



Application Quality, Product Innovation, and Popularity in Influencing Shopee Consumer Satisfaction and Repurchase Intentions in Indonesia

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ABSTRACT

The use of e-commerce as a medium for online goods and service transactions has increased every year, including shopping. In its application, the quality of the application, product innovation, and product popularity is of concern to various parties. This study aims to analyze the correlation between application quality, product innovation, and popularity influencing the satisfaction and repurchase intentions of Shopee consumers in Indonesia. Quantitative research with a statistical approach was used in this study. Primary data came from Indonesia, where 314 people filled out questionnaires sent through google forms. The data was taken using non-probability sampling, and the data analysts used structural equations models with AMOS. The results showed that the satisfaction and repurchase intentions of shopping consumers in Indonesia were influenced by product quality ($p=0.000$) and popular products ($p=0.000$) but not influenced by product innovation ($p=0.071$). Consumer satisfaction directly affects repurchase intentions of Shopee consumers in Indonesia. Hence, shopping service providers need to improve the quality and popularity of their products and support them with new ideas to make customers happier and more likely to buy again.

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1. INTRODUCTION

The rapid development of information technology and the rate and scale of this change for the whole society is such that this phenomenon has been compared with the nineteenth century's industrial revolution and dubbed the Internet revolution (Rachmawati et al., 2020; Zhao & Wagner, 2022). Interestingly, comparisons with the industrial revolution can also be applied to other aspects. The revolution was defined as a significant development and change in the provision of facilities and the needs of society from conventional to machine (Liu, 2015). Nowadays, most human work is assisted by machines while preserving the environment (Mertha Adnyana & Sudaryati, 2022). Things that can be found easily are various e-commerce that provides fast and accessible

services to their customers. E-commerce can also improve the efficiency of a company's operations and make its products more likely to grow (Lightner, 2004; Putri et al., 2021; Wang & Huang, 2022).

Shopee e-commerce is one of the many application products that are widely used by people in Indonesia (Simbolon et al., 2022). Apart from the ease of shopping, e-commerce can facilitate consumers through various strategies. Cetin's (2020) research describes quality as a provision that has a relationship with products, services, human resources, processes, and places that can meet or increase opportunities. Quality is a factor that can be reduced through process improvement, reduction in product variation, or process variation. The perceived quality of the website includes many aspects of service quality that are important in achieving satisfaction. After evaluating e-commerce websites, Lightner (2004) noted the quality of the information provided on websites that play an essential role in reaching consumers.

Furthermore, product innovation aims to increase market demand, so innovative products are one way that can be used as a competitive advantage for companies. Zhang et al. (2013) revealed that the company's strength in consistently applying innovation to the product is to keep the product in line with what is desired and expected. The company's increasing progress characterizes its progress in implementing product innovation compared to its competitors. His popularity has also increased his challenges. A lack of data is currently available on online trading platforms, leading to business database maintenance and performance issues. Previous studies have seen satisfaction as a critical principle of interest in various marketing-related areas (Kim et al., 2012). Consumer satisfaction is a form of the positive psychological state resulting from evaluating the purchase experience (Chiu & Cho, 2019). Customer satisfaction is influenced by past experiences, which are critical in encouraging and maintaining consumers' purchasing behavior and determining their intention to repurchase (Kassim & Abdullah, 2010; Kim et al., 2012; Ode & Ayavoo, 2020).

However, there have not been many studies that explain the correlation between product quality, innovation, and product popularity in buying back goods and services from the same marketplace and satisfaction in shopping. This study aims to analyze the correlation between application quality, product innovation, and popularity in influencing the satisfaction and repurchase intentions of Shopee consumers in Indonesia. Hopefully, this research can bring up new perspectives on increasing consumer satisfaction and repurchase intentions using the Shopee marketplace in the future.

2. RESEARCH METHOD

A quantifiable type of descriptive research with a statistical approach (Darwin et al., 2021). In this study, we used primary data from the results of disseminating questionnaires using google forms to social media. As a result, 314 respondents participated in this study and filled out the survey. Research samples are determined using non-probability sampling techniques in the form of convenience sampling through snowball sampling calculations. The criteria for applying are: residing in Indonesia, using the Shopee application, having used the Shopee application/marketplace in the past year, and being over fifteen years old. Five sections of the questionnaire are adjusted to the research variables. The hypotheses in this study include: H1, namely the perception of application quality, has a positive effect on customer satisfaction; H2, namely the perception of product innovation, has a positive effect on consumer satisfaction; H3, namely the popularity of the shopping application, has a positive effect on consumer satisfaction; and H4, namely consumer satisfaction, has a positive effect on repurchase intentions. Furthermore, descriptive analysis was used to determine the sociodemography of respondents, and statistical analysis was used to test the interrelationships between research variables. The analysis used an equation model

structure with a significance level of $p < 0.05$ at a confidence level of 95%. Subsequent results are depicted in models, graphs, and narratives.

3. RESULTS AND DISCUSSIONS

3.1 Descriptive analysis

The descriptive analysis results, which reviewed the characteristics of respondents in terms of gender, age, last education, income, the number of purchases, and occupations, are presented in bold 1. The results were obtained by the gender of the respondents nominated by women. This is because women's interest in shopping is more significant than male. The respondents' age was 18–21 years, classified as a teenager. High schools as equals with an income of IDR <1,500,000 and working as students dominated the previous education.

Table 1. Sociodemographic Data of respondents (n = 314)

Characteristic	Number of Respondents	Percentage (%)
Gender		
Male	137	43.6
Female	177	56.4
Age		
< 17 years old	9	2.9
>32 years old	85	27.1
18 - 21 years old	146	46.5
22 - 26 years old	54	17.2
27 - 31 years old	20	6.4
Pendidikan Terakhir		
Diploma	31	9.9
Postgraduate	7	2.2
Bachelor	77	24.5
High school equivalent	197	62.7
Junior High School	2	0.6
Income		
< 1,500,000	154	49
> 4,500,000	39	12.4
1.500.00 - 2.500.000	61	19.4
2.500.000 - 3.500.00	38	12.1
3.500.000 - 4.500.000	22	7.0
Purchase Quantity		
> 10 times per month	15	4.8
1-2 times per month	161	51.3
6 - 10 times per month	57	18.2
Only a few times in a month	81	25.8
Respondent's Job		
freelance	1	0.3
Teacher	1	0.3
Housewife	14	4.5
BUMD employees	1	0.3
Private sector employee	93	29.6
Etc	1	0.3
Lending officer	1	0.3
Student	165	52.5
Student	11	3.5
Retired	1	0.3
civil servant	4	1.3
Private	1	0.3
Entrepreneur	20	6.4

3.2 Hypothesis analysis

In hypothesis testing, we obtained for the normality of the data a multivariate CR value of 0.750, which means that it is already between + 2.58 and - 2.58. Thus, the accurate data is usually distributed. The outlier test obtained the highest value of 31,997, thus not exceeding the c-square value of 32. The data in this study were free from outliers. Furthermore, the confirmatory analysis (validity and reliability) obtained all indicators having a loading factor value of more than 0.5. Therefore, all indicators in a valid state with the value of goodness of fit have met all criteria, although, with 1 criterion, there is still marginal fit. The results of hypothesis testing using the Structural Equation Model (SEM) are presented in figure 1 and table 2.

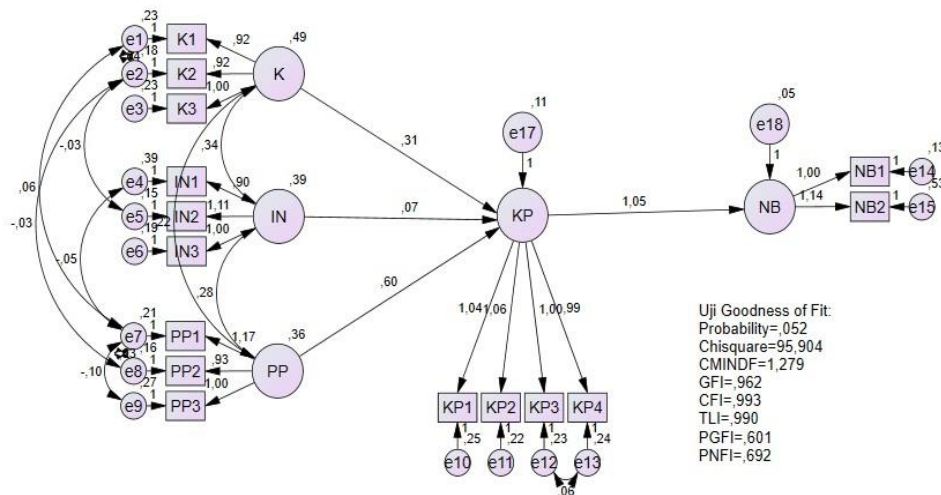


Figure 1. SEM Model Hypotheses between research variables

Table 2. Regression weight test results between research variables

	Estimate	SESE.	CR.	P	Information
KP ← K	0.308	0.075	4,114	0,000	Significant Positive
KP ← IN	0.071	0.118	0.603	0.547	Positive Not Significant
KP ← PP	0.596	0.098	6,096	0,000	Significant Positive
NB ← KP	1,046	0.062	16,876	0,000	Significant Positive

The research findings in table 2 are derived from hypothesis 1. The t-statistic value is 4.114 (> 1.96) with a probability of 0.000 (p<0.05). Thus, in Indonesia, product quality positively and significantly impacts retail consumer satisfaction. This indicates that the better the quality of the website, the more Shopee customer satisfaction will be. Therefore, shopper product sellers should pay attention to the quality of the website and products in order to able to increase customer satisfaction. Regarding this, the perception of website quality is a significant topic of discussion in the e-commerce industry (Anggara & Dirgantara, 2022; Haq & Awan, 2020; Singh et al., 2020).

This finding is supported by previous research that shows website quality significantly affects increasing satisfaction. Lightner (2004) observed that gaining contentment is significantly influenced by the caliber of the material offered on the website. Additionally, several elements of service quality that are significant in obtaining satisfaction are included in perceived website quality (Hidayat et al., 2016). In line with

the research of Pratiwi et al. (2021), they found that the important role of website quality can significantly increase consumer satisfaction and loyalty. Likewise, Nguyen et al. (2020) also found that customer satisfaction will increase with good quality. Some of these studies stress how important quality is, especially when it comes to managing a website for a product so that it can make customers happier (Anggara & Dirgantara, 2022; Tandon et al., 2020)

In the second hypothesis, a statistical t-value of 0.603 (<1.96) with a probability of 0.547 ($p < 0.05$) was obtained. Thus, the innovation variable had a positive but insignificant effect on Shopee customer satisfaction. This is so because creativity is a trait that indicates how receptive a society is to novel concepts. From the standpoint of the customer, contentment is attained when an innovative component in its service or product is valued. Customers anticipate that the ideas brands use will advance in line with the prevailing fashion. Therefore, in order to preserve a reputation for innovation and focus their efforts on coming up with original and unorthodox ideas, service providers must make sure that their distinctive qualities remain constant throughout time. (Kim et al., 2012). Chang & Ko's (2014) research shows that innovation significantly affects customer satisfaction. However, the results of this study do not match up with their findings. However, research by Ibrahim & Yusheng (2020) results show that innovation does not significantly affect customer satisfaction, which is in line with evaluating the second hypothesis.

The third hypothesis obtained a statistical t-value of 6.096 (> 1.96) with a probability of 0.000 ($p < 0.05$). In light of this, popularity has a positive and noteworthy impact on consumer satisfaction. These findings suggest that a successful product's popularity might boost consumer satisfaction. This proves that popularity is a crucial element in store product marketing if you want to boost consumer happiness. The results of the third hypothesis analysis are supported by several previous studies, such as Garcia et al. (2020), which found that increasing popularity will increase consumer satisfaction. Cetin (2020) also found findings supporting the third hypothesis in the study, that popularity may increase customer satisfaction. Popularity is the idea that lots of individuals are aware of and utilize a specific group purchasing site's services (Khamwon & Sorataworn, 2021; Lova, 2021). Consumers may use a product's popularity to justify their purchases by pointing out that other people are doing the same thing. Additionally, sales incentives like discounts might persuade devoted consumers to sometimes purchase items before the consumption date (Zhang et al., 2013).

Finally, for the fourth hypothesis, a statistical t-value of 6,096 (> 1.96) with a probability of 0.000 ($p < 0.05$) was obtained. Thus, customer satisfaction positively and significantly affected the intention to buy back shopped products. The analysis results in this study show that the fourth hypothesis is supported, so it is proven that increasing customer satisfaction can significantly increase the purchase intention of returning shoppers. The analysis results in this study align with Pandiangan et al. (2021), which found that customer satisfaction with shopping products can give rise to the intention of buying back the same product. Likewise, Tandon et al. (2020) state that satisfaction with the product and the website can increase the intention to buy back from consumers. Satisfaction is a consequence of the customer's experience during various purchasing processes: generating needs, information search, evaluating alternatives, purchasing decisions, and post-purchase behavior (Novitasari et al., 2022; Sullivan & Kim, 2018). A repurchase intention is a repurchase intention for a product with the same brand a consumer has bought.

4. CONCLUSION

Shopee is one of the most popular e-commerce sites in Indonesia. In our analysis, shopping consumers' satisfaction and repurchase intentions in Indonesia were obtained,

influenced by product quality ($p = 0.000$) and product popularity ($p = 0.000$), but not influenced by product innovation ($p = 0.071$). Consumer satisfaction directly affects the buyback intention of shoppers in Indonesia. Thus, shopping service providers need to improve the quality and popularity of products and be supported by innovations to increase satisfaction and have implications for repurchase intentions by consumers. In the future, further research is needed to be related to the effectiveness and quality of product governance and consumer satisfaction in e-commerce companies based on the role of mediation and moderation of each external factor.

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