
The Role of Customer Trust, Customer Perception, Customer Online Behavior, and E-Service Quality Towards Customer Preference on E-Market Place (A Case Study in Surabaya, East Java, Indonesia)

Saeed Ahmed Saeed Alasrani, Ani Wulandari

Department of Management, Narotama University,
Jl. Arif Rahman Hakim No 51, 60117, Surabaya, Indonesia
Kingboy391@gmail.com, ani.wulandari@narotama.ac.id

Abstract

This study is aimed to analyze The Role of Customer Trust, Customer Perception, Customer Online Behavior, and E-Service Quality towards Customer Preference on E-Market Place in Surabaya City. This is an explanatory research using questionnaires. Population in this study is customers in Surabaya city who make purchases through e-commerce Platforms (Shopee, Tokopedia, Lazada). Samples of 100 customers are chosen by purposive sampling method. The Method analysis used in this study is multiple regression analysis with SPSS 21 software which was employed as a data management strategy. Research findings revealed that Customer Trust, Perception, Online Behavior and E-Service Quality each of them have a partial positive significant effect on Customer Preference. Customer Trust, Customer Perception, Customer Behavior, E-Service Quality, simultaneously have a positive significant effect on Customer Preference.

Keywords:

Customer Trust, Customer Perception, Customer Online Behavior, E-Service Quality and e-commerce.

1. Introduction

Indonesia's population is quite youthful (42 percent aged between 25-54 years and 16 percent between 15-25 years.) When you add in Indonesia's relatively high internet penetration (about 40%) and high smartphone usage (ranked fourth in the world after China, India, and the United States), it's no surprise that the country is ripe for e-Commerce (Febriani, 2020).

The e-commerce business in Indonesia is increasingly promising. In the midst of the pandemic, this digital-based trading business is even projected to grow 33.2 percent from 2020 which reached Rp253 trillion to IDR337 trillion this year (indonesia.go.id. (n.d.), 2022). Indonesian ecommerce has grown so much in the last few years and that the pandemic accelerated online activities and businesses' shift to digital operations. E-commerce and MSMEs are one entity, when discussing about digital transformation. There are twice as many online MSMEs and twice as many online purchasers as there are online-related service jobs (Bede Moore, 2019). The surge in disposable money among Indonesia's middle class is already benefiting e-commerce. In Indonesia, private consumption of goods and services by households accounted for a bigger share of GDP than in China or India (Bede Moore, 2019). Lazada, Shopee, and Tokopedia, the three major Southeast Asian e-commerce platforms, all have a strong presence in Indonesia's digital economy. These three companies have expanded nearly seven times in size since 2015 (Bryan, 2020). Each website is similarly user-friendly and offers a diverse selection of items. Compared to Tokopedia, which specializes on technology and gadgets, Shopee appears to be the greatest choice for moms. Lazada is a high-quality Southeast Asian online shopping platform. While the COVID-19 epidemic has impacted practically all economic sectors in the nation, it has had a beneficial influence on the e-commerce industry, which is predicted to rise by 50% year over year, this year to an estimated value of \$35 billion (HQTS, 2020).

Revenue in the eCommerce market

in million US\$ (Indonesia)

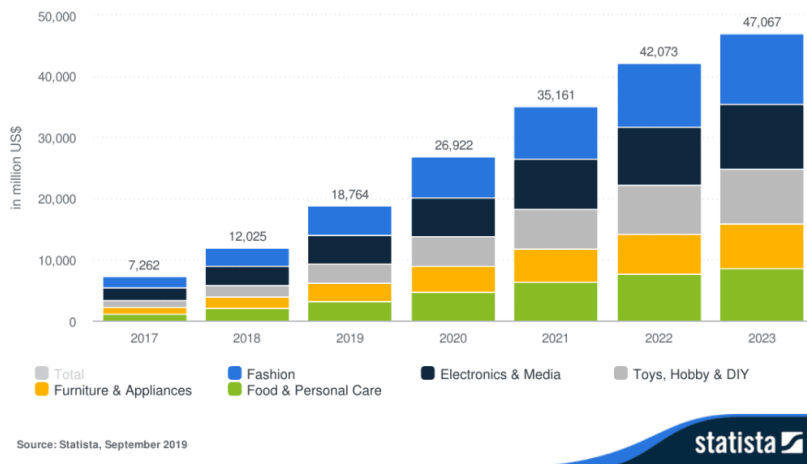


Figure 1: Revenue in the E-commerce market .Source: (Tan, 2019)

As shown in the diagram above, the expected revenue for the top five sectors in the Indonesian E-Commerce industry displayed the patterns behind what people want to buy online.

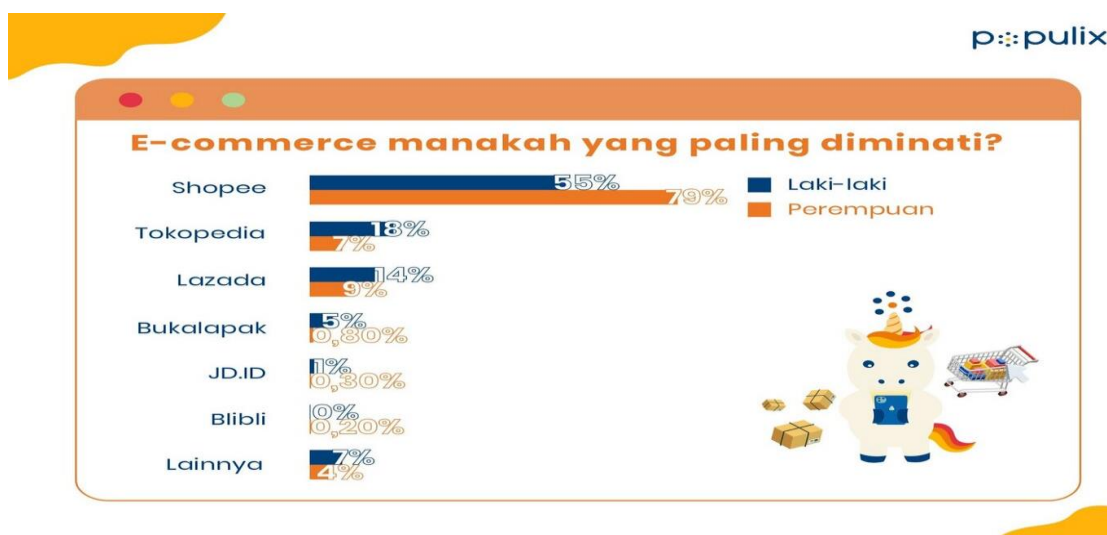


Figure 2: Which E-Commerce Is The Most Popular Source: (Populix, 2021)

As shown in the Graph above, it is clear that 79% of female use Shopee. As it mentioned before “Shopee appears to be the greatest choice for moms, and for Tokopedia 18% of users are males. For Lazada as well, 14% of users are males.

Looking at the data above in relation to customer preference, obviously customer preference has some perks on its dimension towards people. Some of them are trust, perception, behavior and E-service quality. Trust in E-commerce is based on a number of elements, and a single blunder might have major reputational consequences. Consumers evaluate a plethora of things while purchasing online, all of which businesses must consider providing a smooth experience. These factors include product quality, fulfillment alternatives, customer service, loyalty benefits, and more (Mathias, 2020). Trust is not something that can be formed overnight; it must be established early on, nurtured, and continually shown. When customers want to purchase or conduct other online transactions, they want to know that the monies they send will not vanish, and that the things they get will match what was promised and detailed on the e-commerce page (Anas Hidayat, 2021).

Customer perception is critical to a business's ability to attract new customers and keep existing ones. The good news is that businesses can influence many of the aspects that influence how people perceive their company or brand (Murugan, 2019). Information and market signals influence customer perception. A positive customer perception indicates that the company's product is worthwhile: If a business's product or service isn't

worth the money a customer pays for it, the consumer's capacity to keep buying becomes tough. Customers' trade-offs are determined by their perceptions of value (Dasmansyah Adyas, 2020).

Consumer behavior is significantly influenced by e-commerce. The number of shopping possibilities has risen, and shoppers now have more convenient options. Many people choose to acquire products and services online due to a lack of time. Working folks and professionals don't have time to go to the market; therefore they get their services delivered to their homes or offices. E-commerce innovation has influenced not just the market environment by facilitating the interchange of products and services, but also human behavior in reaction to online service systems (Murugan, 2019).

A customer preference is closely related to the E-service quality that is provided to the customer, which may be based on price, time or quality. Which means in order for an ecommerce player to win the customer trust and be the main preference of the customer, is to give the customer what they want, the way they want it. E-commerce platforms offer the benefit of giving consumers with a number of payment ways, incentives and discounts, decreased shipping rates, and flexible delivery timings, in addition to having a wider reach than traditional enterprises. When it comes to customer service, product enquiries, and technical difficulties, having local employees available and present is a huge plus (Anwar, 2020).

There have been various researches conversing about the elements above in regards to customer preference; however most of them are working only on one specific e-commerce platform. Based on the afore mentioned reason, the researcher is interested to explore how the elements above will affect customer preference in multi ecommerce platforms. The variables selected such as e-service quality, trust, customer perception and customer behavior are deemed crucial influencing customer preference when it comes to various e-commerce platform.

1.1. Literature Review

1. Customer Trust: Trust is the willingness to be sensitive to the acts of those you trust, which is founded on feelings of trust and responsibility (Ruanguptamanun, C. & Peemane, 2022). Ability, benevolence, and integrity are three elements that influence one's trust in others.
2. Customer Perception: Consumer perception is the process through which a person selects, organizes, and evaluates information inputs in order to create a meaningful image of the world. As a result, perception may be described as the process by which a person classifies a product or service by distinguishing between two or more items (Muhammad Asril Arilaha, 2021). Price, Promotion, Facility and developer image are the indicators of customer perception.
3. Customer Online Behavior: Consumer behavior describes the acts of people who are directly involved in the purchase and consumption of goods and services, as well as the decision-making process that goes into the planning and execution of these activities (Rita, 2019). Customer behavior is influenced by a number of elements, which are:

- a. Needs Recognition

The distinction between the consumer's identification of necessities and desires is identified at this level. It happens when a customer notices a big discrepancy between his or her existing situation and a desired or ideal situation.

- b. Information Search

The process of a customer examining his or her environment in order to obtain appropriate facts to make a reasonable decision is known as information search. In practice, information search activity increases when the purchase is significant, indicating a need to learn more about the purchase and investigate other information sources. A customer can obtain information from the four major categories of information sources. Personal, commercial, public, and experience sources are separated among these information sources. However, each information source has an impact on the purchasing decision and differs depending on the product category and the consumer's attributes. The commercial source is dominated by marketers, and it is here that a customer may get the most information about a product. Advertisements, websites, salespeople, dealers, packaging, and displays are all sources. (Febriani, 2020)

Personal, public, and experienced sources, which tend to be independent authority, are the most successful. Family, friends, neighbors, and acquaintances are examples of personal sources. Mass media, social media, and consumer rating organizations are examples of public information sources. Handling, studying, and utilizing the thing itself are examples of experiential sources for finding knowledge. In fact, employing this source of information emphasizes the consuming experience and what a customer might get out of using a certain product. As a result, it would be dependent on an individual's personal assessment of the product based on previous use. Furthermore, the public source, which includes the mass media, is increasingly valuable information for selling a specific range of products with consumption advantages to the environment and the globe as a whole. As a result of public sources, consumers become aware of certain product groupings and

brands, and are more likely to engage in sustainable consumption by purchasing items from a sustainable brand (Fatema, 2021).

c. Alternative Evaluation

Identifying options is the first step in evaluating them. A consumer who is fixing a long-term problem may carefully investigate numerous brands, but someone who is making a routine selection may not consider alternatives to their usual brand. The consumer analyzes a product by carefully categorizing all of the possibilities based on his or her knowledge and ideas about the brand, and then choosing one of the options. The integration of information from sources, knowledge available at the moment of purchase, and perceptions about companies formed via advertising can all impact the decision (Febriani, 2020). Environmental concerns and buying behavior of analyzing product alternatives are based on environmental costs, risks, and advantages at this stage of a consumer's decision-making process, which will lead to a future review of choices in deciding what to buy. Consider if a customer is obtaining the more sustainable choice from the product alternatives while also considering future behavior in using and disposing of the goods as one technique to assessing more sustainable consumption habits of a consumer (Bawono, 2019).

d. Purchase Decision

During the assessment step, the customer develops preferences among the brands in the option set and then develops an intention to purchase the most favored brand. The consumer must still make five sub-decisions throughout the purchase decision process: brand, dealer, quantity, time, and payment method. In certain circumstances, consumers may not formally examine each purchasing choice, while in others; intervening variables may influence the ultimate decision. The first interfering element is a matter of other people's attitudes (Aryani, 2021). Because individuals tend to rely on others' opinions and attitudes, an individual's buying decision may influence what others think about the purchase. Unexpected situational elements make up the second intervening component. Because of a perceived risk, these considerations may influence the choice to postpone, modify, or avoid making a purchase. Furthermore, in order to improve a customer's long-term consumption performance, a consumer may reevaluate their purchasing habits. It might be compared to other product qualities such as price, performance, and design at the stage of a buying choice by purchasing the product with an emphasis on environmental impact (Rita, 2019).

e. Post Purchase Behavior

After discovering unsettling product qualities or hearing positive feedback about competing products, consumers may be hesitant to make a purchase. Consumers should receive support and beliefs from marketing materials that reinforce and sustain favorable sentiments about a purchase. Satisfaction is determined by the degree to which expectations and product performance are aligned. Consumer sentiments after a purchase have a significant impact on a company's brand since it determines whether the customer will buy the product again in the future and if they will speak favorably or adversely about the product features to others. Similarly, the complete consumption process approach must be taken into account at this point. After a client makes a purchase, the usage and post-use phases are critical for a long-term influence and consumer performance (Si, 2021). In terms of the overburdened landfill, this period is critical for the environment. As a result, customers may keep, reuse, and dispose of products in a more sustainable manner by selling or recycling them, potentially resulting in beneficial improvements to the environment and manufacturing processes (Fatema, 2021). On the basis of their performance in sustainability, it can be stated that consumer purchasing behavior will influence the success or failure of new products and services being sold. Due to the involvement of consumers in defining sustainability impacts during the use and disposal phases of the consumption process, their total behavior will have a significant impact on the sustainability performance of all goods and services.

4. E-Service Quality: Service quality is determined by the customer's true experience with the product/service, as assessed by customer requests (Muhammad Asril Arilaha, 2021). E-Service quality has seven indicators which will be described as follows:

- a. Efficiency: The ease with which people may locate information on the website. Customers who shop online don't need to engage with other people; instead, they need to discover information on the product or service they're looking for. Customers will abandon the search if they are often perplexed.
- b. System: refers to a website's capacity to effectively communicate its products or services, as well as its ability to repair issues that arise throughout the transaction process or to improve the site's technological operation.
- c. Availability: Provide what customers require.
- d. Privacy: It explained how a website can be demonstrated to be trustworthy when it comes to storing personal data for its users. Customers may gain trust and confidence by using online services that are well-designed and run.
- e. Responsiveness: The responsiveness of a website may be used to assess this.

respondents personally or transmitted by email or the post. As a measuring scale, this instrument employs the Likert scale in assessment.

3. Result and Discussion

3.1. Result

1. Respondent Identity

In relation to the description of the respondent's profile in this study, first the data regarding the identity of the respondent will be presented which can be seen in the following table:

Table 1. Respondent's Identity by Gender

No.	Gender	Frequency	Percentage
1.	Male	38	38%
2.	Female	62	62%
	Total	100	100%

Based on table above, which is a description of the identity of the respondents, in terms of gender, it turns out that most of the respondents are female, namely 62 people or 62%, while the rest are male, namely 38 people or 38%.

Table 2. Respondent Identity by Age

No.	Age	Frequency	Percentage
1.	17-20 years	16	16%
2.	21-24 years	21	21%
3.	25-28 years	14	14%
4.	29-32 years	14	14%
5.	>32 years	35	35%
	Total	100	100%

Based on table above, which is a description of the respondent's identity, in terms of the age of the respondents, it turns out that more respondents are over the age of 32 years, namely 35 people or 35%. 25-32 years of 28 people or 28% and the rest are respondents aged 17-20 years, which are 16 people or 16%.

3.2. Discussion

1. The Influence of Customer Trust on Customer Preference

The results of this study indicate that the value of tcount on the customer trust variable is 2.758 with a significant level of less than 5% ($\text{sig} = 0.007$) which means that the customer trust variable partially has a significant effect on customer preference. So that the hypothesis that says "Trust has a positive effect on customer preference" is proven true.

2. The Influence of Customer Perception on Customer Preference

The results of this study indicate that the value of tcount on the customer perception variable is 2.803 with a significant level of less than 5% ($\text{sig} = 0.006$) which means that the customer perception variable partially has a significant effect on customer preference. So that the hypothesis that says "There is a significant and positive effect between perceptions and preferences" is proven true.

3. The Influence of Customer Online Behavior on Customer Preference

The results of this study indicate that the value of tcount on the customer online behavior variable is 2.105 with a significant level of less than 5% ($\text{sig} = 0.038$), which means that the customer online behavior variable partially has a significant effect on customer preference. So the hypothesis that says "There is a significant and positive effect between Customer Behavior and Customer preference" is proven true.

4. Effect of E-Service Quality on Customer Preference

The results of this study indicate that the value of tcount on the e-service quality variable is 8.933 with a significant level of less than 5% ($\text{sig} = 0.000$) which means that the e-service quality variable partially has a significant effect on customer preference. So that the hypothesis that says "There is a significant and positive effect between E-Service Quality and Customer preferences" is proven true.

5. The Influence of Customer Trust, Customer Perfection, Customer Online Behavior and E-Service Quality on Customer Preference

The results of this study indicate that the resulting Fcount is 114.160 with a significant level below 5% (sig = 0.000) which means customer trust (X1), customer perception (X2), customer online behavior (X3) and E-service quality (X4) has a simultaneous effect on customer preference (Y). So the hypothesis that says "Customer Trust, Customer Perception, Customer Behavior, E-Service Quality, simultaneously have a positive significant effect on Customer Preference" is proven true.

4. Conclusion

Based on the results of Multiple Linear Regression analysis, the following conclusions are obtained:

H1: "Trust has a positive effect on customer preference" is proven to be true by looking at the results of the t test with the statement that the significant level obtained is less than 5% (sig = 0.007) which means that the customer trust variable partially has a significant effect on customer preference.

H2: "There is a significant and positive effect between perceptions and preferences" which is proven true by looking at the results of the t test with the statement that the significant level obtained is less than 5% (sig = 0.006) which means that the variable customer perception partially has a significant effect on customer preferences.

H3: "There is a significant and positive effect between Customer Behavior and Customer preference" which is proven to be true, namely by looking at the results of the t test with the statement that the significant level obtained is less than 5% (sig = 0.038), which means that the variable customer online behavior partially has a significant effect on customer preferences.

H4: "There is a significant and positive effect between E-Service Quality and Customer preferences" which is proven true by looking at the results of the t-test with the statement that the significant level obtained is less than 5% (sig = 0.000) which means the e-service quality variable is partially significant effect on customer preference.

H5: "Customer Trust, Customer Perception, Customer Behavior, E-Service Quality, simultaneously have a positive significant effect on Customer Preference" is proven true by looking at the results of the F test with the statement that the significant level obtained is less than 5% (sig = 0.000) which means that the variables of customer trust, customer perception, customer behavior, e-service quality simultaneously have a significant effect on customer preference.

References

- Anas Hidayat, T. W. (2021). Consumer Trust as the Antecedent of Online Consumer. *Information*, 1–10.
- Anwar, s. (2020). *Unlocking the Potential of Indonesia's E-Commerce Industry*. 2020, September 28.
- Aryani, D. N. (2021). A Study on Consumer Behaviour: Transition from Traditional Shopping to Online Shopping During the COVID-19 Pandemic. *International Journal of Applied Business and International Management (IJABIM)*, 81–95.
- Bawono, A. (2019). The Effect Of Consumer Behavior, Brand Image And Promotion On Online Purchase Decisions On Online Shopping Sites. *Jurnal Pengabdian Dan Kewirausahaan*, 131–144.
- Bede Moore, K. A. (2019). *E-commerce in Indonesia: A guide for Australian business*. Commonwealth of Australia.
- Bryan, I. (2020). *Shopee: Most popular e-commerce platform in Indonesia*. 2020, August 20. <https://medium.com/@bryanignatius94/shopee-most-popular-e-commerce-platform-in-indonesia-8393f922e4f7>
- Dasmansyah Adyas, D. N. (2020). Consumer Perception Of The Tokopedia Marketplace And Shopee In Cibinong District, Bogor Regency. *Economicus*, 132–144.
- Fatema, F. (2021). Factors Affecting Customers' Online Shopping Behavior During Covid-19 Pandemic in Bangladesh. *ABC Research Alert*, 67–79.
- Febriani, N. D. (2020). Consumer Behavior on the Quality of e-Service in e-Commerce. *Journal of Communication Studies*, 240–261.
- HQTS. (2020). *Comparison of Different E-Commerce Platforms in Indonesia*. 2020, July 3. <https://www.hqts.com/comparison-of-different-e-commerce-platforms-in-indonesia/>
- indonesia.go.id. (n.d.). (2022). <https://indonesia.go.id/kategori/indonesia-dalam-angka/2534/bisnis-e-commerce-semakin-gurih>.
- Mary Grace T. Delelis. (2019). The Online Shopping Preferences Of The Bachelor Of Science In Accounting Technology Students Of The College Of Business, Entrepreneurship And Accountancy. *International Journal of Advanced Research in Management and Social Sciences*, 358–372.
- Mathias, R. (2020). *Trust in eCommerce: The importance of clarity in creating a positive customer experience*. 2020, December 3.
- Muhammad Asril ARILHAHA, J. F. (2021). Customer Perception of E-Service Quality: An Empirical Study in Indonesia. *Journal of Asian Finance, Economics and Business*, 287–295.

-
- Murugan, D. K. (2019). A Study on Customer Perception towards Online Marketing in Chengalpattu Town. *Emperor Journal of Economics and Social Science Research*, 16–23.
- Parengkuan, S. (2021). Comparative Analysis Of Consumer Preferences In Online Shopping. *Journal Of Economic*, 192–202.
- Populix. (2021). *Ecommerce indonesia*. 2021, July 7. <https://www.info.populix.co/post/ecommerce-indonesia>
- Rita, P. (2019). *The impact of e-service quality and customer satisfaction on customer behavior in online shopping*. 1–14.
- Ruanguttamanun, C., & Peemane, J. (2022). Causal Relationship between e-Service Quality, Online Trust and Purchase Intentions on Lazada Group, An Asia's Leading E-commerce Platform. *Journal of Distribution Science*, 20(1), 13–26.
- Si, Y. (2021). Research on the Balanced Relationship between Online Consumer Behavior and E-Commerce Service Quality Based on 5G Network. *Hindawi*, 1–12.
- Tan, H. S. (2019). *Overview Of Indonesia'S Online Consumer In Q4*. 2019, October 31. <https://www.janio.asia/id/sea/indonesia/indonesia-q4-consumer-overview/>
- Taswiyah. (2021). Housewives' Perceptions and Preferences Against Online Shopping System/Online Shop. *Jurnal Pengabdian Kepada Masyarakat*, 128–137.
- William Ciputra, & Wibawa Prasetya. (2020). Analisis Pengaruh E-Service Quality, Perceived Value Terhadap Customer Satisfaction, Trust, dan Customer Behavioral Intention. *Journal of Communication Management*, 109–128. <https://doi.org/10.37535/103001220201>