

## THE EFFECT OF BRAND AWARENESS AND ELECTRONIC SERVICE QUALITY ON LOYALTY OF E-COMMERCE CUSTOMERS

Frans Sudirjo<sup>1\*</sup>, Arief Yanto Rukmana<sup>2</sup>, Syarifuddin Syarifuddin<sup>3</sup>, Sudadi Pranata<sup>4</sup>,  
Munir Tubagus<sup>5</sup>

<sup>1\*</sup>Universitas 17 Agustus 1945 Semarang, <sup>2</sup>Sekolah Tinggi Ilmu Ekonomi STAN IM, <sup>3,5</sup>Institut Agama Islam Negeri Manado, <sup>4</sup>Universitas Catur Insan Cendekia

Email: [frans\\_sudirjo@untagsmg.ac.id](mailto:frans_sudirjo@untagsmg.ac.id), [ariefyantorukmana@gmail.com](mailto:ariefyantorukmana@gmail.com), [syarifuddin.mala@iain-manado.ac.id](mailto:syarifuddin.mala@iain-manado.ac.id), [sudadi.pranata@cic.ac.id](mailto:sudadi.pranata@cic.ac.id), [munir.tubagus@iain-manado.ac.id](mailto:munir.tubagus@iain-manado.ac.id)

### Article Info

Received: 26/07/2023

Revised: 13/08/2023

Accepted: 16/08/2023

The purpose of this study is to ascertain how client loyalty in the marketplace is impacted by brand awareness and the caliber of electronic services. Research of this kind is referred to as quantitative research. The sample for this study included up to 100 respondents who were students who had utilized e-commerce at least twice. Both incidental sampling and nonprobability sampling were used in the sampling strategy. Results of questionnaires that were delivered to respondents online through Google Form were used as the major source of data for this study. While this is happening, secondary data takes the shape of linked documentation. Then, multiple linear regression analysis, the classical assumption test, and instrument test analysis were used to analyze the data that had been obtained. The findings of this study suggest that customer loyalty is positively and significantly influenced by brand awareness and the quality of electronic services. This is demonstrated by the t test results, which have significance levels of 0.000 0.05 for the brand awareness variable and less than 0.05 for the electronic service quality variable.

Keywords: Brand Awareness, Electronic Service Quality, Customer Loyalty

### 1. Introduction

The business world is becoming more competitive, and technical advancements are becoming more sophisticated. Every businessperson or organization must be able to keep up with the advancement of this technology. One habit that has been entirely digitalized as a result of the advent of this technology is online shopping. Many people are switching from direct shopping in stores to online shopping because it is easier and more practical. Online shopping became a popular option for consumers, particularly during the COVID-19 pandemic, which forced people to avoid crowded places and activities with restricted options. E-commerce is one of the platforms that individuals utilize for online buying. By 2021, 88.1% of Indonesia's internet users will have made recent purchases via e-commerce platforms. According to the findings of the We Are Social poll conducted in April 2021; this proportion is the highest in the world. According to the Central Statistics Agency (BPS), online sales during the pandemic in March 2020 soared by 320% compared to all online sales at the beginning of the year [1].

According to the data above, online purchases have significantly increased. The marketplace business sector presents an opportunity for businesses and is characterized by fierce commercial competition. Marketplace is an internet-based online media platform for conducting business activities and buying and selling transactions between buyers and sellers. Intense business competition in the marketplace requires companies to make new innovations. In addition, companies are required to understand the needs of the market in order to retain their customers so that they remain loyal to the company's services. The emergence of markets in America, which gained popularity in 1995 with the appearance of eBay and Amazon, served as the catalyst for the commencement of the development of marketplaces in Indonesia. After Jack Ma established Alibaba, which has grown to be a sizable marketplace, business on the market in China began to pick up. In the meantime, the Kaskus buying and selling forum's founding in



1999 marked the beginning of online commerce in Indonesia [2].

Along with the advancement of the internet and digital technologies in Indonesia, market trends frequently continue to change. In 2009, a marketplace was founded under the name Tokopedia, which has developed so rapidly. So that the term marketplace has become popular among the public as a place to shop for various needs. In 2010, a marketplace called Bukalapak was present in Indonesia. Seeing the enthusiasm and high interest of the Indonesian people in the development of the marketplace has attracted foreign players to take advantage of this opportunity. In 2011, a marketplace from Singapore, Zalora, founded Zalora Indonesia [3]. In the following year, several marketplaces from abroad also participated in setting up marketplaces in Indonesia, including Shopee, Lazada, Blibli, and JD.id. Tokopedia is a marketplace brand that has won the TOP Brand Award for four consecutive years. The three factors of mind share, market share, and commitment share are used to gauge a brand's performance in order to become a TOP brand. The amount of mind shares a brand has in particular product categories demonstrates how well it can position itself in the thoughts of consumers. Market share, meanwhile, demonstrates a brand's power in the marketplace and is strongly tied to consumer purchasing patterns. Additionally, commitment share demonstrates the power of the brand in luring customers to make additional purchases in the future. This information shows that this brand has performed well in the minds of customers. For this reason, the marketplace must be able to keep its customers loyal to its services [4].

Customer allegiance, more commonly referred to as customer fidelity, is a manifestation of customer dedication to consistently utilize a product or service over an extended period. Customer allegiance is a customer's profound dedication to consistently renew subscriptions or repurchase chosen products or services in the foreseeable future, despite external factors and marketing endeavors that may prompt alterations in behavior [5]. The existence of high customer loyalty to a brand can provide various benefits for the company, including increasing company profits, creating operational efficiency, and minimizing costs to attract new customers. In free and completely unprotected trade, one of the foundations for a company's survival is loyal customers. One of the efforts that companies can make to maintain customer loyalty is to build brand awareness. Customers' capacity to identify or recall a brand based on a certain product or service category is known as brand awareness. With brand awareness in the minds of customers, it can be interpreted that customer are aware of the existence of a brand, which will make it easy for potential customers to make their purchasing decisions for that brand of product or service [6].

Increasing brand awareness is a common goal of a marketing communications programmer. Brand awareness in the market can provide opportunities for companies to dominate the market and simplify the sales process. In addition, building brand awareness in the market will protect the company's business continuity. Because the company's brand will always get attention from the market, it will always be trusted by customers. Strong brand awareness in the minds of customers will make them familiar with and trust the brand. So that over time, customers get used to using products or services from that brand. Feelings of compatibility with the brand will encourage customers to commit to using the brand's products or services in the future. This is because customers usually like something or a brand that is known and familiar to them. In addition, customers also consider a sense of security and reduce the risk of a product or service being used [7].

According to the preceding reasoning, brand awareness can contribute to a rise in customer loyalty to a good or service. A brand's trustworthiness increases with brand recognition, which might spark interest in repeat purchases. One of the most crucial elements in preserving client loyalty, aside from raising brand awareness for the business, is offering high-quality service. Because consumer repurchase intentions can be impacted by service quality in the future. A number of studies state that customers who receive excellent-quality services are



encouraged to make repeat purchases and disseminate information to other potential customers. Thus, providing excellent service quality to customers will encourage the realization of the company's profit target. One of the service quality models related to the marketplace is the quality of electronic services. One development in improving service quality is the concept of digital service quality, or e-service quality, which is used to measure client satisfaction via digital channels via the internet. Digital service quality measures how well and quickly a website can be used for shopping, purchasing, and delivery [8].

It is important for marketplaces to provide good-quality electronic services to their customers. Because this can be the main key to marketplace success in facing business competition. The main instrument for developing a competitive advantage in the online retailing business is to provide high-quality service to customers. With a website that has a good quality system, provides good quality information, and provides quality electronic services, this can provide a positive experience for customers. Customers will feel satisfied as a result of this satisfying experience, and this contentment will increase customers' loyalty to these services. Therefore, businesses need to be able to comprehend how customers view a service and the beneficial impact of service quality on the growth of online retail firms.

## **2. Methods**

This form of investigation is referred to as quantitative research. Quantitative research is a type of research that adheres to the positivist philosophy. Its objective is to examine specific populations or samples, collect information using research instruments, and analyze numerical and statistical data in order to test established hypotheses. The quantitative approach will be used to determine the significance of the relationship between the variables being investigated. The sources of data utilized in this investigation include primary and secondary data. The primary data in this study refers to the results obtained from questionnaires distributed to students who use the marketplace. Conversely, the secondary data in this research encompasses data acquired by researchers from books, journals, scientific papers, e-books, news sources, the internet, and other sources pertaining to the research subject. The group of individuals being studied in this research consists of all students, totaling 2015 people. The method used to choose samples in this study is a sampling technique that does not involve random selection. When determining the sample, a purposive sampling technique is employed. This technique involves selecting the sample based on specific considerations. The selection of the sample in purposive sampling is based on criteria that are considered relevant to the known characteristics of the population. In other words, the selected sample is tailored to specific criteria that are applied in accordance with the research objectives. The results of the aforementioned calculation have been rounded to 100, so the sample size for this study is 100 participants.

Data collection techniques are the approaches and instruments employed by researchers to gather information. For this particular investigation, the techniques employed to acquire data encompassed questionnaires and documentation. The questionnaire utilized in this study was structured as a closed-ended survey, wherein respondents were tasked with selecting one of the predetermined answer choices. These answer choices were presented in the form of a Likert scale. The Likert scale serves as a tool to gauge an individual's attitudes, opinions, and perceptions regarding a given social phenomenon. Data gathering techniques using the documentation method are methods to acquire data or information from books, notes, transcripts, newspapers, magazines, inscriptions, meeting records, ledgers, schedules, and other sources. Documentation utilized in research comprises of books, journals, electronic books, scientific papers, and data from the internet that substantiates research references. Data evaluation is a task that takes place subsequent to obtaining or collecting data from all participants or other data origins. In this investigation, the data analysis techniques employed involve descriptive statistics.



### 3. Results And Discussion

The outcomes of the categorization of participants revealed that the participants in this research were primarily female, specifically 67 women, or 70.5%. In contrast, the number of male participants was 28 individuals, or 29.5%. The participants in this study were predominantly students specializing in Administration (a total of 35 students, or 35.8%), followed by Islamic Accounting students (a total of 25 students, or 26.3%), students majoring in Islamic Economics (a total of 20 students, or 21.1%), and students enrolled in the Islamic Banking S1 program (a total of 15 students, or 15.8%). The participants in this study were mainly from the 2018 class, with 61 students, or 64.2%, followed by the 2019 class with 22 students, or 23.2%, the 2020 class with 8 students, or 8.4%, and the 2021 class with 4 students, or 4.2%.

From the outcomes of the descriptive statistical examination, the subsequent outcomes are acquired: The variable of brand recognition possesses a minimum value of 5, a maximum value of 20, a median value of 15, an average value of 15.21, and a standard deviation value of 2.910. The variable of electronic service excellence possesses a minimum value of 30, a maximum value of 75, a median value of 62, an average value of 61.58, and a standard deviation value of 8.940. The variable of customer fidelity possesses a minimum value of 7, a maximum value of 20, a median value of 15, an average value of 14.77, and a standard deviation value of 3.181. The outcomes of the regression examination, which can be perceived above, are the constant value of -1.158, the beta value of brand recognition is 0.708, and the beta value of electronic service excellence is 0.084. The equation for multiple linear regression is as follows: The outcome of the constant value ( $\alpha$ ) is -1.158. This implies that if the level of brand recognition and the quality of electronic service factors are both at 0, then the level of customer loyalty will decrease by -1.158. The regression coefficient for the brand recognition factor ( $\beta_1$ ) has a positive value of 0.708. This implies that, provided the other independent variables stay constant, customer loyalty will grow by 0.708 for every 1 unit increase in brand recognition. The electronic service quality factor ( $\beta_2$ )'s regression coefficient shows a positive value of 0.084 as well. This implies that, provided the other independent variables stay constant, customer loyalty will improve by 0.084 for every 1 unit increase in service quality.

The coefficient of determination test yielded a R Square score of 0.670. This suggests that 67% of the influence on customer loyalty comes from factors connected to brand recognition and the caliber of electronic services, with the other 33% being influenced by factors not covered in this study. The brand awareness variable's significance value in the aforementioned t test is 0.000, or less than 0.05. The t value is 8.320, which is higher than the t table value of 1.986, and this is another factor. Therefore, it can be said that when considered separately, the brand recognition variable has a positive and considerable impact on consumer loyalty. As a result, H1 is approved while H0 is disapproved. The significance value for the electronic service quality variable in the t test given above is 0.003, which is less than 0.05. Additionally, the t value, which is 3.018, is higher than the t table value, which is 1.986. Therefore, it can be concluded that when considered separately, the electronic service quality variable also has a favorable and considerable impact on customer loyalty. As a result, H2 is approved while H0 is disapproved.

Based on the findings of testing the initial hypothesis, it was discovered that the variable of brand recognition had a favorable and noteworthy impact on customer devotion. This is corroborated by the results of the t-test, which produced a significance value of 0.000, less than 0.05, and a computed t-value of 8.320, above the t-table value of 1.986. These findings imply that H0 is rejected and H1 is accepted. Given that H1 was accepted and H0 was rejected, our analysis has confirmed that brand familiarity has a favorable and significant impact on consumers' loyalty in the marketplace, particularly among students. The findings of this study

demonstrate that brand recognition can be a contributing factor in the formation or enhancement of customer loyalty. The ability of a customer to recognize or recall a brand, including those that fall under a particular product or service category, is referred to as brand recognition. With brand awareness in the minds of customers, it will be easier for them to make purchasing decisions. If a customer needs a product or service in a certain category, the brand that first appears in the mind of the customer is one with a strong level of brand awareness.

One of the roles of brand awareness is familiarity (liking) and commitment. If a brand has high brand awareness, then customers will be very familiar with the brand, and the longer it is marketed, the higher the sense of liking for the brand being marketed. In addition, brand awareness can be a marker of existence, commitment, and an important core value for a company. Because if awareness of a brand is high, then its presence will always be felt. In order for customer loyalty to be established, it is crucial for marketers to create a strong presence of brand recognition in the minds of customers. This will enable customers to have a greater understanding of the products or services being offered. This study supports previous research findings that indicate a positive and substantial impact of brand recognition on customer loyalty. Furthermore, this study aligns with other research that also highlights the positive and significant influence of brand recognition on customer loyalty.

After analyzing the outcomes of testing the second hypothesis, it was discovered that the variable of electronic service excellence had a favorable and noteworthy impact on customer devotion. The results of the t test, which produced a score of  $0.003 < 0.05$  and a t-count score of  $3.018 > 1.986$  t-table, can be used to confirm this. These findings suggest that H2 is acknowledged and H0 is discarded. With the outcomes of testing H2 acknowledged and H0 refuted, this investigation demonstrates that the excellence of digital amenities has a favorable and noteworthy impact on the customer allegiance of marketplace users amidst students. The findings of the information above suggest that the greater the standard of electronic marketplace amenities, the greater customer allegiance will be. The quality of electronic services is how well the services provided online can provide convenience, effectiveness, and efficiency when customers make purchases or deliver products or services. It is important for companies to provide good service to their customers, whether in the form of general services or electronic services. Services that match or exceed customer expectations will provide a sense of satisfaction for customers. Contentment can be one of the motivating factors for the establishment of customer allegiance.

The existence of good services such as convenience, speed, and smoothness when using the site, availability of complete features, speed in sending orders, appropriate orders, and security of customer personal data information can increase marketplace customer loyalty in reusing and recommending marketplace applications to others. This study confirms findings from past studies showing the quality of e-services has a positive and significant influence on customer loyalty. Additionally, this research supports past studies that show how the caliber of electronic services has a favorable and considerable impact on consumer loyalty.

#### 4. Conclusion

The variable affecting brand awareness has a favorable and significant impact on customer loyalty. The significant value of  $0.000 < 0.05$  for the brand awareness variable and the t-count value of  $8.320 > 1.986$  t-table serve as evidence for this. Accordingly, a customer's brand knowledge has a greater impact on their likelihood to remain a loyal client. The electronic service quality variable has a positive and significant impact on customer loyalty, as evidenced by its significance value of  $0.003 < 0.05$  and t-count value of  $3.018 > 1.986$  t-table. This implies that the impact on customer loyalty is greater the higher the quality of electronic services. Researchers offer guidance to e-commerce based on the findings of this study in order to maintain brand awareness and the caliber of electronic services in order to preserve client





loyalty. This is done in an effort to help e-commerce figure out the best course of action to boost client retention and business revenues. The findings of this study are hoped to be used as a guide for future study. Additionally, it is hoped that future researchers will analyze additional variables not covered in this study and will use different statistical methods in their research so as to enhance this study's findings.

### Reference

- [1] Darmawan, D. (2013). *Quantitative Research Methods*. Bandung: Remaja Rosdakarya.
- [2] Iriantini, D. B. (2022). Creating Customer Loyalty through e-Commerce Shopee Satisfaction. *Jurnal Pendidikan dan Kewirausahaan*, 10(2).
- [3] Rukmana, A. Y. (2017). *ANALISIS PENGARUH PEMBELAJARAN DI SMK DAN KEAHLIAN KEWIRAUSAHAAN TERHADAP NIAT DAN SIKAP KEWIRAUSAHAAN SISWA SMK PELITA BANDUNG* (Doctoral dissertation, Tesis Program Magister Management Universitas Widyatama Bandung).
- [4] Rukmana, A. Y. et al. (2023). Optimizing the Role of Business Incubators in Higher Education: A Review of Supporting Factors and Barriers. *West Science Business and Management*, 1(3), 169-175.
- [5] Firmansyah, M. A. (2019). *Product and Brand Marketing (Planning & Strategy)*. Pasuruan: Penerbit Qiara Media.
- [6] Hidayah, F. E., & Suryadi, N. (2021). The Effect of E-Service Quality on E-Loyalty Through E-Satisfaction in Tokopedia E-Commerce Users. *Jurnal Ilmiah Mahasiswa FEB*, 9(2).
- [7] Sitorus, S. A., Romli, N. A., Tingga, C. P., & Sukanteri, N. P. (2022). *Brand Marketing: The Art of Branding*. Bandung: Media Sains Indonesia.
- [8] Sugiyono. (2017). *Quantitative, Qualitative and R&D Research Methods*. Bandung: Alfabeta.