The Influence of Service Quality and Consumer Trust on Consumer Loyalty of Carousel Apps

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Abstract

The development and growth of technology in Indonesia gave rise to various types of new e-commerce. Various categories are available in e-commerce at this time, such as fashion, food, daily necessities, electronics and others. Fashion is the category with the largest consumer interest, but the fashion industry is also the biggest contributor to environmental damage. Public awareness of environmental damage raises the trend of buying and selling preloved goods or commonly called thrifting. Carousell app becomes one of the used goods trading platform that in reality still gets a lot of complaints from customers in various media. This research aims to find out and analyze the impact of service quality and Consumer Trust on customer loyalty in the Carousell App. This research uses quantitative method with descriptive research type. Sampling technique uses nonprobability sampling technique with saturated sampling category involving 385 respondents. Data analysis techniques using descriptive analysis and multiple linear regression analysis with the help of SPSS version 25. Based on the results of descriptive analysis of variable Service Quality, Consumer Trust and Overall Customer Loyalty in the good category. The magnitude of the influence of Service Quality and Consumer Trust was 74.47% and the remaining 25.53%% was influenced by other variables not studied in this study. Partially Service Quality and Consumer Trust have a significant impact on Customer Loyalty on the Carousell App. The highest influence is the Quality of Service and followed by Consumer Trust.

Keywords: e-business, e-commerce, business administration

1. Introduction

The development of internet and technology, puts Indonesia in the position of one of the highest ranked internet users and puts Indonesia at number 1 on e-commerce adaptation in the world. The development of e-commerce in Indonesia gave rise to a variety of e-commerce with their own uniqueness. Various types of goods and services are available on e-commerce and make it easier for consumers to meet their needs and desires. Reported in Indonesiabaik.id, the most purchased goods by consumers are in the fashion category with a percentage of 68% followed by gadgets 44% and electronics 35%. Fashion is one of the biggest contributors to environmental damage especially fast-fashion. Awareness of the environmental damage caused by fashion gave rise to preloved trends and became a high business opportunity. Many e-commerce provides features to resell used goods owned, such as Carousell, Bukalapak, Tinkerlust, OLX and many others. Carousell app is one of the containers to sell and buy used goods that make it easier for consumers to reuse items that are still worth using. However, the Carousell App still ranks quite low compared to similar apps. Reported on Similarweb.com, Carousell placed 18th in the App Store and 34th in the Play Store. The loyalty of customers using the Carousell app is one of the reasons why the Carousell app ranks low. Customer loyalty can mean that customers continue to use and re-use the services provided. According to Boonlertvanich (2018:279) "sercive quality is the antecendent of customer loyalty." Which means customer loyalty will appear if there is a quality of service in it. The authors found several reviews mentioning complaints from Carousell app users who complained about the poor quality of service provided. In addition to the quality of service, the problems experienced by users of the Carousell app are a matter of trust, while trust is a foundation of a business to continue to be sustainable. According to Kotler &Keller (2016: 225) consumer confidence is "Trust is the willingness of a firm to rely on a business partner. It depends on a number of interpersonal and interorganizational factors, such as the firm's perceived competence, integrity, honesty and benevolence", the point of the theory is trust

is the willingness of companies to rely on business partners. It depends on a number of interpersonal and interorganized factors, such as competence, integrity, honesty, and perceived virtue, one of the business partners in question is the consumer (Sulistijono et al., 2020). The theory is supported by the results of research conducted by Saufika said that loyalty is influenced by trust variables, the trust that users feel will encourage users to make transactions in XYZ e-commerce.

Based on the background that has been presented before, the authors conducted a study entitled "The Effect of Service Quality and Consumer Confidence at Carousell App Customer Loyalty".

2. Literature Review

According to Pradana & Wisnu (2021), marketing management is the process to improve the efficiency and effectiveness of marketing activities carried out by individua tau by the company. According to Kartawinata et al. (2010), the quality of service is a combination of characteristic properties that determine the extent to which the output can meet the requirements of the needs. Trust according to Priansa (2017:115) is the pillar of the business, where building and creating consumers is one of the most important factors in creating consumer loyalty. According to Schiffman et al in Adam (2015:61) loyalty is a commitment from a consumer to a product or service as measured by repurchase or attitudinal commitment.

Based on research questions and theoretical frameworks, the authors formulate several things regarding hypothesis that: "There is a positive and significant effect between service quality and consumer trust on consumer loyalty on Carousell App".

3. Methods

This research uses descriptive research type with quantitative method. Sampling technique uses nonprobability sampling technique with saturated sampling category involving 385 respondents. Data analysis techniques using descriptive analysis and multiple linear regression analysis with the help of SPSS version 25. In Kartawinata et al. (2020), the population is the entire group of people, events, objects that have attracted the author to be studied will be a barrier from the results of the research obtained. The population in this Study is customers who have traded and/or purchased at least 2 times in the Carousell app. However, the number of customers who make a sell and/or buy transaction on the Carousell app is unknown, as the number of users who download the Carousell app does not represent the number of users transacting in the Carousellapp. According to Fakhri et al. (2020), the sample is members of the population who were selected to be involved in the research, either to be observed, treated, or asked for opinions about what is being studied. Given the uncertainty of the number of populations that can not be described only by the number of users of the Carousell application, therefore in determining the number of samples will be determined using the formula Cochran in Sugiyono (2018:125) as follows:

$n=(z^2 pq)/e^2$

Description:

n = number of samples

z^2= Z value of required confidence level

p = probability rejected

q = probability of acceptance (1-p)

e = maximum tolerance miscarriage (0.1)

In this study using a level of thoroughness (α) 5%, a confidence level of 95% so that obtained a value of Z = 1.96. The error rate is determined at 5%. Meanwhile, the probability of the questionnaire being true (accepted) or false (rejected) is 0.5 each. Based on the above formula, the following results are obtained:

$$n ([1.96] 2 0.5x0.5)/0.25$$
$$n - 0.9604/0.0025$$
$$No. 384.16 \approx 385$$

Based on the results of the sample count, the figure was obtained 384.16 for the minimum sample count, but the authors rounded up to a minimum of 385 respondents to reduce errors in questionnaire filling. Although the number listed as many as a minimum of 385 respondents, the authors will collect as many samples as possible to obtain more valid results.

4. Results and Discussion

Table 1. Descriptive Analysis Results

Variable	Value	Description
Quality of Service (X1)	72%	Good
Consumer Confidence (X2)	70%	Good
Customer Loyalty (Y)	69%	Good

Based on the table above can be seen that the overall variable Quality of Service (X1) in the category of good with a percentage value of 72% This shows that the Carousell Application has done to five dimensions of variable quality of service well that is to create an application display that facilitates consumers, makes it easier for consumers to sell and buy used goods, provides fast and accurate information, provides good service to consumers and understands the wants and needs of consumers. Variable Consumer Confidence (X2) is also in the good category with a percentage value of 70%. It can be concluded carousell application has well implemented the three dimensions of variable consumer confidence, namely consumers believe in using services from companies, consumers believe in services provided by companies, and consumers believe companies will protect consumer wealth. Then overall the Customer Loyalty (Y) variable is in either category with a percentage value of 69%. It can be concluded carousell application has implemented to four dimensions variable customer loyalty and well maintain customer loyalty ie dimensions Repeat Buyer, Purchasses Across Product and Service Lines, Refers Other, and Demonstrates Immunity to the full of competitions.

Table 2. Multiple Regression Analysis
COEFFICIENTS^a

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	That's it, that's
(Constant)	1.730	.813		2.127	.034
Quality of Service	.315	.027	.592	11.482	.000
Consumer Confidence	.442	.077	.298	5.772	.000

1.   Dependent Variable: Customer Loyalty

From table 2. above obtained the following equation:

$$Y \; a + b_1X_1 + b_2X_2$$

$$Y \; x \; 1{,}730 + 0.315X_1 + 0.442X_2$$

Based on the equation, it can be concluded that there is a positive influence between the variable Quality of Service and Consumer Confidence with the variable Customer Loyalty. This means that if the Quality of Service and Consumer Confidence is improved then the customer loyalty variable will increase.

Table 3. F Test Results
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	12910.600	2	6455.300	559.017	.000^b
Residual	4411.177	382	11.548		
Total	17321.777	384			

1.   Dependent Variable: Customer Loyalty
2.   Predictors: (Constant), Consumer Confidence, Quality of Service

Based on table 3. can be known $F_{calculate} > F_{table}$ (559.017 > 2.9957) and its significance level is 0.000 < 0.05. This indicates that H0 is rejected and H_α accepted, meaning that the quality of service and consumer confidence together have a significant influence on customer loyalty.

Table 4. T Test Results
COEFFICIENTS[a]

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	That's it, that's
(Constant)	1.730	.813		2.127	.034
Quality of Service	.315	.027	.592	11.482	.000
Consumer Confidence	.442	.077	.298	5.772	.000

1. Dependent Variable: Customer Loyalty

Based on table 4. above can be seen that:

1. The service quality variable (X_1) has acalculated t value (11,482) > table t (1,960) and a significance level of 0.000 < 0.05, then rejected and accepted. This means that there is a significant impact of Quality of H_0 H_a Service (X_1) on Customer Loyalty (Y).
2. Consumer Confidence Variable (X_2) has $a_{calculated}$ t value (5,772) > t_{table} (1,960) and significance level 0.000 < 0.05, then rejected and accepted. This means that there is partially a significant influence of Consumer H_0 H_a Confidence (X_2) on Customer Loyalty (Y).

Table 5. Determination Coefficient Test Results
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.863[a]	.745	.744	3.39817

1. Predictors: (Constant), Consumer Confidence, Quality of Service
2. Dependent Variable: Customer Loyalty

Table 5. indicates that the R value of 0.863 and R square (R^2) are 0.745. The figure is used to look at the huge influence of service quality and consumer confidence on customer loyalty simultaneously. How to calculate R square by using a coefficient of determination (KD) by using the following formula:

$$KD = R^2 \text{ x } 100\%$$
$$KD = (0.863)^2 \text{ x } 100\%$$
$$KD = 74.47\%$$

The figure shows a determination coefisen (KD) of 74.47%. this indicates that the influence of independent variables (Quality of Service and Consumer Confidence) on dependent variables i.e. Customer Loyalty is 74.47%. While the remaining 25.53% was influenced by other factors not studied in this study.

5. Conclusion

Based on the results of research and discussion on " The Effect Of Service Quality And Consumer Trust On Consumer Loyalty At Carousell App", can be concluded as follows:

1. Service Quality in Carousell App is in good category
2. Consumer Confidence in the Carousell App is in a good category.
3. Customer Loyalty in the Carousell App is in either category.
4. Service Quality and Consumer Confidence have partially influenced customer loyalty in the Carousell App. The variables that have the most significant influence are the quality of service and the least consumer confidence.
5. Service Quality and Consumer Confidence simultaneously have a significant impact on customer loyalty in the Carousell App. The amount of simultaneous influence of service quality and consumer confidence on customer loyalty was 74.47% and the remaining 25.53% was influenced by other factors not studied in this study, such as system quality factors, information quality and purchasing decisions.

We advise the Carousell App to pay attention to and provide quality assurance of service, attention and confidence assurance, still need to be improved such as more responsive service and processing information from sellers so that consumers feel confident to use the Carousell App. In addition,Carousell App management is expected to conduct further verification of sellers as well as buyers to minimize sellers and buyers who have the potential to commit fraud.

Because fraud can occur from both sides both buyers and sellers. The Carousell App is expected to add features and fix crashes or lags so that it's convenient to use the Carousell App and reluctant to move to similar apps.

This study only examines the effect of service quality and consumer confidence on customer loyalty in the Carousell App, so for the next researcher it is recommended: Conduct research on other similar companies using the same variables so that the results can be compared. Then,conduct research on variables that are not studied in this study, such as information quality, system quality and purchasing decisions to see how much influence other variables are not studied in this study.andconduct research on the same variables with different expert theories so as to expand the science of libraries on variable qualityof service, consumer confidence and customer loyalty.

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