PalArch's Journal of Archaeology of Egypt / Egyptology

LOYALTY FROM SHOPEE APPLICATIONS USER AFFECTED BY DIVERSITY OF PRODUCTS AND QUALITY OF SERVICE

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ABSTRACT
This study aims to find out how and how much influence the diversity of products and service quality on the loyalty of Shopee application users. The factors tested in this study were product diversity and service quality as independent variables. While loyalty is the dependent variable. The research method used in this research is descriptive verification. The sampling technique used in this study used the Slovin technique, with the number of samples used in this study was 100 people. While the analytical method used in this study is multiple linear regression analysis. The results of the study indicate that the diversity of products contributes. Furthermore, the results of the study show that service quality contributes to the loyalty of Shopee application users. Hypothesis test results in this study indicate that product diversity and service quality affect the loyalty of Shopee application users.

INTRODUCTION

There has been a shift in online behavior occurring in the midst of Indonesian society today, from computers to mobile, this has opened up new opportunities for e-commerce service providers in Indonesia by making a mobile version, making it even easier for people to shop. This is appropriate to do because based on data from the results of a survey conducted by the Indonesian Internet Network Providers Association (APJII) in 2019, revealed that internet access in Indonesia is dominated by mobile users.In Indonesia, there are five forms of e-commerce business namely, Classified Ads, C2C Marketplace, Shopping Mall, B2C Online Stores, and Social Media Shop. This is a business

model where the website concerned not only helps promote merchandise, but also facilitates online money transactions. Here are the main indicators for a marketplace website:

- All online transactions must be facilitated by the website concerned
- Can be used by individual sellers

Buying and selling activities on the marketplace website must use online transaction facilities such as escrow services or third party accounts to ensure transaction security. The seller will only accept payment money after the item is received by the buyer. As long as the item hasn't arrived, the money will be deposited in a third party account. If the transaction fails, the money will be returned to the buyer (id.techinasia.com)

Examples of C2C marketplace companies in Indonesia such as Tokopedia, Bukalapak, OLX, Shopee, Carousell, etc. One of the most popular C2C marketplaces currently in use in Indonesia is Shopee. Shopee is included in the C2C mobile marketplace. Shopee takes advantage of e-commerce business opportunities by reviving mobile market segments through their mobile applications to facilitate buying and selling transactions through mobile devices. This buying and selling application is one of many parties who take advantage of e-commerce business opportunities by reviving the mobile market segment through consumer mobile applications.

In addition, Shopee also tries to provide heartfelt services to consumers such as, providing accurate information about products by including detailed product descriptions, replying to messages quickly and accurately, etc. Buyers with a high level of satisfaction will be more likely to shop again and give a good rating for your shop (shopee.co.id).

The company is supposed to maintain the quality and completeness of the products sold. Product quality and product completeness in a company are important considerations for consumers because with quality products and the many choices consumers get alternative choices in shopping. The diversity of products offered by Shopee is an attraction for consumers in shopping. Consumers are spoiled by Shopee with a wide variety of complete product choices at lower prices compared to products sold in offline stores.

The relationship between product diversity and the quality of service offered by the online buying and selling application raises a high level of customer loyalty, but this was not found in this study. In this study, researchers conducted a pre-survey of 30 respondents and found that 83% of respondents were more interested in Tokopedia compared to Shopee in terms of product diversity. As many as 93% of the respondents said they were not satisfied with the quality of service from Shopee. But these two things are in contrast with the number of consumers that have increased every year.

LITERATURE REVIEW
Product Diversity

Product completeness or product diversity is an important element for companies, especially in the retail business. With a good diversity of products

and the availability of a variety of product diversity, companies can attract consumers to come and buy goods provided by the seller.

Product diversity according to Kotler and Keller (2012: 16), namely the diversity of products produced by a company has a certain width, length, depth, and consistency, giving an idea of the width of the product mix and product line length.

- Wide; refers to how many different types of products the company has.
- Depth; refers to the brand with the total number of goods in the mix. which includes the quality of the product itself,
- Breadth; refers to how many types each product offers in that line.
- Product mix consistency; refers to how closely the various product lines (product variations) are in end use, production conditions, distribution channels, or other things.

Service Quality

Quality is the level of good or bad of a product or service. The quality of a product or service can influence the customer experience. Quality or product quality needs to get the most attention from the company, because quality has a direct relationship with the ability to compete and the level of profits derived by the company.

From the traditional SERVQUAL model above, Zeithaml et al., Succeeded in developing five main dimensions of service quality, into seven dimensions of e-SERVQUAL, namely:

a. Efficiency
The ability of customers to access the website, find the desired product and information related to the product, and leave the site concerned with minimal effort.

b. Reliability
With regard to the technical functionality of the site concerned specifically the extent to which the site is available and functioning as it should.

c. Fulfillment (Guarantee)
Includes service promise insurance, product stock availability, and product delivery within the promised time.

d. Privacy (Privacy)
Guarantee that shopping behavior data will not be provided to any other party and that the customer's personal information (identity and payment instrument) is guaranteed.

e. Responsiveness (Responsiveness)
Everywhere online retailers provide customers with the right information when a problem arises, have a mechanism to handle product returns, and provide an online guarantee.

f. Compensation
Includes refunds, shipping costs, and product handling fees.

g. Contact
Reflect customer needs online or by telephone.

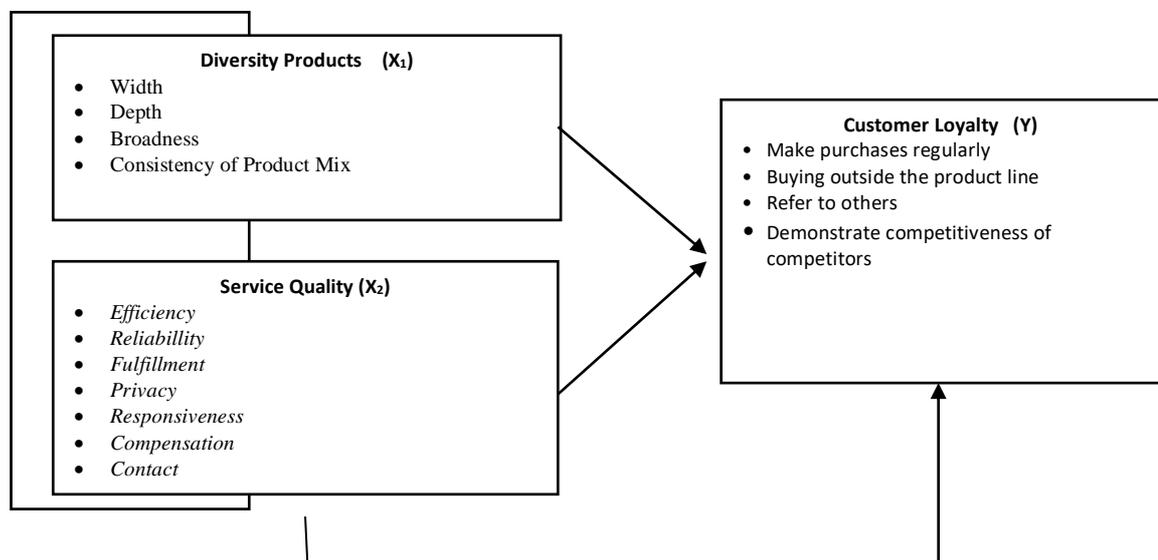### *Shopee Application User Loyalty*

Companies in general definitely want consumers who are loyal to their company. Loyal consumers will provide long-term continuous benefits for the company. In addition, loyal consumers are the ultimate goal of every company, one of which is a company in the retail field.

Companies that have loyal old customers and make repeat purchases are very beneficial for the company because they do not need to provide another education process to consumers. The company only needs to pay attention to the things that must be considered, namely to inform if there are new products that fit their needs and maintain business relationships with consumers. In order to retain customers to remain loyal, the company must also pay close attention to finding new customers.

Loyal customers are an invaluable asset for the company, therefore the characteristics of loyal customers according to Griffin in Halim Swasto in Hamid and Firdaus (2014: 161) there are four characteristics of customer loyalty, namely:
1. Doing purchasing regularly, which is making regular purchases
2. Buying outside the line of products / service, which is buying outside the product line/service.
3. Recommending other products, i.e. recommend other products.
4. Refusing product fascination from competitors, ie rejecting the attractiveness of the product from competitors.

Research Paradigm

Figure 1. Research of Paradigm

Hypothesis

In this research is had a hypothesis as follows:
Ha1: Product Diversity affects the Customer Loyalty of Shopee Application

Ha2: Service Quality affects the Customer Loyalty of Shopee Application
Ha3: Product Diversity and Service Quality affects the Customer Loyalty of Shopee Application

METHODOLOGY

Descriptive method and verification method has been used in this research and using Multiple Regression Analysis, to measure how much a variable Product Diversity and Service Quality influence the Loyalty of Shopee Application Users. This study uses 100 respondents to be interviewed before data collection, which has the aim of ensuring that the questions and contents of the questionnaire are clearly and can be understood by the respondents. The results of the interview were used to process data and calculate the definition of Product Diversity, Service Quality and the Loyalty of Shopee Application Users.

The data that has been collected in this study becomes a sample that represents the population of respondents in this study. The sample size in this study were 100 respondents who were distributed randomly. Regression analysis and calculation factors need to be done in this study [7], because it can be an effort to increase the respondents to fill out questionnaires that have been distributed with the "put and pick up system" method to respondents who can be potential to fill out questionnaires with true and returned by the researcher.

The results of measurement of data through questionnaires for the variables studied are independent variables and dependent variables in the form of ordinal data. To equalize the data from these variables starting from ordinal data into interval data, where the changes will be made using the SPSS program.

RESULT AND DISCUSSION
Profile of Students
Results could showed that majority of students who were respondents were students who were female, the age between 20-29 years old, had an income of> Rp. 500,000 per month.

MULTIPLE REGRESSION ANALYSIS
To predict the dependent variable and the independent variable can use multiple linear regression analysis, so that it can be seen how much influence. The results of data processing are as follows:

Table 1
Equation of Multiple Linear Regression

Coefficients[a]						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	3,854	1,966			1,961	,053
Product	,380	,074	,425		5,146	,000

Diversity					
Service Quality	,244	,057	,352	4,265	,000

Dependent Variable: Customer Loyalty

Sumber: Hasil olah data primer, 2020

The results of the multiple linear regression equation based on Table are obtained as follows:

$$Y = 3,854 + 0,380X_1 + 0,244X_2$$

Based on the results of calculations through the SPSS application obtained by the multiple linear regression equation with analysis, as follows:

(a) This value is constant value 3,854. This means that if the diversity of products and service quality is 0 (zero) and there is no change, then customer loyalty will be worth 3,854.
b. Variable X1, namely product diversity has a regression coefficient and the value is 0.380, which means that if the diversity of products increases by one unit, while the quality of service is constant, customer loyalty will increase by 0.380 units.
c. Variable X2, namely service quality has a regression coefficient and the value is 0.244, meaning that if service quality increases by one unit, while product diversity is constant, customer loyalty will increase by 0.244 units.

HYPOTHESIS TESTING

Statistical Test t Partial

To determine the effect of each of the independent variables partially on the dependent variable was tested using a partial t-test. If the significance value <0.05 or t-value> t-table then Ha is accepted, whereas if the significance value> 0.05 or t-count <t-table then Ha is rejected.
The number of respondents was 100 (n = 100), the variables were 3 (k = 3), and the Degree of Freedom (df) = n - k or 100 - 3 = 97. With df = 97 and a significant level of 0.05, the value t-tables can be determined using Microsoft Excel with the Insert Function formula:
table: TINV (probability; degfreedom)
=TINV (0.05; 97) = 1,985
Then the partial t-test results between the independent variables namely product diversity and service quality on the dependent variable namely the loyalty of Shopee application users are presented in the following table:

Tabel 2

Hasil Uji Statistik t Parsial

Coefficients[a]				
Model	Unstandardized	Standardized	t	Sig.

		Coefficients		Coefficients			
		B	Std. Error	Beta			
1	(Constant)	3,854	1,966			1,961	,053
	Product Diversity	,380	,074	,425		5,146	,000
	Service Quality	,244	,057	,352		4,265	,000
Dependent Variable: Customer Loyalty							

Source: Primary data processing results, 2020

Based on the results of the partial t statistical test in Table 2 above, it can be explained as follows:

a) From the results of the partial test calculations the effect of product diversity (X1) on customer loyalty variables (Y) in Shopee Aplication , t-count value of 5.146 and t-table of 1.985 with a significant level of 0,000. This shows that the value of t-count> t-table (5.146> 1.985) and the significance obtained has a number <0.05 (0.000 <0.05). Based on the framework of thought in the previous chapter, the first hypothesis in this study is:

Ho1: Product Diversity does not affect Shopee Application Loyalty

Ha1: Product Diversity affects Shopee Application Loyalty

Thus Ho1 is rejected and Ha1 is accepted which means Product Diversity influences Shopee Application User Loyalty.

b) From the results of the partial test calculations the effect of the Service Quality variable (X2) on customer loyalty variables (Y) in Shopee Application Loyalty, the calculated t-value of 4.265 and t-table of 1.985 with a significant level of 0,000. This shows that the value of t-count> t-table (4.265> 1.985) and the significance obtained has a number <0.05 (0.000 <0.05). Based on the framework of thought in the previous chapter, the second hypothesis in this study is:

Ho2: Service Quality has no effect on Shopee Application Loyalty

Ha2: Service Quality influences the Loyalty of Shopee Application Users

Thus Ho2 is rejected and Ha2 is accepted which means Service Quality influences the Loyalty of Shopee Application Users.

Statistical Test F (Simultaneous)

To determine the effect of the independent variables included in the regression model together on the dependent variable, we can use simultaneous testing using the Statistical Test F. If the significance value <0.05 or the value of f-statistics> f-table then Ha is accepted and rejected Ho, whereas if the significance value> 0.05 or f-statistic value <f-table then Ha is rejected and accepts Ho.

The number of respondents was 100 (n = 100), the research variable amounted to 3 (k = 3). With a significance of 0.05, the F-table value can be determined using the denominator degree (df1) = k - 1 and the numerator degree (df2) = n - k. then obtained df1 = 2 and df2 = 97, so the F-table value can be searched using Microsoft Excel with the Insert Function formula.

Ftable = FINV (probability; deg_freedom1; deg_freedom2)

= FINV (0.05; 2; 97)

= 3,090

Then the results of the F statistical test between the independent variables namely product diversity and service quality on the dependent variable namely customer loyalty in the Shopee Application are presented in the following table:

Table 3
Statistical Test Results F

ANOVAª						
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**	
1	**Regression**	**652,795**	**2**	**326,397**	**30,156**	**,000ᵇ**
	Residual	**1049,881**	**97**	**10,824**		
	Total	**1702,676**	**99**			
a. Dependent Variable: Customer Loyalty						
b. Predictors: (Constant), Service Quality, Product Diversity						

Source: Primary data processing results, 2020

Based on the framework of thought in the previous chapter, the third hypothesis in this study is:
Ho3: Product Diversity and Service Quality does not affect Shopee Application Loyalty Users
Ha3: Product Diversity and Service Quality affects the Loyalty of Shopee Application Users
Based on Table 3 above, it is known that the F-count is 30.156 with a significance of 0,000 and an F-table value of 3.090 with a significance level of 0.05. From the calculation results show that the F-count> F-table is 30.156> 3.090 and the significance level is less than 0.05 which is equal to 0.000. Thus Ho3 is rejected and Ha3 is accepted, which means Product Diversity and Service Quality affect the Loyalty of Shopee Application Users.

CONCLUSION
1. Product Diversity in the Shopee Application can be quite good. The highest rating is on the statement of ease of getting ease in getting products sold on the Shopee Application. Whereas the lowest rating is stated in the statement of the availability of complementary products in Shopee Application Users. In this case the respondents considered that they felt that complementary products in the Shopee Application were sufficiently available. The Quality of Shopee Application Services can be said to be quite good. The highest rating is on the statement of comfort in finding a product page to shop on the Shopee application. While the lowest rating is in the statement of lack of keyword assistance to find the product you are looking for.
2. Customer Loyalty in the Shopee application can be quite good. The highest rating is on the statement of interest to try other stores besides the Shopee application Users. In this case the respondents considered that they were interested in trying other stores besides the Shopee application Users. While the lowest rating is on the statement of the desire to stop shopping at the

Shopee application Users. In this case the respondents rated that they want to stop shopping on the Shopee application.

3. Product diversity affects Customer Loyalty in the Shopee Application by 26.73% with a count of 5.146> t table 1.985.

4. Service Quality affects Customer Loyalty in the Shopee Application by 21.53% with tcount 4.265> t table 1.985.

5. Product Diversity and Service Quality simultaneously influence the Customer Loyalty in Shopee Applications by 38.3% while the remaining 61.7% is influenced by other variables not examined in this study with Fcount 30.156> Ftable 3.090.

SUGGESTION

1. It is expected that the Shopee application can maintain the arrangement of goods in the store and continue to improve the convenience of consumers in determining the products to be purchased based on keywords that are very easy.

2. In an effort to increase customer loyalty, it can be prioritized in the addition of diversity of products sold. That is because the influence of product diversity is greater than Service Quality in relation to increasing customer loyalty in Shopee Application Users.

3. Shopee can provide more attractive power so that consumers do not choose to shop in other applications that are competitors.

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