

ENHANCING REPEAT PURCHASE INTENTION (ZALORA INDONESIA ON GEN Y) THROUGH E-SERVICE QUALITY, ETRUST, AND MODERATING ROLE OF PRIOR ONLINE EXPERIENCE

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Keywords

E-Service Quality, E-Trust, Prior Online Experience, Repeat Purchase Intention

ABSTRACT

E-commerce has emerged as one of the most developed sectors in the nation's digital economy, consisting of many transactions conducted over the internet, referred to as online sales and purchases. The fundamental success of an e-commerce comes from the results of the sales transactions carried out by consumers, therefore it is essential to convert prospective consumers into buyers who are motivated to conduct repeat purchases, which is the key to achievement in purchasing online, ensuring all businesses carries out various strategies by providing excellent service quality to create satisfaction and keep consumers loyal consequently to encourage repeat purchases. This research contributes to the understanding of how the factors or factors influence consumer behavior, specifically in the context of repeat purchase intention on ecommerce platforms like Zalora Indonesia. The study uses SEM-PLS (SmartPLS 3.0 software) and carried out through three stages, Outer model, Inner model, and hypothesis which inclusive direct and indirect effects. The measurement results show that the variables or factors generate positive and significant hypotheses about repeat purchase intentions, with the exception of the prior online experience variable, which produces negative results concerning the correlation between e service quality and repeat purchase intent, as evidenced by the classification of moderators, which serves as a predictor variable (Predictor Moderation). The study provides managerial implications for the city of Cilegon (particularly among Gen Millennials) to increase Repeat Purchase Intention in order to compete more effectively, especially against Shopee and Tokopedia.

INTRODUCTION

E-commerce has emerged as one of the most developed sectors in the nation's digital economy, consisting of many transactions conducted over the internet, referred to as online sales and purchases, (Malau, 2017). Various benefits the fact that can be experienced felt from e-commerce are having a significant influence on industries, including small and medium enterprises (Ramdansyah & Taufik, 2017). Consumers are able to access e-commerce at any time and from any location due to a growing number of mobile e-commerce applications in Indonesia, such as Tokped, Shopee, Bibli, BukaLapak, Zalora, Lazada, JD.ID, Orami, and Bhinneka. As reported by Retailasia.com, the E-commerce market is anticipated to expand by 15.5% and continue to exceed 2023 as the number of e-commerce users in Indonesia develops.

The fundamental success of an e-commerce comes from the results of the sales transactions carried out by consumers, therefore it is essential to convert prospective consumers into buyers who are motivated to conduct repeat purchases (Khalifa & Liu, 2007), consistent with stating that repurchase intention becomes the key to achievement in purchasing online, ensuring all businesses carries out various strategies by providing excellent service quality to create satisfaction and keep consumers loyal consequently to encourage repeated purchases. Repeat purchase intention represents a positive reaction of consumers coming from satisfaction with the quality of the services provided by the business and defined by the intention to return and purchase the product (Chou & Hsu, 2016). Among the factors influencing a customer's decision regarding a further purchase is the most effective service quality (Yunus et al., 2021), considering the higher or lower the assessment of perceived service quality affects the level of repeat purchase intention (Ayatullah et al., 2023). Factors that influence repeat purchase intention in the context of e-commerce are particularly important and relevant in business (Ali & Bhasin, 2019). However, it is essential to keep in mind that trust is a significant factor in shaping repeat purchase intention. Previous research has demonstrated trust can act as a correlation between service quality and repurchase intent (Adekunle & Ejechi, 2018; Chou et al., 2016). Meanwhile, prior online experiences positively moderate the relationship between service quality and repeat purchase intention (Sudaryanto et al., 2021).

Regarding to the We Are Social report, the number of internet consumers in Indonesia continues to rise year after year, achieving 212 million in January 2023, representing approximately 77% of the total population. This is one of the most significant implications for Generation Y, referred to as millennials. Generation Y (born between 1981 and 1996) tends to be a productive age group that can capitalize on this demographic advantage to accelerate economic growth and national development. Generation Y is distinguished by a strong sense of confidence and ambition. That is why this generation is easier to succeed at a young age, more open to change, inextricably linked to the use of gadgets, and prone to anxiety and depressive disorders. They are also hard to get along with. Therefore, considering these characteristics, the majority of online users, a lot of investigation has been completed, and it is easy to transact e-commerce with this demographic (Kotler, 2022).

Zalora stands out as one of Southeast Asia's largest e-commerce platforms, focusing primarily on fashion products. Zalora Indonesia is one of the most popular platforms for shopping for quality online fashion products for fashionistas. According to detik.com, Zalora has many brand partners both within the country and abroad, making it easier for customers in the region or small city (Cilegon) to acquire the products they're seeking quickly and efficiently. However, it was reported by investor.id that the revocation of the Covid-19 PPKM prompted people or consumers return to transact offline (Ahdiat, 2022), indicating that changes in consumer shopping behavior and market situations might have an impact on the performance of certain e-commerce platforms, namely a reduction in the number of visitors, as happened with Zalora in 2023 for other e-commerce platforms.

According to the iPrice survey view that Zalora has ranks VIII in 2022 with a total of 2.78 million website visitors, and there is a decline in ranking in 2023 with the most popular e-commerce, as Zalora drops one level to rank IX. These issues are caused by a variety of factors, which might have an impact on the company's revenue. Furthermore, as stated by ecommercedb.com, there is a decline in the trendline of Zalora Indonesia's e-commerce sales between 2022 and 2023, with the lowest decline in 2023 at USD 55.2 million. Aashish Midha, CEO of Zalora Indonesia for the second time, outlined a strategy to increase Zalora's success by focusing on quality service, innovation, customer and strategic initiatives, and rewarding participating customers for creative ideas and VIP customers for a valuable e-commerce experience. This is consistent with research, which shows that customers must receive quality service in order to increase satisfaction and encourage repeat purchase intention. Rahabiyati Rahbiyati & Praphastrini, 2019

A number of studies have been conducted related to repeat purchase intention, one of which is about the influence of e-service quality on repeat purchase intention but the results are inconsistent. This study analyses how e-service quality, e-trust, and prior online experience modify the repeat purchase intention of Zalora Indonesia using an online survey. The research contributes to the understanding of how e-service quality, e-trust, and prior online experience influence consumer behavior, specifically in the context of repeat purchase intention on e-commerce platforms like Zalora Indonesia. By analyzing these factors through an online survey, the study provides insights into the key drivers that encourage customers to make repeat purchases, which can help e-commerce businesses develop strategies to enhance customer retention, trust, and overall satisfaction in the digital shopping

environment. This research adds to the literature on consumer behavior in the e-commerce sector, particularly in Indonesia.

METHODS

The type of research used quantitative descriptive by online through google forms and interviews with related respondents, and a causality approach between variables to be developed. Furthermore, the variables were classified into 4 types: independent variables (e-service quality) was measured by 5 indicators (Parasuraman et al., 2005), dependent variables (repeat purchase intention) measured by 4 indicators (Sullivan & Kim, 2018), mediation variables (e-trust) measured by 4 indicators (Sullivan & Kim, 2018), and moderating variables (prior online experience) was measured by 4 indicators (Schiffman & Wisenblit, 2019). Data analysis in this study used SEM-PLS (SmartPLS 3.0 software) and carried out through three stages, Outer model, Inner model, and hypothesis which inclusive direct and indirect effects.

RESULTS

Outer Model

After close examination only 158 responses were retained from total responses collected in Cilegon, some of characteristic result are considered and the majority of respondent as follows: female gender dominates 87% and 72% of millennial gen arrange 33-42 yo. Further, the majority of respondent are housewives at 53%, with the frequency of Zalora e-commerce visits more than 10 times at 31% and 32% of income more than 15 million.

Tabel 1. Convergent Validity

Indicator	Loading Factor	Critical Value	Information
<i>e-Service Quality</i>			
ES1	0,915	>=0,7	Valid
ES2	0,840		Valid
ES3	0,832		Valid
ES4	0,869		Valid
ES5	0,853		Valid
<i>e-Trust</i>			
ET1	0,918	>=0,7	Valid
ET2	0,936		Valid
ET3	0,931		Valid
ET4	0,943		Valid
<i>Prior Online Experience</i>			
POE1	0,916	>=0,7	Valid
POE2	0,890		Valid
POE3	0,931		Valid
POE4	0,943		Valid
<i>Repeat Purchase Intention</i>			
RPI1	0,915	>=0,7	Valid
RPI2	0,906		Valid
RPI3	0,933		Valid
RPI4	0,908		Valid

The data on table 1 shows that all indicators have a loading factor value of more than 0.7 and a greater value than the cross loading when connected with other latent variables. It can be concluded that each latent variable has good discriminant validity, with some latent variables still having measures the fact has significant correlations with other constructs. As a result, the model presently has good convergent validity criteria.

Tabel 2. Construct Reliability and Validity

Variable	AVE	Cronbach Alpha	Composite Reliability	Information
e-Service Quality	0.744	0.914	0.935	Reliable

e-Trust	0.869	0.950	0.964	Reliable
Prior Online Experience	0.813	0.923	0.946	Reliable
Repeat Purchase Intention	0.839	0.936	0.954	Reliable

The analysis based on the output as shown in table 2, it is apparent that all variables have an acceptable Average Variance Extracted value of more than 0.5, Cronbach's alpha values of greater than 0.6, and Composite Reliability values of greater than 0.70. Therefore, it can be concluded that all the instruments in the research variables are declared reliable and have met the reliability test. So the analysis of research model is feasible.

Inner Model

Table 3. R-Square Value

Variable	R Square	R Square Adjusted
e-Trust	0.826	0.825
Repeat Purchase Intention	0.862	0.858

The preceding test results demonstrate that this research model is qualified and worthy of further investigation, as each dependent variable studied has an R-square value greater than 0.10 and the e-Trust and Repeat Purchase Intention variables fall into the Strong category (Hair et al., 2014). The subsequent phase is hypothesis testing below.

Hypothesis Test

Table 4. Hypothesis (Direct & Indirect)

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
ESQ → RPI	0.150	0.151	0.075	2.009	0.045
ESQ → ET	0.722	0.725	0.043	16.766	0.000
ET → RPI	0.163	0.158	0.082	1.999	0.046
POE → RPI	0.587	0.594	0.062	9.444	0.000
ESQ → ET → RPI	0.454	0.400	0.190	2.386	0.017
Moderating Effect 1 -> RPI	0,017	0,015	0,037	0,456	-0,649

According to the results of table 4 above, all hypotheses of the direct effect between the variables of the study have positive values. The findings of the full hypothesis test are outlined below:

1. E-service quality has a positive relationship with repeat purchase intention, as shown by a parameter coefficient of 0.045 with a t-statistic of $2.009 \geq 1.96$ and a p-value of $0 \leq 0.045$, indicating that hypothesis is acceptable. The results of this study are in accordance with the results of research from Kalia et al. (2016), but contradict the results of several study (Ginting et al., 2023; Lopes et al., 2019; Yunus et al., 2022)
2. E-service quality has a positive relationship with e-trust, as shown by a parameter coefficient of 0.000, with a t-statistic of $16.766 \geq 1.96$ and a p-value of $0 \leq 0.000$, demonstrating that hypothesis is accepted. The results of this study are in accordance with the results of research from Rita et al. (2019a). Based on the response to the open question, high-quality e-commerce services significantly increase user trust in the platform.
3. E-trust has a positive relationship with repeat purchase intention, as demonstrated by a parameter coefficient of 0.046 with a t-statistic of $1.999 \geq 1.96$ and a p-value of $0 \leq 0.000$, indicating that hypothesis is accepted. The findings of this study are consistent with some research (Dewi et al., 2022; Mou et al., 2020; Putri et al., 2023; Wijaya et al., 2018; Zhu et al., 2020), which found that E-Trust has a positive and significant effect on Repeat Purchase Intention. Respondents expressed strong enthusiasm for Zalora as a fashion e-commerce platform, as evidenced by their intention to continue shopping and visiting the site on a regular basis.

4. Prior online experience has a positive relationship with repeat purchase intention, this is shown by a parameter coefficient of 0.000 where the t-statistic is $9.444 \geq 1.96$, and the p-value is $0 \leq 0.000$, then it is concluded that hypothesis is accepted. The results of this study are in accordance with some research regarding positive experiences in online shopping, which include ease of access, certainty of product quality, use of promotions, and choices that suit preferences, which are key factors that encourage satisfaction and intention to purchase goods further at Zalora (Pekovic & Rolland, 2020; Quach et al., 2022; Shank & Robinson, 2019; Tyrväinen et al., 2020; Zaid & Patwayati, 2021).
5. e-Trust mediates the influence of e-Service Quality on Repeat Purchase Intention, this can be seen from the Indirect Effect test where the t-statistical value of 2.386 is greater than the t-table value at alpha 5% of 1.96 and alpha 10% of 1.74, as well as the p value 0.017 which is smaller than 0.05 or 0.1 so that hypothesis is accepted. This is in accordance with the research conducted by Rita et al. (2019b)

Moderation Test

The outcomes of the moderation role examine indicate that prior online experience fails to moderate the influence of e-Service Quality on Repeat Purchase Intention, as evidenced by the p value of Moderating effect 1 of -0.649 (insignificant), which differs from the research conducted by Pekovic et al. (2020). This moderator variable classified as Predictor Moderation with Variance Accounted For 75% and considering the p-value for the influence of e-Service Quality on Repeat Purchase Intention is 0.045 (significant).

CONCLUSION

The study reveals that factors such as e-service quality and e-trust have positive and significant impacts on repeat purchase intention, except for the prior online experience variable. This suggests that Zalora should focus on improving e-service quality while adapting to the latest technology, such as ease of site navigation and customer service responsiveness. Moreover, enhancing trust through transparency in transactions and authenticity guarantees can help boost repeat purchase intention. Continuous improvement can be achieved by listening to customer feedback and collaborating with local brands and small and medium enterprises. Future research should explore the reasons behind the negative correlation between e-service quality and repeat purchase intention, including understanding how past experiences shape expectations and influence future online transactions. Comparative analysis across different e-commerce platforms or cities could provide broader insights into regional consumer behavior. Additionally, examining other moderators, such as digital literacy or social influence, could help determine how these factors affect repeat purchase intentions in various e-commerce environments.

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