

CHAPTER I

INTRODUCTION

A. Research Background

Information technology in this modern era has progressed quite rapidly, one of which is the internet. It has an impact on the lifestyle of increasingly modern society. Lifestyle changes today make the mobility of people in using the internet is getting higher. The Ministry of Communication and Information (Kominfo) stated that in 2019, the penetration of Indonesian internet users amounted to 73.7 percent, up from 64.8 percent in 2018. When combined with the Central Statistics Agency (BPS) projections, the population in Indonesia in 2019 was 266,911,900 million, so internet users in Indonesia are estimated at 196.7 million users. The survey results were explained by the Secretary-General of APJII, Henri Kasyfi Soemartono (www.kominfo.go.id, 2020). The increasing growth of internet users in Indonesia can develop online business or e-commerce. Governor of Bank Indonesia Perry Warjiyo said that throughout 2021, digital economic and financial transactions would develop very significantly. Bank Indonesia (BI) recorded a value of e-commerce transactions throughout 2021 reached Rp401 trillion and are expected to increase by 31.2 percent to Rp526 trillion in 2022 (<https://ekonomi.bisnis.com/>, 2022).

Many positive impacts are felt both from the seller's side and the buyer's side. The sellers do not need to spend much money to sell their products, and they no longer need to rent a shop to sell. Sellers only need supporting communication tools such as cellphones and laptops to promote their products to consumers, reduce expenses, and reach consumers further. From the buyer's point of view, they can also feel the benefits. Buyers can save time and costs in online shopping. That's why people start switching from direct transactions to online-based transactions.

Both e-commerce and logistics services have service quality that plays an essential role for the customer. The quality of e-commerce services can increase sales levels, generate a competitive advantage, and be the key to determining customer satisfaction. Users who are satisfied with the service will continue to use the service. So, it is crucial to increase sustainability. On the other side, online shopping activities cannot be separated from logistics services as providers of goods delivery services to customers. Logistics services can come from internal e-commerce or third-party logistics services. So, customers receive quality service not only from e-commerce but also from logistics service providers. The quality of logistics services will shape customer satisfaction, which will affect loyalty in the future.

One of the things that the company needs to consider is to offer a good level of logistics services where the service is expected to help consumers meet their needs. Based on the Logistics theory and SERVQUAL theory obtained. It can be concluded that what is meant by Logistic Service Quality is an effort made by the company in anticipating the needs and desires for goods and services needed by consumers and optimizing the management of the network of goods and services so that they can reach consumers on time, so that customer satisfaction consumer expectations are met. Besides, Logistics service quality is the development of service quality to measure the performance of shipping companies in the logistics sector. When logistics service quality goes well, it will undoubtedly lead to satisfaction for consumers (Japarianto, 2018).

The Islamic concept also teaches that providing services from businesses that are run in goods or services must be maximized and periodically improved. This can be seen in the Qur'an sura al-Insyirah verse 7:

فَإِصْبِرْ لِحُكْمِ رَبِّكَ فَإِذَا

"So when you have finished (from one business), keep working hard (for other matters)."

Logistic Service Quality has several dimensions that play a role in providing an assessment related to customer satisfaction. The dimensions of logistics service quality include personnel contact quality, delivery quality, information quality, timeliness quality, and empathy quality. Personnel Contact Quality can be described as personnel attitudes regarding customer service and communication skills. According to Versa (2014), Personnel Contact Quality can be defined as the customer's attitude towards the contact person from the company's logistics department, referred to as personal contact quality.

Delivery Quality refers to delivering products to the hands of customers. This is very important because the logistics department must ensure the delivery process can run well without any damage. Delivery indicates whether the customer receives the package comfortably (Hong et al., 2019).

Information quality can be described as the customer's perception of the information offered by the company regarding the products that customers can choose from. In addition, punctuality is essential in the logistics process. Timeliness Quality refers to the time it takes for an order to be received by the consumer. On-time delivery can create consumer perceptions of this service and directly impact customer satisfaction.

Empathy quality can be defined as a service provider's ability to sense the customer's emotional state, sympathize and strive to solve difficulties and see things from the customer's point of view. Meanwhile, customer satisfaction can be defined as a person's feelings of pleasure or disappointment that arise after comparing their perceptions or impressions of the performance below expectations, and customers are not satisfied (Kotler, 2016).

Looking at the current conditions, the logistics aspect alone is not enough. Web Design is one of the other essential variables that play a significant role in the COVID-19 pandemic. It is possible to change people's shopping habits in the current situation. Significantly, people are switching from traditional to online shopping; there are at least 21 million new digital consumers during the 2020 pandemic and the first half of 2021 (www.cnbcindonesia.com, 2021). In addition, Bank Indonesia Governor Perry Warjiyo predicts digital-based businesses will grow 33.2 percent from 2020, which reached Rp 253 trillion to Rp 337 trillion (www.kominfo.go.id, 2021). Temasek and Bain & Company states that people can enter online trading platforms during the pandemic from 3.7 hours/day to 4.7 hours/day during the lockdown and 4.2 hours/day after the lockdown ends (www.kominfo.go.id, 2021). There have been several previous studies in terms of solving logistical service quality and website design problems. However, there are still several variables that show different results in this study, so further research is needed. There are modifications to get better results. Therefore, it is essential to include other variables that support this research.

Table 1.1 Research Gap Logistics Service Quality and Website Design on Customer Satisfaction.

Author, Year	Result	Research Gap
Yi Jiang, 2021	The results show that personnel contact quality, timeliness quality, and empathy quality significantly impact customer satisfaction. However, delivery quality and information quality are not significant.	There are still significantly different results of several studies conducted.
Lumataw, 2019	The results show that information quality has a significant to customer satisfaction.	
Shodiq, 2018	The results show that website design significantly impacts customer satisfaction while information quality does not fundamentally impact customer satisfaction.	
Hua, 2015	The results show that delivery service quality and staff service quality significantly affect customer satisfaction.	
Thai, 2013	The results show that timeliness quality and information quality significantly affect customer satisfaction.	

Based on the research above, there have been many studies on logistics service quality. However, there are differences in the results shown by previous studies. In this study, researchers modified the variables by adding another variable, such as website design. This variable is considered essential to research material related to customer satisfaction because Shopee itself is an online shopping site that uses applications or websites as transaction media or e-commerce. E-commerce itself is a dynamic set of technologies, applications, and business processes to connect companies, consumers, and society through electronic transactions and the electronic exchange of goods, services, and information (Baum, 1999 in Pala, 2017). According to Shodiq (2018), E-

commerce is described as conducting business over the internet for the purposes of finding information, sharing information, purchasing or exchanging goods and services, and maintaining client relationships without having to meet in person. The rapid development of e-commerce in Indonesia has caused many platforms that offer various superior features. One of the e-commerce platforms in Indonesia is Shopee.

Shopee is a subsidiary of the Sea Group, first launched in 2015 simultaneously in 7 countries, namely Singapore, Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines. Shopee began to enter the Indonesian market at the end of May 2015, and Shopee only started operating at the end of June 2015 in Indonesia. Shopee is an online Marketplace application for buying and selling on mobile phones that offers a variety of products ranging from fashion, makeup, to daily necessities (<https://careers.shopee.co.id/>, accessed 2021). Currently, Shopee is a shopping application or site that is Top of Mind. In addition, Shopee is listed as the number 1 online shopping platform in Indonesia with the highest total number of downloads, either on the Google Play Store or Apple App Store. Shopee is also the number 1 online shopping platform in monthly active users. Shopee has many daily active users (DAU) or daily active visitors, reaching 28.35 million last August 2021 (www.investor.id, 2021)

Even though Shopee is designated as the number 1 online shopping application or a site in Indonesia, this does not make Shopee free from problems and complaints from its consumers. The difficulties that consumers often complain about are related to logistics service quality and website design. Researchers have collected several testimonials obtained from negative testimonies that consumers complained about. Consumers judge that Shopee's performance is decreasing day by day, starting from long deliveries even past the estimated delivery time, slow applications that take up a lot of storage, slow customer service features, wrong map addresses, and even a lot of fraud.

Therefore, with the many problems and complaints that occur in the effects of logistics service quality and website design in the Shopee online shopping application in Indonesia, the author wants to modify previous research and develop ideas related to logistics service quality and websites that influence customer satisfaction. In this study, the independent variables are the dimensions of Logistic Service Quality including Personnel Contact Quality (X1), Delivery Quality (X2), Information Quality (X3), Timeliness Quality (X4), and Empathy Quality (X5), as well as modifications to other independent variables. In this research, Web Design (X6) is added as an independent variable because it is considered important in the context of the marketplace. Dependent variable in this research is Customer Satisfaction (Y). Based on this background, in this study, the author has reasons to conduct further research on "The Influence of Quality Logistics Services and Website Design on Customer Satisfaction: A Study on the Shopee E-Commerce Platform)."

B. Formulation of Problem

Logistic Service Quality can be an overall consumer assessment of the services provided by the company. The services offered by service providers to consumers must be good. This means that service providers can meet consumer expectations or expectations following reality or existing services. Therefore, service providers must improve the quality of their services on an ongoing basis. The existence of continuous improvement efforts can affect customer satisfaction which is increasing. In Logistic Service Quality itself, several dimensions will be tested in this study, including Personnel Contact Quality, Delivery Quality, Information Quality, Timeliness Quality, and Empathy Quality. Trying each of these dimensions will affect the overall logistics service quality results.

In addition, a good web design is expected to increase customer satisfaction. The available web designs are expected to meet customer needs and make them easier to use. It assumes a web design containing complete information, fast processing, and a complete product portfolio. In the era of digitalization today, the existence of a website in e-commerce plays a critical role in the sustainability of a business, especially e-commerce. This is because if the user has difficulty using it or even causes inconvenience, the e-commerce can be said to be not ready to compete with other e-commerce. As a result, consumers feel dissatisfied in transacting in e-commerce and switch to other e-commerce, resulting in the business's threat.

Based on the description above, it can be formulated the main problems that will be discussed in this proposal:

- 1 Does personnel contact quality have a positive influence on customer satisfaction in e-commerce in Shopee?
- 2 Does delivery quality have a positive influence on customer satisfaction e-commerce in Shopee?
- 3 Does information quality have a positive influence on customer satisfaction e-commerce in Shopee?
- 4 Does timeliness quality have a positive influence on customer satisfaction e-commerce in Shopee?
- 5 Does empathy quality have a positive influence on customer satisfaction e-commerce in Shopee?
- 6 Does web design have a positive influence on customer satisfaction e-commerce in Shopee?
- 7 Does logistic service quality have a positive influence on customer satisfaction e-commerce in Shopee?

C. Research Purpose

1. To analyze and discuss the influence of personnel contact quality on customer satisfaction e-commerce in Shopee
2. To analyze and discuss the influence of delivery quality on customer satisfaction e-commerce in Shopee
3. To analyze and discuss the influence of information quality on customer satisfaction e-commerce in Shopee
4. To analyze and discuss the influence of timeliness quality on customer satisfaction e-commerce in Shopee
5. To analyze and discuss the influence of empathy quality on customer satisfaction e-commerce in Shopee
6. To analyze and discuss the influence of web design on customer satisfaction e-commerce in Shopee
7. To analyze and discuss the influence of logistic service quality on customer satisfaction e-commerce in Shopee

D. Research Benefits

1. Theoretical Benefits:

This research is expected to develop knowledge for academics, contribute knowledge, assess the effect of logistics service quality on e-commerce customer satisfaction at Shopee, and obtain additional literature.

2. Practical Benefits:

- a For companies, this research is expected to provide benefits and references in evaluating the influence of logistics service quality and website design on customer satisfaction.
- b For the further researchers, this research is expected to concern the effect of logistics service quality and website design on customer satisfaction. This research is expected to develop academics, contribute knowledge, assess the impact of logistics service quality on e-commerce customer satisfaction at Shopee, and obtain additional literature at the Faculty of Economics and Business, University of Muhammadiyah Yogyakarta.
- c For researchers, this research provides knowledge related to logistics service quality and web design. Thus, improving analytical skills related to the research conducted.