

CHAPTER I

INTRODUCTION

A. Background

Over time, e-commerce has evolved into a key economic force. Its capacity to help businesses reach a broader consumer base and let customers purchase whenever they like has contributed to its development and importance. Due to its practicality, E-commerce has become the fastest-growing retail industry (Taher, 2021). The COVID-19 epidemic has expedited the recent quick and severe changes in human life and activity that have already been occurring. These modifications could endure and experience new alterations in the future. Increased digitalization and the quick adoption of trends foreseen for years have driven these shifts. Information management literature has long explored these potential technology developments. The "new normal" that has been developed has impacted our job, education, healthcare, leisure, and internet commerce (Beyari, 2021).

As the economic conditions deteriorated due to mobility restrictions, the government eased some of these restrictions in June. Despite the initial benefits of these restrictions, by September 2020, Indonesia had not yet succeeded in 'flattening the curve.' In other words, the earlier restrictions slowed down the rate of increase but did not lead to a decrease. When the restrictions were implemented, daily infections had just exceeded 100 cases, and when they were eased, this number had risen to about 600. The reproductive rate (the average number of new infections caused by one existing infection) was still estimated to be as high as 1.2 when the restrictions were eased. According to the World Health Organization (WHO), this rate must remain below one for two weeks before infection rates can be controlled. Consequently, the number of infections has increased rapidly. By the end of August, following several public holidays that increased domestic travel, daily reported new cases exceeded 3,000 for the first time. By late September, daily infections reached 4,000, with reproductive rates still above one in all provinces (Ariawan & Jusril, 2020).

The government's policy of prohibiting residents from carrying out activities outside the home during the pandemic is certainly very contrary to the habits of residents before the Corona outbreak hit the community. The implementation of the government's policy to maintain distance (social and physical distancing) and the policy to stay at home (stay at home) will ultimately completely change habits, traditions, customs, behavior patterns, and community interaction patterns from before the COVID-19 pandemic, community interaction patterns are carried out openly, communication between residents takes place directly (direct), freely, outside the home, and "face-to-face" changes into closed interactions, limited, indirect interactions (indirect communication), and all resident activities are carried out at home. This government policy causes psychological turmoil and "cultural shock" among the community, especially for urban residents with high mobility (high mobility). This fact raises problems and challenges for the government and society (Tuwu, 2020). It is undeniable that COVID-19 has significantly impacted all sectors in Indonesia, including the economy. The enforcement of large-scale social restrictions (PSBB) has necessitated industries to cut back on their production and workforce. This has resulted in many employees being laid off or furloughed, decreasing the community's standard of living. The government has stepped in to address this issue by providing financial aid to stimulate the economy. This situation has prompted the Indonesian government to implement a 'new normal' policy, signifying a return to regular life (Safitri & Dewa, 2020). Implementing these new habits does not immediately make economic actors or consumers easily carry out economic activities outside the home. Many people have switched to online systems to meet their needs or conduct business activities. They take advantage of selling products through online channels that can be accessed via computer media (e-commerce) (T. et al., 2020).

The Covid-19 pandemic has affected businesses in three ways. Some businesses are doing okay because they have switched to online platforms. Some businesses, like tourism and shopping centers, are struggling because of the pandemic. However, some businesses are growing because they have adapted to

the changes and use online platforms effectively. During the COVID-19 pandemic, the Tokopedia Partner application is widely used because it facilitates purchases to meet daily needs without leaving the house. Simply staying at home, the ordered products will be delivered. Selling products through applications is currently relied upon by everyone; besides being accessible, the prices are also cheaper. Tokopedia Partners is one of the sectors allowed to continue distributing community needs because the products sold are household needs food. In addition, the Tokopedia Partner sales method, based on Online Shopping, also supports government efforts to reduce direct contact between sellers and buyers, so many people buy their needs through the Tokopedia application (Kurnia et al., 2023).

Indonesia is still adjusting to life during the COVID-19 pandemic. A campaign from Tokopedia, an online marketplace, shows this. The CEO of Tokopedia, William Tanuwijaya, has shared what he has learned from this process and asked everyone, including those in the Tokopedia community, to rise together. This campaign aims to help small businesses become the first choice for people in Indonesia. With this campaign, Tokopedia is trying to help the economy recover after the COVID-19 outbreak. The campaign includes helping small businesses get noticed, creating jobs, ensuring delivery drivers are safe, helping sellers grow their businesses, giving food packages to people who need them, and supporting efforts to get back to normal (Larasati, 2020).

Previous research has examined the influence of system quality on customer satisfaction such as research from Ngoc Duy Phuong & Thi Dai g, (2018), Khalid et al., (2018), Kumar & Lata, (2021) This research will explore and discuss the effect of system quality on Tokopedia customer satisfaction with service quality as a mediator

PSBB in Indonesia's conventional market should change its strategy to survive the pandemic. The most reasonable is swipe to online selling. Tokopedia, as an e-commerce company, has grown in users during the pandemic, both sellers and customers. Because of this massive growth, is Tokopedia ready with

their service? Is the new user of Tokopedia satisfied with the service from Tokopedia? This study will analyze customer satisfaction in Tokopedia using system quality as an independent variable.

According to (Mayhew, 1999), in Human factors and usability in service quality measurement (Strawderman & Koubek, 2008), Usability was considered to better analyze how human aspects are used in services. For the user, evaluating a system's usability has various advantages. The advantages of better usability include greater productivity, lower work time and cost, fewer mistakes, and increased accuracy. Producing useable items may boost revenues, sales, and customer happiness while reducing support expenses.

B. Research Question

Based on the background above, here is the research question of this study:

1. Does usability positively and significantly affect service quality?
2. Does complexity positively and significantly affect service quality?
3. Does flexibility positively and significantly affect service quality?
4. Does navigation positively and significantly affect service quality?
5. Does system quality positively and significantly affect service quality?
6. Does service quality positively and significantly affect customer satisfaction?
7. Does System Quality positively and significantly affect customer satisfaction through service quality?

C. Research Objective

The research aims to comprehensively evaluate how system quality affects customer satisfaction with the Tokopedia mobile application, investigate its effect on improving system quality, assess its impact on the overall consumer experience, and find topics for quality system improvements to enhance the system's quality and customer satisfaction. System quality has several elements

that could affect customer satisfaction, such as usability, complexity, flexibility, and navigation.

1. To analyze and test the effect of usability effect on e-commerce service quality
2. To analyze and test the effect of complexity effect on e-commerce service quality
3. To analyze and test the effect of flexibility effect on e-commerce service quality
4. To analyze and test the effect of navigation effect on e-commerce service quality
5. To analyze and test the effect of system quality effect on e-commerce service quality
6. To analyze and test the effect of service quality effect on e-commerce customer satisfaction
7. To analyze and test the effect of system quality effect on e-commerce customer satisfaction through service quality

D. The Benefit of The Study

Understanding usability, complexity, flexibility, and navigation affects customer satisfaction through service quality at Tokopedia. Businesses may enhance their offerings to meet or surpass client expectations by learning what customers value in a service. Increasing client satisfaction may result in various additional advantages, including boosted revenue, recurring business, and favorable word-of-mouth.

1. Theoretical Benefits

Businesses can find areas where their systems need improvement to increase customer satisfaction by researching the connection between system quality and customer satisfaction. This can increase revenues, lower customer turnover, more customer loyalty, and improved brand reputation.

2. Practical Benefits

Businesses can use the research results on the relationship between system quality and customer satisfaction to identify areas for improvement, develop marketing campaigns, improve customer service, and make strategic decisions. This can help businesses to improve their systems, increase customer satisfaction, and boost their bottom line