

THE EFFECT OF TRUST AND CONSUMER EXPERIENCE ON LOYALTY THROUGH CONSUMER SATISFACTION IN FASHION PRODUCTS ON LAZADA INDONESIA

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ABSTRACT

Keywords:

Trust, Consumer Experience, Loyalty, Consumer Satisfaction.

Original research



This explanatory research aims to examine and discuss the influence of trust and consumer experience on loyalty through consumer satisfaction in fashion products on Lazada using nonprobability sampling techniques with purposive sampling methods. The sample size used in the study is 250 respondents. The primary data source is obtained by distributing online questionnaires to respondents who are consumers of fashion products in Lazada, Indonesia. Data analysis methods use path analysis with the Statistical Program For Social Science (SPSS). The results show that trust significantly influences satisfaction. Consumer experience significantly influences consumer satisfaction. Consumer satisfaction significantly influences loyalty. Trust significantly influences loyalty. Consumer experience significantly influences loyalty. Trust significantly influences loyalty through consumer satisfaction. Consumer experience significantly influences loyalty through consumer satisfaction.

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1. INTRODUCTION

The era of information and communication technology is gradually changing life in society (Büyükbaykal, 2015). With the increasing sophistication of technology, the Internet has become a daily necessity in both personal and business life (Castells, 2020). Online commerce, known as electronic commerce, is widespread. According to a survey by APJII (Indonesian et al. Providers Association), internet users in Indonesia reached 215.63 million people in 2022-2023, an increase of 2.67% compared to 2022, which had 210.03 million users (Azizah & Prasetya 2023; Kominfo.go.id, 2023). This growth has led to new business opportunities, including the creation or provision of online stores as part of e-commerce (Taranenko et al., 2021). E-commerce serves as a platform for buying and selling with systems for

receiving or placing orders using the Internet (Hidayat et al., 2020). The rapid and diverse growth of e-commerce has led people to prefer online shopping to obtain desired goods or products (Al Tamer 2021). Online transactions facilitate the selling of various products without the need for a physical store (Kleisiari et al., 2021). Popular e-commerce platforms in Indonesia include Shopee, Tokopedia, Lazada, Blibli, and Bukalapak. Lazada is one of the public's choices for online shopping (Andriani & Prihantoro, 2022). Supported by the Ministry of Trade of the Republic of Indonesia, BCA, and Lazada as official online shopping partners, the National Online Shopping Day (harbors) by the Indonesian E-commerce Association (idEA) highlights the confidence and high hopes that Indonesia's economy will see significant growth in 2023. Established in 2012, Lazada Indonesia is part of

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the Lazada Group in Southeast Asia and a subsidiary of the German internet company network Rocket Internet. According to SimilarWeb data, five e-commerce sites in Indonesia had the highest number of visitors in the first to third quarters of 2023. Shopee ranked first with 157 million visitors in Q1, 166 million in Q2, and 216 million in Q3. Tokopedia had 117 million visitors in Q1, 107 million in Q2, and 97 million in Q3. Lazada ranked third with 83 million visitors in Q1, 74 million in Q2, and 52 million in Q3 (databoks). The decrease in the number of Lazada visitors is partly due to poor consumer experiences. Another factor considered for researching Lazada is the abundance of consumer experiences written in reviews, ranging from negative to positive comments (Fatmawati et al., 2023). Consumer complaints through customer reviews found on the Lazada app in the App Store and the Lazada app in the Play Store can influence someone to trust and use the application. Consumer complaints on the Lazada app include (1) slow application performance, (2) poor customer service, with many orders being canceled due to sellers failing to meet delivery times, (3) high shipping costs, and the absence of free shipping vouchers without a minimum purchase, and (4) disruptive advertisements due to their excessive number. This competition has prompted Lazada to intensify efforts to build consumer trust and create positive experiences to ensure consumer loyalty and compete with other companies to increase consumer satisfaction. Lazada has made shopping features easy, especially in transactions, saving time and travel distance. Lazada offers a variety of products, including fashion, electronics, household appliances, beauty products, healthcare products, and books (Amanah & Harahap, 2020). The most purchased products on Lazada in 2022 were fashion (58%), beauty and body care (39%), and electronics (37%) (Katadata.co.id, 2023). The competition among similar e-commerce platforms causes customers to switch to other options. Many companies offer innovations and marketing strategies. Lazada continuously implements strategies to increase revenue and retain customers. The decision to study Lazada is also influenced by numerous consumer experiences, from negative to positive reviews. Consumers tend to pay attention to and select based on security, convenience, and positive consumer experiences. Lazada's efforts to build consumer trust and provide good experiences are crucial for competing successfully and maintaining market share (Edeh et al., 2021).

Trust (trust) emerges through a prolonged process that fosters mutual trust between parties. According to Aprileny et al. (2022), trust leads to consumer satisfaction with the products offered. Satisfied consumers are likely to make repeat purchases, fostering loyalty to the company. Research by Latifah et al. (2020) and Arif (2020) shows that trust significantly influences consumer satisfaction. However, other studies indicate that trust does not significantly influence consumer satisfaction (Aprileny et al., 2022).

Consumer experience is unique, leading to positive or negative feelings (Udayana et al., 2022). Positive experiences can benefit Lazada, as they leave lasting impressions that lead to consumer satisfaction and loyalty. Studies by Udayana et al. (2022) and Agustiono et al. (2022) show that consumer experience significantly influences customer satisfaction.

Consumer satisfaction is an attitude based on experience. According to Udayana et al. (2022), consumer satisfaction is the pleasure or disappointment arising from comparing perceptions with expectations. Satisfied consumers are likely to make repeat purchases and not switch to competitors (Rahmayanti & Ekawati, 2021). Research by Arif (2020), Yulisetiari et al. (2022), Yulisetiari et al. (2023), and Yulisetiari et al. (2024) shows that consumer satisfaction significantly influences loyalty.

Loyalty, according to Yulisetiari and Mawarni (2021), is a commitment to use a product, leading to repeat purchases and recommendations to others. High customer loyalty indicates company success. Loyal customers are less likely to switch to other marketplaces. Research by Agustiono et al. (2022) shows that consumer experience and satisfaction significantly influence loyalty. Similarly, studies by Yulinda et al. (2020) and Aprileny et al. (2022) show that trust significantly influences consumer loyalty. Based on this background, the researchers are interested in analyzing and discussing the influence of trust and consumer experience on loyalty through consumer satisfaction in fashion products on Lazada Indonesia.

2. LITERATURE REVIEW

2.1 Trust

Yulinda et al. (2020) define trust as consumer confidence in a product's quality and benefits, satisfying consumer needs and interests. Trust is crucial for building loyalty, as long-term relationships require trust. According to Kotler and Keller (2011, p. 71), trust indicators include:

- a. Integrity
- b. Benevolence
- c. Competence

2.2 Consumer Experience

According to Yulisetiari et al. (2021), consumer experience involves personal events that are enjoyable and unforgettable due to consumption-related activities. Agustiono et al. (2022) state that consumer experience reflects the overall response to company performance. According to Yulinda et al. (2020), consumer experience indicators include:

- a. Sense
- b. Feel
- c. Think
- d. Act
- e. Relate

2.3 Customer Satisfaction

According to Rahmayanti and Ekawati (2021), consumer satisfaction is the extent to which product performance meets buyer expectations. Yulisetiarni and Mawarni (2021) emphasize that consumer satisfaction is a key focus due to its role as a company objective. According to Latifah et al. (2020), consumer satisfaction indicators include:

- a. Product Quality;
- b. Service quality;
- c. Emotional;
- d. Price.

2.4 Loyalty

Customer loyalty is a commitment to a brand or product, reflected in positive attitudes and repeat purchases. Udayana et al. (2022) define consumer loyalty as a sustained commitment to repurchase a product or service consistently. According to Manihuruk (2023), consumer loyalty indicators are:

- a. Repeat purchases;
- b. Retention;
- c. Referrals.

3. METHODOLOGY

The study population comprises all fashion product consumers in Lazada, Indonesia. Data collection uses nonprobability sampling with purposive sampling techniques, targeting respondents aged 18 and above who have made at least two purchases in the last six months (November 2023 – April 2024). Data is collected through online questionnaires distributed via social media. The method used was path analysis with a sample of 250 respondents.

4. DISCUSSION AND ANALYSIS

4.1 Path Analysis

According to Ghozali (2018, p. 245), path analysis is a model derived from multiple linear regression analysis to measure the relationships between independent and dependent variables, as well as direct and indirect effects mediated by intervening variables. The hypothesis results of this study indicate that testing the variable of trust towards customer satisfaction with a significance value of $0.000 < 0.05$ leads to the conclusion that H_0 is rejected and H_1 is accepted, meaning trust significantly influences customer satisfaction in fashion products on Lazada. The test results of the influence of customer experience on customer satisfaction with a significance value of $0.000 < 0.05$ lead to the conclusion that H_0 is rejected and H_2 is accepted, meaning customer experience significantly affects customer satisfaction in fashion products on Lazada. The test results of the influence of trust on loyalty with a significance value of $0.001 < 0.05$ lead to the conclusion that H_0 is rejected and H_3 is accepted,

meaning trust significantly affects loyalty to fashion products on Lazada. The test results of the influence of customer experience on loyalty with a significance value of $0.000 < 0.05$ lead to the conclusion that H_0 is rejected and H_4 is accepted, meaning customer experience significantly affects loyalty to fashion products on Lazada. The test results of the influence of customer satisfaction on loyalty with a significance value of $0.000 < 0.05$ lead to the conclusion that H_0 is rejected and H_5 is accepted, meaning customer satisfaction significantly affects loyalty to fashion products on Lazada.

4.2 Path Calculation

The significant path analysis calculates the direct and indirect effects of the independent variables, trust and consumer experience, on the dependent variable, loyalty, mediated by the intervening variable, customer satisfaction (Edy et al., 2022). Based on the hypothesis test results, path coefficient values were obtained, as depicted in Figure 1 below.

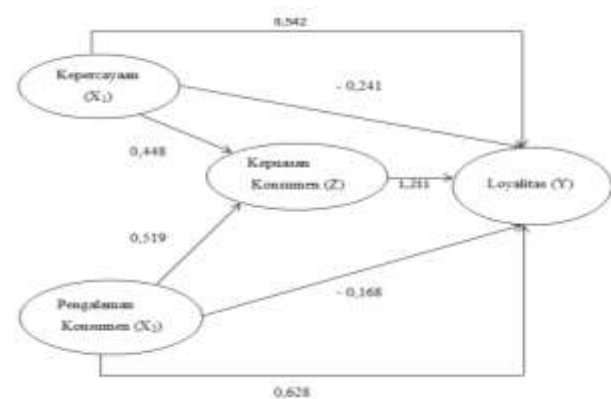


Figure 1. Path Analysis Result

Based on the path analysis, The direct effect of the trust variable on customer satisfaction is 44.8%. The direct effect of the consumer experience variable on customer satisfaction is 51.9%. The direct effect of the trust variable on loyalty is -24.1%. The direct effect of the consumer experience variable on loyalty is -16.8%. The direct effect of customer satisfaction on loyalty is 121.1%. Regarding the calculation of the indirect effects, the indirect effect of the trust variable on loyalty through customer satisfaction is 54.2%, which is greater than its direct effect. This suggests that trust has a stronger impact on fostering loyalty through customer satisfaction rather than directly. The indirect effect of the consumer experience variable on loyalty through customer satisfaction is 62.8%, which is also greater than its direct effect. This indicates that consumer experience has a stronger influence on fostering loyalty through customer satisfaction rather than directly. These findings indicate that both trust and consumer experience significantly influence loyalty indirectly through customer satisfaction, highlighting the mediating role of customer satisfaction.

5. MAJOR FINDINGS AND OUTCOMES

Based on the hypothesis testing results, trust significantly influences customer satisfaction with fashion products on Lazada. This means that when trust aligns with consumer expectations, customers are satisfied with the offered products. This study is consistent with research by Latifah et al. (2020) and Arif (2020), which explain that trust significantly affects customer satisfaction. The hypothesis testing results also show that consumer experience significantly influences customer satisfaction with fashion products on Lazada. This implies that positive consumer experiences create memorable moments that fulfill customer satisfaction. This finding aligns with studies by Udayana et al. (2022) and Agustiono et al. (2022), stating that consumer experience significantly affects customer satisfaction. Furthermore, the hypothesis testing results indicate that trust significantly influences loyalty to fashion products on Lazada. This indicates that when consumers trust a selected product, they make repeated purchases, thereby fostering loyalty to the company. This finding is consistent with research by Yulinda et al. (2020) and Aprileny et al. (2022), which explain that trust significantly affects loyalty. Similarly, the hypothesis testing results demonstrate that consumer experience significantly influences loyalty to fashion products on Lazada. This suggests that providing a positive experience can delight consumers into making repeat purchases and fostering loyalty. This finding aligns with research by Agustiono et al. (2022), which explains that consumer experience significantly affects loyalty. Additionally, the hypothesis testing results indicate that customer satisfaction significantly influences loyalty to fashion products on Lazada. This means that the higher the satisfaction level provided by Lazada, the greater the customer loyalty. This study is consistent with research by Yulisetiari et al. (2022), Yulisetiari et al. (2023), and Yulisetiari et al. (2024), which explain that customer satisfaction significantly affects loyalty. Based on the path analysis, the indirect effect of trust on loyalty through customer satisfaction is 0.542. According to the Sobel test results for path 1, the Sobel test statistic is 9.571, with a one-tailed probability of 0.0 and a two-tailed probability of 0.0. Since the p-value is $0.0 < 0.05$, it indicates a significant influence between trust and loyalty through customer satisfaction. This finding is consistent with research by Arif (2020) and Yulisetiari et al. (2022), stating that trust

influences loyalty through customer satisfaction. Similarly, based on path 2 of the path analysis, the indirect effect of consumer experience on loyalty through customer satisfaction is 0.628. According to the Sobel test results for path 2, the Sobel test statistic is 10.782, with a one-tailed probability of 0.0 and a two-tailed probability of 0.0. Since the p-value is $0.0 < 0.05$, it indicates a significant influence between consumer experience and loyalty through customer satisfaction. This finding is consistent with research by Udayana et al. (2022), stating that consumer experience influences loyalty through customer satisfaction.

6. CONCLUSION

Trust significantly influences customer satisfaction. Consumer experience significantly influences customer satisfaction. Trust significantly influences loyalty. Consumer experience significantly influences loyalty. Customer satisfaction significantly influences loyalty. Trust significantly influences loyalty through customer satisfaction. Consumer experience significantly influences loyalty through customer satisfaction.

7. SUGGESTIONS

7.1 For Academics

This research is expected to serve as a reference regarding the variables of trust, consumer experience, customer satisfaction, and loyalty. Future research is expected to review more references to add variables such as price, product quality, and store atmosphere. Additionally, it is recommended to use other analytical methods such as Structural Equation Modeling (SEM) and Partial Least Squares (PLS).

7.2 For The Company

Lazada is expected to maintain consumer satisfaction because consumer trust and experience will not affect loyalty if consumer satisfaction has not been achieved. Lazada is a marketplace that has been established for years in Indonesia, and almost everyone is familiar with it without needing to be told again, so loyalty may not apply, but this does not mean there is no loyalty. Lazada must ensure that consumer satisfaction is achieved.

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