

The Role of Service Quality in E-Commerce Customer Satisfaction and Loyalty

Putri Izatin Nabila¹, Siti Rahayu², Fitri Novika Widjaja³

^{1,2,3}Universitas Surabaya, Indonesia

Email: Putriizatinabila@gmail.com

Abstract

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This study examines the influence of service quality on customer satisfaction and customer loyalty among Millennial and Gen Z users of e-commerce platforms in Indonesia. Using a quantitative explanatory approach, data were collected from 200 respondents who actively shopped online through major platforms such as Shopee, Tokopedia, Lazada, Blibli, and TikTok Shop. Service quality was measured using four e-service dimensions: efficiency, fulfillment, system availability, and privacy. Data were analyzed using PLS-SEM through SmartPLS to evaluate the measurement and structural models. The findings reveal that efficiency and fulfillment significantly increase customer satisfaction, while fulfillment and privacy significantly influence customer loyalty. Meanwhile, system availability shows no significant effect on either satisfaction or loyalty, indicating that users perceive it as a basic feature rather than a determinant of experience. The results also demonstrate that customer satisfaction strongly predicts customer loyalty, emphasizing its mediating role in the relationship between service quality and loyalty. Overall, the study highlights the importance of efficient service, accurate fulfillment, and strong privacy protection in retaining e-commerce users from younger generations.

Keywords: *Fulfillment, Customer Loyalty, Customer Satisfaction, Privacy, Service Quality*

INTRODUCTION

The development of digital technology has brought significant changes to various aspects of Indonesian society, including social interaction patterns, the economy, and lifestyle (Fransisca & Ningsih, 2023). Digital technology not only facilitates access to information but also opens up opportunities for innovation in various fields, ranging from education, entertainment, communication, to economic services (Saladin & Faoziyah, 2024). Digital transformation enables people to carry out activities more efficiently and flexibly, including in trade and business transactions (Nazara et al., 2024). This digitization has also led to the emergence of new platforms that integrate various services into a single ecosystem, such as e-commerce, fintech, and online entertainment services.

Along with advances in digital technology, internet usage in Indonesia has experienced rapid growth. The latest data shows that the number of internet users in Indonesia has reached 224.2 million people, or around 79.5% of the total population (Databoks, 2024). The internet is used for various activities, including communication, entertainment, education, financial services, information searches, and online shopping. A Databoks survey noted that around 92.7% of internet users in Indonesia use the internet to search for product information and shop digitally. This shows that the internet is not only a means of communication, but also a major foundation for the development of the e-commerce sector in Indonesia.

E-commerce is a major sub-sector of Indonesia's digital economy, contributing significantly to the national digital economy. According to a report by Google, Temasek, and Bain