitive advantage for the company's survival in the logistics industry. When utilizing delivery services,

Marinkovic and Kalinic (2017) assert that service quality is essential for providing customers with a positive experience (Uzir et al., 2021). As a form of effort to respond to people's needs for logistics and delivery services, the strategy of providing the best and highest quality service to customers in order to meet their expectations for courier services is a crucial means for these delivery companies to obtain added value.

Moreover, prices play an essential role, particularly during the COVID-19 pandemic. Moreover, the pandemic has paralyzed the economy and created economic unpredictability (Ministry of Finance of the Republic of Indonesia, 2020). In light of the deteriorating economic climate, the appropriate pricing factor for delivery services is crucial. Moreover, delivery services are essential to the efficient distribution of goods, which in turn facilitates the transformation of the digital economy and online shopping businesses. Therefore, logistics and shipping service providers must apply appropriate and competitive tariffs for consumers in order to compete in terms of their competitive advantage.

The theory regarding consumer loyalty states, citing Oliver (1999), that "customer loyalty" is defined as a commitment owned and held by consumers toward a product they would like to protect and reuse in the future due to a sense of satisfaction. Tanford et al. (2012) stated that customer loyalty must be maintained because it directly contributes to a company's profitability. According to Abdullah et al. (2011), customer loyalty can be cultivated if the client is pleased with the product or service. Conclusion: customer satisfaction and customer loyalty decisions are closely related.

According to Uzir et al. (2021), service quality, price, perceived value, and trust are positively associated with customer satisfaction and customer loyalty. It has been demonstrated that elements of service quality such as assurance, empathy, tangible responsiveness, and dependability, along with the variables of customer perceived value and trust, positively influence customer satisfaction and have the potential to increase sales. El-Adly (2019) also emphasized that price influences customer satisfaction and loyalty positively, where prices must be directly proportional to service quality and the perceived value consumers receive. It has been demonstrated that variable pricing increases customer satisfaction and fosters loyalty. Departing from this theory, it is understood that maintaining customer satisfaction and customer loyalty is crucial for a business's long-term survival and viability. In this regard, it is believed that the delivery service industry, which is experiencing increased demand during this period of digital economic development, must pay close attention to service quality, price, and optimization in order to create perceived value and trust with consumers, thereby fostering a sense of satisfaction and loyalty. They hold their chosen or entrusted shipping services in high regard.

In light of the government's encouragement of Indonesia's transition to a digital economy, the expansion of logistics and delivery services is viewed as a positive trend. People will be more selective in their selection of courier services as a result of the pandemic and digital market transitions that increase the demand for courier services. Clearly, this selective behavior is correlated with customer satisfaction with delivery services that meet their expectations. If they already have faith in a specific expedition service, this will raise the issue of customer loyalty, which is crucial to the survival of a business that provides expedition services. This then increases competition among shipping service providers, who are increasingly competing to be the best shipping service in order to meet consumer expectations and earn their loyalty.

2. METHOD

2.1 Research Design

The purpose of the theoretical framework is to describe the central concepts or issues that will be addressed in this study. This study's research model was developed using two scholarly publications as references. The first research model used as a reference by the author is from the journal owned by Uzir et al. (2021), which states that service quality, perceived value, and trust have a positive and significant effect on customer satisfaction. The second research model cited by the author is from El-journal Adly's (2019), which states that price has a positive and statistically significant effect on customer satisfaction and customer loyalty. The authors decided to complete the research model by combining the effects of service quality, perceived value, trust, and price on customer satisfaction and customer loyalty for shipping or expedition services.

2.2 Data Collection Method

Regarding data collection, the authors collect the necessary data and information from primary sources. Primary data is information obtained directly from related parties in the field (Bernard et al., 1986). The primary data used by the author was collected through the completion of a Google Form

questionnaire. In order to reach a greater number of respondents, the research questionnaire will be disseminated via social media networks. The values in the research questionnaire were measured on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (strongly agree).

3. RESULT AND DISCUSSION

3.1 Internal Consistency Reliability

Using the Cronbach's alpha value of 0.6 and the Composite Reliability (CR) value of 0.6, internal consistency reliability is used to determine the reliability value that each indicator in the construct variable possesses (Malhotra et al., 2010). The results of the reliability test are presented in Table 1 below.

Table 1. Composite Realibility dan Cronbach's Alpha

Konstruk	Composite Realibility	Cronbach's Alpha
Service Quality	0,972	0,970
Customer Perceived Value	0,897	0,846
Trust	0,925	0,891
Price	0,882	0,821
Customer Satisfaction	0,884	0,802
Customer Loyalty	0,884	0,804

Source: Analysis by the Author (2022)

Based on Table 1, it can be seen that all variables meet the requirements because their composite reliability and Cronbach's alpha values exceed the minimum threshold. Consequently, all employed variables have been declared reliable.

3.2 Convergent Validity

On the basis of the output of the SmartPLS algorithm, the convergent validity test parameters can be determined by obtaining values from outer loadings and AVE. The convergent validity value is acceptable if the average variance extracted (AVE) value is 0.5 and the outer loading value of the reliability indicator is 0.6. (Malhotra et al., 2010). The following are the outer loading and AVE results, which will be presented in Table 2:

Table 2 Convergent Validity Analysis Test Results

Variabel Laten	Indicator	AVE	Outer Loading
<i>Service Quality</i>	ADK1	0,636	0,766
	ADK2		0,833
	ADK3		0,773
	ADK4		0,801
	EMP1		0,779
	EMP2		0,799
	EMP3		0,813
	EMP4		0,795
	REL1		0,812
	REL2		0,879
	REL3		0,816
	REL4		0,772
	RES1		0,776
	RES2		0,775
	RES3		0,794
	RES4		0,783
TAN1	0,800		
TAN2	0,801		
TAN3	0,799		
TAN4	0,775		
<i>Customer Perceived Value</i>	CPV1	0,685	0,859
	CPV2		0,833
	CPV3		0,837
	CPV4		0,780

<i>Trust</i>	TR1	0,755	0,844
	TR2		0,894
	TR3		0,889
	TR4		0,846
<i>Customer Satisfaction</i>	CS1	0,717	0,807
	CS2		0,833
	CS3		0,828
	CS4		0,848
	CS5		0,817
<i>Price</i>	PR1	0,651	0,824
	PR2		0,785
	PR3		0,779
	PR4		0,836
<i>Customer Loyalty</i>	CL1	0,718	0,838
	CL2		0,851
	CL3		0,854

Source: Analysis by the Author (2022)

According to the test results in Table 2 above, each indicator's outer loading value is greater than 0.7, and each variable's AVE value is greater than 0.5. The variables and indicators utilized in the study are therefore found to be reliable.

3.3 Analisis Direct Effects

The test findings for each construct's link to the direct impact are shown in Table 3 below, and they can be compared to determine the relationship between each construct and the direct effect.

Table 3 Direct Path Coefficients

	<i>Original Sample</i>	<i>T Statistics</i>	<i>P Values</i>
CPV -> CS	0,165	2,340	0,020
CPV -> TR	0,532	10,039	0,000
CS -> CL	0,522	6,636	0,000
PR -> CL	0,268	4,046	0,000
PR -> CS	0,121	2,776	0,006
SQ -> CS	0,227	3,465	0,001
SQ -> TR	0,437	7,863	0,000
TR -> CS	0,469	7,050	0,000

Based on the test results and research analysis that have been done, it can be seen that the variables service quality, trust, customer perception, and price as a whole have proven to influence customer satisfaction and customer loyalty positively and significantly both in the direct relationship (direct effect) and in the indirect relationship path (indirect effect) by looking at the p-value that is less than the significance level of 0.05. Thus, it can be stated that hypothesis 1, hypothesis 2, hypothesis 3, hypothesis 4, hypothesis 5, hypothesis 6, hypothesis 7, and hypothesis 8 are accepted and can be fully supported. It can be stated that there is a positive influence resulting from service quality (3.465), customer perceived value (2.340), trust (7.050), and price (2.776) on customer satisfaction when shopping online. Then there is a positive effect on service quality (7.863) and customer perceived value (10.039) from the use of delivery services on customer satisfaction through trust mediation when shopping online. Finally, there is a positive influence on customer satisfaction when using delivery services when shopping online, resulting in 6,636 points of customer loyalty. It is known that the variable "customer perceived value" has the biggest positive effect on customer satisfaction. This effect is mediated by the variable "trust," which has a value of 10.039.

4. CONCLUSION

The study's findings indicate that service quality has a positive effect on customer satisfaction when using expedited shipping services when shopping online. This is evident from the monthly online shopping habits of the research participants, so the use of expedited shipping services when shopping online is not unusual. Research participants valued the quality of service provided by courier officers at their preferred expedition services in terms of their courtesy, responsiveness to consumer requests, dependability,

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timeliness, and attentiveness to customers. This contributes to a level of satisfaction with the delivery service.

The findings of the study indicate that customer perceived value influences customer satisfaction when using expedited shipping services for online shopping. The research participants are categorized as "active online shoppers" each month. Therefore, it is crucial for them to evaluate the positive effects of utilizing particular expedition services. The majority of respondents agreed that they felt calm, happy, and confident when using the expedition services of their choice, based on their responses.

The results of the study indicate that customer satisfaction with the use of expedited shipping services when shopping online is positively influenced by the variable of trust. Participants in the study were categorized as active online shoppers on a monthly basis, and the majority of respondents admitted to transacting more than Rp 200,000 per transaction. Thus, it is crucial that they evaluate and select a reputable courier. The majority of respondents indicated that they chose an expedited delivery service because they felt safe, at ease, and trusted their chosen delivery service to keep its word. The majority of respondents utilize popular delivery services, which increases their level of confidence.

The findings of this study indicate that trust moderates the effect of service quality on customer satisfaction when using expedited shipping services when shopping online. The majority of research respondents already have a sense of trust in the delivery service of their choice, as evidenced by feelings of security, comfort, and satisfaction with the service quality they receive when using the delivery service. This strengthens the emergence of customer satisfaction even further.

The results of the study indicate that trust positively mediates the effect of customer perceived value on customer satisfaction when using expedited shipping services for online shopping. The majority of research respondents already have a sense of trust in the delivery service of their choice, as evidenced by feelings of security and comfort that are balanced with feelings of pleasure, calm, and confidence when using the delivery service. This strengthens the emergence of customer satisfaction even further.

The results of the study indicate that price influences customer satisfaction with the use of expedited shipping services when shopping online in a positive manner. The majority of research respondents who are classified as consumers of expedition services in Indonesia place a high premium on the value of the benefits received when utilizing specific expedition services; consequently, they evaluate whether the price offered is commensurate with the quality, performance, and benefits received or experienced. The majority of respondents agreed that the offered price was commensurate with the quality and performance of the services provided and were pleased with the expeditionary shipping service's services. The fulfillment of their expectations is the source of their resulting satisfaction with the delivery service.

Price has a positive effect on customer loyalty when using expedited shipping services when shopping online, according to the study's findings. Research respondents who tend to prioritize the value of customer satisfaction and loyalty-generating benefits. The majority of respondents believed that the offered price was commensurate with the quality and performance of the offered services. Thus, the majority of respondents are willing to recommend and re-use their preferred delivery service.

The findings of the study indicate that variable customer satisfaction influences customer loyalty in the use of expedited shipping services when online shopping. After being satisfied with their preferred delivery service, the majority of research respondents admit that they are willing to use the same courier service in the future and recommend it to others.

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