

EFFECT OF ORGANIZATIONAL REPUTATION ON E-LOYALTY ON BIBLI CONSUMERS IN JABODETABEK: THE ROLE OF E-TRUST AND E-SATISFACTION

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ABSTRACT

The growth of the economy supported by technology has been generated in a shift from the conventional to the digital era, the impact is very much felt in the commercial world, where the emergence of e-commerce is one clear evidence of this shift. One of the e-commerce companies in Indonesia that became one of the pioneers was Blibli, where at first Blibli was one of the top three e-commerce sites in Indonesia, but unfortunately there was a decrease in the number of users which caused Blibli to experience stagnation while other e-commerce companies actually experienced an increase in the number of users. The stagnation is in part attributed to the low number of new users and Blibli's failure to retain existing users. Therefore, this study was conducted to find out the factors that caused Blibli's consumer loyalty to be low, where the main determinants taken into account are organizational reputation, e-trust, and e-satisfaction. This research was conducted quantitatively, using a questionnaire distributed online, with a total sample of 273 respondents obtained using non-probability sampling techniques and purposive sampling methods, the data obtained were then processed using the SmartPLS statistical application.

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1. INTRODUCTION

Indonesia is one of the countries that has the fastest e-commerce growth in the world, where in 2019 it was recorded that e-commerce in Indonesia grew 78% compared to the previous year (KataData, 2019), this increase is the highest in the world and at the same time shows that e-commerce is very welcome in Indonesia. This high growth was due to high internet penetration among the public, as well as increasing trends to open businesses online or non-physically. E-commerce competition in Indonesia itself is generally dominated by Shopee, Tokopedia, Lazada, Bukalapak, and Blibli.

Shopee, Tokopedia, Lazada, and Bukalapak consistently occupy the top four positions in various surveys regarding e-commerce that are frequently used by Indonesians, while Blibli is always in fifth position or even below that. When looking at the visitor data for the 2017-2019 period as reported by KataData, it was found that Blibli did not experience much change in the number of sales or the number of visitors, even in several quarters it experienced a decline, so it can be explained that in general Blibli experienced stagnation. Therefore it can be concluded that the loyalty of Blibli consumers is in an unfavorable condition. Whereas, it can be justified from the business's perspective that the company did not succeed in maintaining or gaining new clients.

The loyalty of a consumer is one of the most important factors in the marketing of a company, especially in e-commerce competition because of the increasing intensity of competition in the industry from year to year. (Fazria & Rubiyanti, 2019). Therefore it is necessary to conduct a study to find out the factors that are the main determinant of the low loyalty of Blibli consumers. Sadeghi, Ghujali, & Bastam (2018) explained that e-loyalty is influenced by various factors, some of which are organizational reputation, e-trust, and e-satisfaction, where organizational reputation also has an influence on e-trust and e-satisfaction.

Table 1. Research Gaps

No	Research result	Researcher
1	Organizational Reputation has a positive and significant influence on e-loyalty	Chalirafi et al. (2021), Pratondo and Zaid (2021)

	<i>Organizational Reputation</i> has a positive but NOT significant effect on e-loyalty	Sadeghi et al. (2018)
2	<i>E-satisfaction</i> has a positive and significant influence on e-loyalty <i>E-satisfaction</i> has a positive but NOT significant effect on e-loyalty	Ting et al. (2016), Ngatno and Ariyanti (2021) Sadeghi et al. (2018)
3	<i>E-trust</i> has a positive and significant influence on e-loyalty <i>E-trust</i> has a positive but NOT significant effect on e-loyalty	Chalirafi et al. (2021) Sadeghi et al. (2018), Hendrawan and Agustini (2021)

Aside from actual issues, this study has a research gap, particularly in comparison to research by Sadeghi et al. (2018), where there are discrepancies in the findings about the effects of organizational reputation, e-satisfaction, and e-trust on e-loyalty. Therefore this research was also conducted to provide evidence regarding the research results of previous researchers which still contradict each other.

2. LITERATURE REVIEW

Organizational Reputation

Organizational reputation is a very crucial component in shaping the success of a company, because reputation is related to the level of familiarity of a consumer with a company and what expectations they expect from the company (Bass, 2018). Organizational reputation can also be considered as an advantage or award that is obtained by a company because they are able to provide positive value or benefits or exceed expectations from their consumers, which originate from the products or services they produce, their services, as well as the values or philosophies they adhere to or hold (Aryska & Kasmirudin, 2017). Jung & Seock (2016) explained that organizational reputation is a result or result of all forms of activity, activities,

Schreiber (2011) explains that in looking at organizational reputation there are two main perspectives, namely the perspective of the company and stakeholders. Reputation based on the company's perspectives or perspective is an intangible asset that has enormous value and benefits because it enables a company to manage the expectations and needs of various stakeholders in it. Meanwhile, from the stakeholder's perspective, reputation is an intellectual, emotional, and attitude response to whether or not communication and actions of a company are accepted or not against their needs or interests. Organizational reputation is basically an intangible asset that is very valuable because it is not only able to influence consumers who have used their products or services,

E-Trust

Giovanis and Athanasopoulou (2014) define e-trust as a basic or initial stage of establishing and maintaining a relationship between consumers and a site, when consumers feel that the information provided is in accordance with reality, the willingness of these consumers appears to give their trust to the site. Trust is a willingness from consumers to believe that a company will fulfill promises in accordance with their initial expectations or expectations, regardless of the conditions and situations (Brilliant & Achyar, 2013).

E-trust is one of the main factors that determine consumer retention, therefore its role is very crucial in the context of the relationship between companies and shareholders (consumers and society), because consumers who have high trust in companies have more chances to stick with their choices (Astono, 2021). Trust is also one of the factors that can save companies when they make mistakes or face a problem that can threaten consumer interest in their products and services.

E-Satisfaction

E-satisfaction is an overall assessment of previous experiences when using an e-commerce site for shopping, where this experience will form satisfaction if it matches the initial expectations of consumers or can also form dissatisfaction if it does not match their expectations (Saraswati & Indriani, 2021). Pan & Nguyen (2015) explained that satisfaction is basically an evaluation of the benefits or value one actually gets with what is in one's expectations, where the benefit or value one gets is greater than expectation will bring feelings of satisfaction and pleasure and benefits or a lower value than expectations will lead to feelings of dissatisfaction and disappointment.

Ngatno & Ariyanti (2021) explain that previous experience is the key to e-satisfaction, because consumers assess their previous experiences in using a product or service to determine their satisfaction or dissatisfaction. Therefore it can be explained that the first experience is the most important aspect in e-satisfaction because an unpleasant first experience will create dissatisfaction that makes consumers reluctant to try further experiences.

E-Loyalty

E-loyalty is a generally long-term commitment from a consumer to consistently make return visits to a site and shop at that site, rather than looking for other sites (Chi et al., 2015). This commitment is formed when a consumer feels that his shopping experience on a site is superior or memorable compared to other sites so that a desire is built to get that experience back. Customer loyalty is repeated buying behavior for a particular product or brand (Tjiptono, 2011). In addition, Griffin (2010) also defines customer loyalty as an action or buying behavior on a regular basis or there is a condition where consumers are required to buy at least twice within a certain time interval.

In the face of increasingly strong business rivalry, maintaining e-loyalty is one of the primary strategies employed by businesses to hold onto market share and create a competitive edge. (Chi et al., 2015). Because basically consumers who have high loyalty will have a tendency to stay with the company as long as the company is able to consistently maintain the value and benefits it provides to consumers, or can even increase it in order to increase customer loyalty even higher (Pahlopi & Arifin, 2017) .

Corelation Organizational Reputation Against E-Satisfaction

The reputation of a company has the ability to shape or influence high or low consumer perceptions of the possibility of expectations that they can form for the performance of the company (Aryska & Kasmirudin, 2017), where consumers will generally have higher expectations on companies that have good reputation compared to companies with low reputation. In addition, consumers also generally have their own satisfaction when they shop at a company that has a high reputation, namely satisfaction in fulfilling the shopping experience (Sadeghi et al., 2018).

Pandjaitan et al. (2015), Jung & Seock (2016), Arsyka & Kasmirudin (2017), Sadeghi et al. (2018), and Islam et al. (2021) found that organizational reputation has a significant and positive effect on e-satisfaction, which indicates that a good or bad reputation of a company will affect its satisfaction when shopping on an e-commerce site.

H1: Organizational reputation has a positive influence on e-satisfaction.

Corelation Organizational Reputation Against E-Trust

Consumers in general will have more confidence to shop or transact in e-commerce if the e-commerce has a good reputation, because according to them the risk and possibility of an unwanted event occurring will be lower when compared to e-commerce that does not have a reputation good (Afiah, 2018). The better the reputation of an e-commerce company, the higher the confidence of a consumer to trust the quality of service and products (Pahlopi & Arifin, 2017), especially if there is support in the form of testimonials or experiences from other people regarding the reputation of the company (Subiantara & Sukoharsono, 2013).

Companies that have a good reputation also have the possibility or ability to recover the trust of their customers more quickly if they experience a problem that causes trust to decrease, especially when compared to companies with a bad reputation, where a fatal mistake can eliminate consumer trust in the company (Nguyen et al., 2013)

Research by Nguyen et al. (2013), Subiantara & Sukoharsono (2013), Pahlopi & Arifin (2017), Afiah (2018), and Sadeghi et al. (2018) found that there is a significant and positive effect of organizational reputation on e-trust, where the higher the organizational reputation owned by an e-commerce, the higher the level of e-trust from consumers.

H2: Organizational reputation has a positive influence on e-trust.

Corelation Organizational Reputation Against E-Loyalty

When a company has a good reputation and is attractive from a consumer's perspective, these consumers will be more loyal to that company compared to other companies that have a lower reputation, this is because these consumers are worried that if they move to another company, the service and the experience gained will not be as good as a company with a high reputation (Astono, 2021).

For companies, reputation can function as a factor that influences customer retention, especially if the company can build consistency between reputation and reality (Bass, 2018), therefore organizational reputation has a very important role in building the loyalty of a consumer to his company. .

Research by Panjaitan et al. (2015), Bass (2018), Astono (2021), and Islam et al. (2021) found that organizational reputation has a significant and positive influence on e-loyalty, but research from Sadeghi et al. (2018) found that there was a positive but not significant effect, so researchers wanted to prove whether organizational reputation has a significant and positive effect on e-loyalty.

H3: Organizational reputation has a positive influence on e-loyalty.

Crelation E-Satisfaction Against E-Loyalty

Consumers who have a high level of satisfaction with a product generally have greater attachment or interest in the product, so they feel reluctant to switch to other products (Fazria & Rubiyanti, 2019), therefore e-satisfaction is often regarded as one of the one of the main determinants of the formation of e-loyalty among consumers (Saraswati & Indriani, 2021).

Satisfaction is an indicator that a company has succeeded in meeting the expectations or expectations of a consumer for a product or service, as well as the services provided by it (Panjaitan et al., 2015), when a consumer feels that their expectations have been successfully met, the consumer they will hope to get the same experience so that the greater the chance for consumers to want to repurchase (Chi et al., 2015), where the desire to repurchase is one of the main indicators of e-loyalty (Jeon & Jeong, 2017).

Research conducted by Chi et al. (2015), Panjaitan et al. (2015), Jeon & Jeong (2017) and Saraswati & Indriani (2021) found that e-satisfaction has a significant and positive effect on e-loyalty, but research by Sadeghi et al. (2018) found that e-satisfaction did not have a significant, albeit positive, effect on e-loyalty, this research difference will be proven in research.

H4: E-satisfaction has a positive effect on e-loyalty.

Corelation E-Trust Against E-Loyalty

Consumers who have high trust in a company's products because of their experience in using the company's products or services will be more loyal and reluctant to switch to another company because they feel that the benefits or value they get from other companies will not be as great as the benefits or value that comes from them. from the current company (Hidayah, 2017).

E-loyalty can also be viewed as a form of long-term relationship that is forged by a consumer towards a company, where both parties show a consistent attitude and are built on the basis of trust from consumers that the company will continue to provide its commitment to provide quality products, services or services to them (Giovanis & Athanasopoulou, 2014).

Research conducted by Brilliant & Achyar (2013), Chi et al. (2015), Hidayah (2017), and Astono (2021) found that e-trust has a positive effect on e-loyalty, but research by Sadeghi et al. (2018) found that e-trust does not have a significant, albeit positive, effect on e-loyalty, therefore this research will prove a significant and positive effect of e-trust on e-loyalty.

H5: E-trust has a positive effect on e-loyalty.

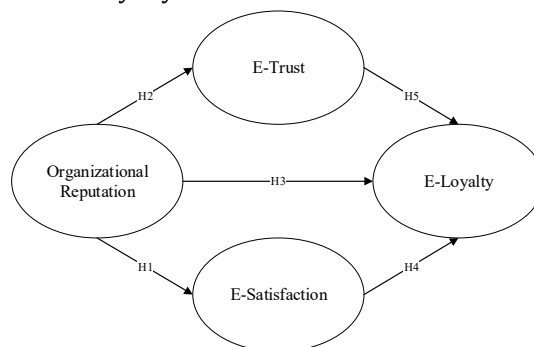


Figure 1. Research Model

3. METHODS

This research is examined from the research objectives, it is a combination of two types of research, namely descriptive and explanatory research types. Descriptive research is research that focuses mainly on understanding the independent variables without comparing or taking into account their relationship with other variables (Sugiyono, 2017). Descriptive research in this study is used to explain the conditions

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of each e-loyalty, e-satisfaction, e-trust, and organizational reputation. Explanatory research is a type of research that focuses on explaining the position of a variable in relation to other variables which is carried out using several types of hypothesis testing (Sugiyono, 2017).

The population is a generalization area that has research objects or subjects with a certain and specific quantity and quality according to the provisions of the researcher (Sugiyono, 2017). The population in this study were all Blibli consumers in Indonesia. Because the population is too large and the specific number cannot be known with certainty, a sample was taken to make it easier for researchers to obtain research data or information.

Calculation of the number of samples in this study was carried out using the Lemeshow formula (1997), while the formula is as follows:

$$n = \frac{Z^2 p(1-p)}{d^2}$$

Where:

n = number of samples

Z = table value Z seen from the level of confidence set in the study

p = estimated probability of being right which is 50%

1-p = estimated probability of being wrong i.e. 50%

d = sampling error

With a significance level (α) determined for this study is 0.05, the level of confidence is 0.95 or 95% (1- α), the Z value for a confidence level of 0.95 and a significance of 0.05 is 1.64. The specified sampling error rate is 0.05, thus the ideal sample is:

$$n = \frac{1.65^2 \times 0.5 \times 0.5}{0.05^2}$$

$$n = 272.25 \sim 273$$

Sampling in this study was carried out using a non-probability sampling technique with a purposive sampling method. The non-probability sampling technique is a sampling technique that does not provide equal opportunities for every member of the population to be selected as a research respondent (Sugiyono, 2017), while the purposive sampling method is a sampling method that is carried out with a specific purpose so that each prospective respondent will go through the following stages: screening first to determine qualifications or eligibility as research respondents, screening is done by providing a number of questions whose answers must match predetermined criteria so that someone can become a research respondent. The criteria in question are:

1. Respondents live in the Jabodetabek area.
2. Respondents already know Blibli.
3. Respondents have shopped or used Blibli for at least one time.

Analysis of the research data collected in this study was analyzed using the PLS-SEM technique using the SmartPLS 3 statistical application. PLS-SEM testing is generally divided into two main categories, namely outer model testing and inner model testing.

4. RESULTS AND DISCUSSION

Testing the outer model is one part of the PLS-SEM technique which aims to test whether an indicator in a research model really has the ability to measure the parent variable, as well as measure the correlation or relationship of each research variable. Outer model testing consists of three types of testing, namely validity testing (convergent and discriminant), reliability testing, multicollinearity testing, and R2 testing.

Convergent validity testing is carried out using two tests, namely the Loading Factor test and the AVE test, where an indicator is said to be valid if its Loading Factor value is greater than 0.700 as a General Accepted Rule (Ghozali, 2016), whereas according to the AVE test a variable is said to be valid. if it has an AVE value greater than 0.500 (Ghozali, 2016).

Discriminant validity is generally calculated using Cross Loading and Fornell-Larcker, but Henseller et al. (2015) the use of HTMT or Heterotrait-Monotrait Ratio is considered more ideal so this study uses HTMT to determine its discriminant validity. A variable is said to be valid if it has a HTMT correlation value lower than 0.900 (Franke & Sarstedt, 2019).

Reliability testing in this study was carried out using Composite Reliability with the criteria for a variable being declared reliable if it has a Composite Reliability value greater than 0.700 as the Generally Accepted Rule (Ghozali, 2016).

Multicollinearity testing is carried out using VIF or Variance Inflation Factor with the criterion of no symptoms if the VIF value is lower than 5 (James et al., 2017).

The coefficient of determination is determined by looking at the R² value where an R² value below 0.19 indicates a very low correlation, a value of 0.19 to 0.33 indicates a low correlation value, a value of 0.33 to 0.67 indicates a moderate correlation value, and a value above 0.67 indicates a strong correlation value (Ghozali, 2016).

5. CONCLUSION

Inner models is a statistical model in PLS-SEM that shows the strength of an independent variable in influencing the dependent variable, analysis of the inner model is used to prove the research hypothesis so that testing of the inner model is also known as hypothesis testing. Testing the inner model is done by looking at the Path Coefficient value to assess the direct effect and the Specific Indirect Coefficient value to assess the indirect effect, because in this study the nature of the effect is direct, so only the Path Coefficient value is used.

Determining whether there is a significant influence or not can be done by looking at the P value, if the P value is greater than the specified significance level of 0.05, it can be concluded that a variable has an effect on other variables, besides that it can also be seen the T-Statistic value where a variable is said to have a significant effect if the T-Statistic value is greater than the specified T-Table value, namely 1.65 (Df = 273, One Tailed).

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