

The Effect of E-Service Quality on User Loyalty with User Satisfaction as a Mediating Variable of LinkAja Users in Semarang City

Regita Cahya Adiyanti¹, Firdaus Firdaus²

^{1,2} Departement of Management, Semarang Muhammadiyah University
Correspondence Email: regitacahya183@gmail.com

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ABSTRACT

This study aims to analyze and describe how much e-service quality affects user loyalty with user satisfaction as a mediating variable for LinkAja application users in Semarang City. This study uses a quantitative approach with a purposive sampling method using primary data obtained from distributing written instruments or questionnaires via google form with a Likert scale of 1-5. The natural population of this study were users of the Semarang city link aja. The sample used was 104 respondents who were users of the LinkAja application with the Iemeshow formula. In this study, evaluate the hypothesis using SmartPLS analysis. Based on the SmartPLS analysis test that has been carried out, the results show that (1) E-Service Quality has a positive and significant effect on User Loyalty. (2) E-Service Quality has a positive and significant effect on User Satisfaction. (3) User Satisfaction has a positive and significant effect on User Loyalty. (4) User Satisfaction has a positive and significant effect on mediating the relationship between E-Service Quality and User Loyalty.

Keywords: *e-service quality, user loyalty, user satisfaction*

INTRODUCTION

E-wallet or often also called digital wallet is one of the digital payment applications included in digital financial technology (fintech). E-wallet is one type of electronic money (Aji et al., 2020). The use of e-wallets in Indonesia has increased from June 2019 to June 2020 (iprice.com, 2019), because in this day and age e-wallets are one of the payment system instruments that are most interested in the general public. One of the most popular e-wallet applications is LinkAja. LinkAja is the only government-owned digital wallet application (BUMN), the services provided by LinkAja are integrated with BUMN services (CNBC Indonesia, May 12, 2024). In 2021 LinkAja was used by more than 900,000 local merchants which grew five times from 2020, and from 2020 it doubled with users of more than 315,000 national merchants (Maulida & Pradana, 2022).

Unfortunately, the quality of service provided by LinkAja has not been maximized and needs to be improved seeing the many complaints from LinkAja users in several reviews on PlayStore which indicate that the quality of service is not good. such as problems when making transactions, failed logins, features that cannot be used, failed top ups, difficulty upgrading services, and slow customer service, poor service, pending transactions. With these complaints, LinkAja has not been able to provide a quick and appropriate solution.

If the problem is not handled further, it can result in losses for the LinkAja company if users are not satisfied with the services provided, users will also not be loyal, if this problem continues, LinkAja users will decrease. Therefore, this study aims to analyze and describe how much influence e-service quality has on user loyalty with user satisfaction as a mediating variable.

In connection with the researcher's objectives, this study took various actions such as data collection, surveys by distributing questionnaires online to respondents who use the LinkAja application in Semarang City, with a quantitative approach using non-probability sampling with purposive sampling method. Then the data collected is analyzed using the SmartPLS 4.0 method.

This study provides several theoretical contributions with developments in SOR theory to explain the concepts of satisfaction, loyalty and service quality in e-wallets, besides that some of the results in this study can be used as a reference for further research. Another contribution is that managerial to improve service quality in the LinkAja application, companies must listen to feedback from users to find out the strengths and weaknesses provided such as being quick and responsive in responding to complaints from several users for the problems they experience. That way it can be used as a reference for companies to find out whether service quality affects loyalty which will have an impact on user satisfaction in the future.

LITERATURE REVIEW

E-service quality

E-service quality is increasingly recognized as a channel through which customer needs can be directly conveyed via the internet throughout the consumption cycle (Septiani & Nurhadi, 2020). Service quality is directly determined by the friendliness and convenience provided by service providers to their customers via the internet or website (Siswadi et al., 2019). According to (Suwarno Putri et al., 2021) e-service quality is the company's ability to provide services to match what customers expect. Meanwhile, according to (Effect et al., 2021) e-service quality is basically an improvement in service quality made by comparing two factors: customer perceptions of the services they receive and the services customers expect. Companies must be able to provide convenience for their customers and create a good quality of service so that they can maintain their market share (Berliana & Zulestiana, 2020).

e-service quality is important to maintain quality and service because it can affect user loyalty. This is in accordance with research (Septiani & Nurhadi, 2020) which states that e-service quality has a positive effect on the loyalty of Gojek Yogyakarta users. From this statement, the following hypothesis can be concluded:

H1: E-Service Quality Has a Positive and Significant Effect on User Loyalty of the LinkAja application in Semarang City.

If users get good service quality they will also tend to give a positive response in the form of satisfaction. (Suwarno Putri et al., 2021) through her research revealed that there is a positive influence of e-service quality on the satisfaction of UPT. PSMB-LT Surabaya service users. Where from the data the data can be concluded hypothesis as follows:

H2: E-Service Quality Has a Positive and Significant Effect on User Satisfaction of the LinkAja application in Semarang City.

User Loyalty

Loyalty is formed because it is influenced by e-service quality and customer satisfaction (Sefnedi & Alfari, 2022). According to (Triandewo & Yustine, 2020) customer loyalty is a commitment to reuse for a long time and give recommendations to others in one brand. Customer loyalty encourages customers to feel positive and enjoy the usage experience and helps attract other customers to use the service (David, 2018). This is one of the important factors and keys to the success of a company to create a competitive and sustainable advantage over a long time (Siswadi et al., 2019). Loyalty is considered important because with high loyalty, the greater the customer to buy the brand in question (Triandewo & Yustine, 2020). With loyal customers, it will increase loyalty to the company's products or services (Septiani & Nurhadi, 2020).

In this context, customer satisfaction acts as a mediating variable, user satisfaction can function as a bridge or intermediary mechanism, which means that the experience provided by users regarding good e-service quality will increase user satisfaction with the LinkAja application. This will increase user loyalty to the LinkAja application. The results of research (Suwarno Putri et al., 2021) state that customer satisfaction mediates the relationship between service quality and brand image on customer loyalty at UPT PSMB-LT Surabaya. From this evidence, the following hypothesis can be concluded:

H4: User satisfaction mediates the relationship between e-service quality and user loyalty of the LinkAja application in Semarang City

User Satisfaction

For businesses, satisfaction is seen as one of the important market performance indicators. Increased customer satisfaction can increase business growth in the short and long term (Tjiptono, 2020). According to (Winasih & Hakim, 2021) customer satisfaction is a consumer reaction regarding the assessment of the conformity between expectations and reality after using the product or service. Satisfaction is also defined as a function of perceived product performance and buyer expectations (Tjiptono, 2020). Customers who are satisfied with a product or service tend to repurchase the

product or service (Septiani & Nurhadi, 2020). For the same product or service, it will provide different levels of satisfaction for different consumers. Customer satisfaction must be considered because it is part of the important things in a company (Zahara, 2020). Therefore, companies must be able to provide quality products and services to customers (Berliana & Zulestiana, 2020).

When customer satisfaction is high, it will create high customer loyalty. With loyal customers, it will expand loyalty to the company's products or services (Septiani & Nurhadi, 2020). Research (Noor, 2022) states that user satisfaction has a significant positive effect on the loyalty of public service website users. From this statement, the following hypothesis can be concluded:

H3: User Satisfaction Has a Positive and Significant Effect on User Loyalty of the LinkAja application in Semarang City.

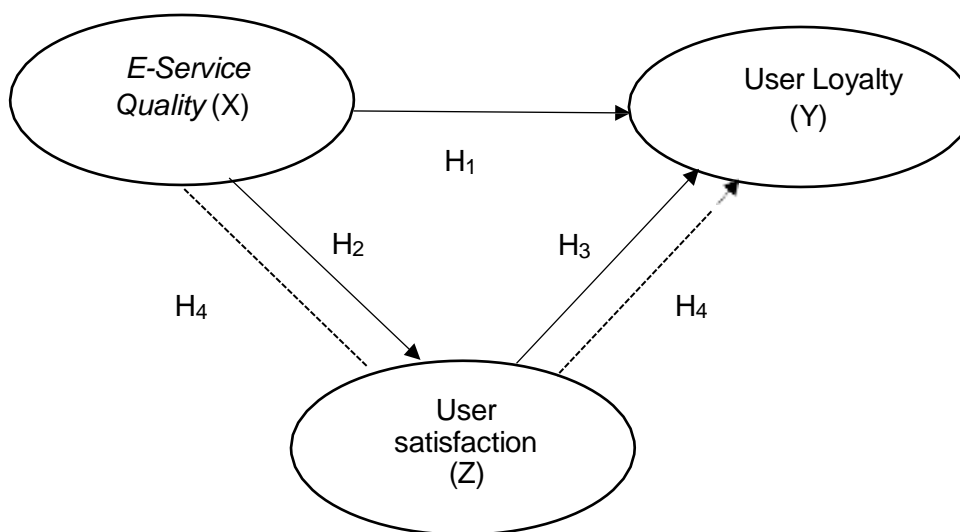


Figure 1. research framework
Source: Processed by researchers (2024)

RESEARCH METHOD

This study aims to analyze and describe how much e-service quality affects user loyalty with user satisfaction as a mediating variable for LinkAja application users in Semarang City. This study uses a quantitative approach with a non-probability sampling method with purposive sampling technique using primary data obtained from distributing written instruments or questionnaires via google form with a Likert scale of 1-5. With criteria who have used the LinkAja application and who live in Semarang City. The natural population of this research is LinkAja users in Semarang city. The sample used was 104 respondents who were users of the LinkAja application with the lemeshow formula. In this study, evaluate the hypothesis using SmartPLS 4.0 analysis.

RESULT

Table 1 Respondent Data

| No | Description | Frequency | Amount | Total percentage (%) | |
|----|-------------|-----------------|--------|----------------------|-----|
| 1. | Gender | Male | 29 | 104 | 100 |
| | | Female | 75 | | |
| 2. | Age | 17-23 years old | 85 | 104 | 100 |
| | | 24-30 years old | 14 | | |
| | >30 years | 5 | | | |
| 3. | Employment | Students | 12 | 104 | 100 |
| | | University | 69 | | |

| | | | | |
|------------------|-----------|----|-----|-----|
| Status | Employess | 23 | | |
| 4. Length of use | 1 month | 57 | | |
| | 3-6 month | 26 | 104 | 100 |
| | >1 years | 21 | | |
| | | | | |

Source: processed primary data, 2024

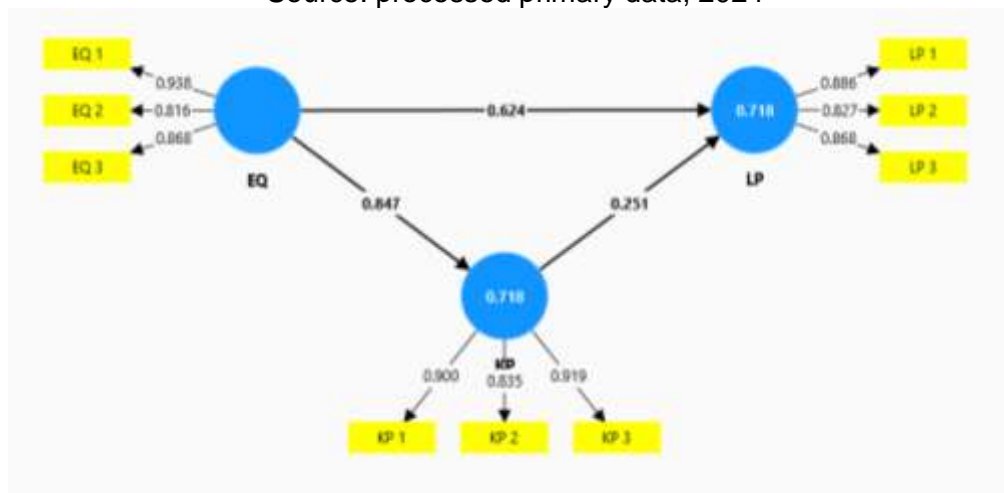


Figure 2. Outer Model Results
 Source: processed primary data, 2024

Outer Model Analysis (Validity and Reliability Test)

Based on the construct model in Figure 2, the results of validity testing are depicted in the table below:

Table 2. Outer Loading Result (Loading Factor)

| Variable | Indicator | Outer loading |
|---------------------------|-----------|---------------|
| <i>E- Service Quality</i> | EQ 1 | 0.938 |
| | EQ 2 | 0.816 |
| | EQ 3 | 0.868 |
| User Loyalty | UL 1 | 0.886 |
| | UL 2 | 0.827 |
| | UL 3 | 0.868 |
| User Satisfaction | US 1 | 0.900 |
| | US 2 | 0.835 |
| | US 3 | 0.919 |

Source: processed primary data, 2024

From table 2. the outer loading value on the e-service quality variable shows a value above 0.5, user loyalty shows a value above 0.5 and user satisfaction shows a value above 0.5. All variables are declared valid and each variable does not have to be removed from the model. Because the overall value is above 0.5.

Table 3. Cross Loading Result

| Item | <i>E-Service Quality</i> | User Satisfaction | User Loyalty |
|------|--------------------------|-------------------|--------------|
| EQ 1 | 0.938 | 0.762 | 0.813 |
| EQ 2 | 0.816 | 0.700 | 0.702 |
| EQ 3 | 0.868 | 0.763 | 0.677 |
| US 1 | 0.797 | 0.900 | 0.711 |

| | | | |
|------|-------|--------------|--------------|
| US 2 | 0.685 | 0.835 | 0.663 |
| US 3 | 0.765 | 0.919 | 0.697 |
| UL 1 | 0.732 | 0.658 | 0.886 |
| UL 2 | 0.638 | 0.624 | 0.827 |
| UL 3 | 0.780 | 0.725 | 0.868 |

Source: processed primary data, 2024

The cross loading value on the variable formed is the largest when compared to the cross loading value on other variables. from table 3. Indicates that the indicators used in this study have good discriminant validity.

Table 4. Average Variant Extracted Result (AVE)

| Variables | Average Variant Extracted | Description |
|--------------------------|---------------------------|-------------|
| <i>E-Service Quality</i> | 0.766 | Valid |
| User Loyalty | 0.741 | Valid |
| User Satisfaction | 0.784 | Valid |

Source: processed primary data, 2024

From table 4. stated the value of the e-service quality variable is 0.766, the user loyalty variable has a value of 0.741 and user satisfaction has a value of 0.784. So it can be said that all variables have an AVE value above 0.5 and are declared valid.

Table 5. Composite Reliability dan Cronbach's Alpha Result

| Variables | Cronbach alpha | Composite reability | Description |
|--------------------------|----------------|---------------------|-------------|
| <i>E-Service Quality</i> | 0.845 | 0.907 | Reliabel |
| User Loyalty | 0.825 | 0.895 | Reliabel |
| User Satisfaction | 0.861 | 0.916 | Reliabel |

Source: processed primary data, 2024

From table 5. Shows that Cronbach alpha and composite reliability of e-service quality variables, user loyalty and user satisfaction are reliable. This is indicated by the Cronbach alpha and composite reliability values above 0.7.

Inner model

The following are the results of the inner model

Table 6. Results of R-Square Analysis

| Variabel | R-Square |
|-------------------|----------|
| User Loyalty | 0.718 |
| User Satisfaction | 0.718 |

Source: processed primary data, 2024

From table 6. the user loyalty variable r-square value is 0.718, which indicates that the e-service quality variable can explain about 71.8% of the variation in user loyalty, with qualifications as a strong category. And for the user satisfaction variable, the r-square value is 0.718, which indicates that the e-service quality variable can explain about 71.8% of the variation in user satisfaction, with qualifications as a strong category.

Table 6. dirrect and indirect effect

| Hipotesis | Original sample (O) | T statistics (O/STDEV) | P values | Result |
|-----------|---------------------|--------------------------|----------|--------|
|-----------|---------------------|--------------------------|----------|--------|

| | | | | | |
|---|----|-------|--------|-------|--------------------------|
| E-Service Quality → User Loyalty | H1 | 0.624 | 5.289 | 0.000 | Positive and significant |
| E-Service Quality → user satisfaction | H2 | 0.847 | 24.850 | 0.000 | Positive and significant |
| user satisfaction → User Loyalty | H3 | 0.251 | 2.096 | 0.036 | Positive and significant |
| E-Service Quality → user satisfaction → User Loyalty | H4 | 0.213 | 2.096 | 0.036 | Positive and significant |

Source: processed primary data, 2024

From table 6. it can be seen that in this study related hipostesis can be concluded as follows:

H1: e-service quality positively and significantly affects user loyalty

E-service quality on user loyalty has a path coefficient of 0.624 with a Tstatistic value of 5.289 and p values of 0.000. This shows that the Tstatistic value obtained is greater than the T table (1.960) and p values <0.05. Where this shows that e service quality has a positive and significant influence on user loyalty.

H2: e-service quality positively and significantly affects user satisfaction

E-service quality on user satisfaction has a path coefficient of 0.847 with a Tstatistic value of 24.850 and p values of 0.000. This shows that the Tstatistic value obtained is greater than the T table (1.960) and p values <0.05. Where this shows that e service quality has a positive and significant effect on user satisfaction.

H3: user satisfaction positively and significantly affects user loyalty

User satisfaction on user loyalty has a path coefficient of 0.251 with a Tstatistic value of 2.096 and p values of 0.036. This shows that the Tstatistic value obtained is greater than the T table (1.960) and p values <0.05. Where this shows that user satisfaction has a positive and significant influence on user loyalty.

H4: user satisfaction mediates the relationship between e-service quality and user loyalty

User satisfaction acts as a mediator in the relationship between e-service quality and user loyalty with a mediation path coefficient of 0.213 and significant with a Tstatistic of 2.096 and p values of 0.036. Therefore, it can be concluded that user satisfaction positively and significantly mediates between e-service quality and user loyalty.

DISCUSSION

The Effect of E-Service Quality on User Loyalty

E-service quality is important to maintain quality and services such as the LinkAja company needs to provide good service to users, be fast and responsive in responding to user complaints because it can affect user loyalty. The higher the quality of service provided, the higher the user loyalty to the platform or company (Noor, 2022). With good e-service quality continuously, it will create customer loyalty which is important for the continuity of the company where users choose to use LinkAja regularly and choose it again compared to other applications. This is supported by research (Septiani

& Nurhadi, 2020) which states that e-service quality has a positive effect on the loyalty of Gojek Yogyakarta users..

The Effect of E-Service Quality on User Satisfaction

If users get good service quality they will tend to give a positive response in the form of satisfaction. If users feel that the LinkAja application meets or exceeds the expectations of its users in terms of speed, reliability, ease of use, users will tend to feel satisfied with the experience of using LinkAja. This is supported by research (Suwarno Putri et al., 2021) through his research revealed that there is a positive influence of e-service quality on the satisfaction of UPT service users. PSMB-LT Surabaya.

The Effect of User Satisfaction on User Loyalty

Users who are already loyal to the LinkAja application tend to have a high level of satisfaction. Loyalty can be reflected in the frequency of application use, intention to recommend to others. Loyalty can also reduce excessive expectations of the application, so users are more likely to feel satisfied with the LinkAja application. This is supported by research (Septiani & Nurhadi, 2020) in their research which reveals that there is a positive influence of user satisfaction on the loyalty of Gojek Yogyakarta users.

User Satisfaction in Mediating the Relationship Between E-Service Quality and User Loyalty

User satisfaction can function as a bridge or intermediary mechanism, which means that the experience provided by users regarding good e-service quality will increase user satisfaction with the LinkAja application. This will increase user loyalty to the LinkAja application. This is supported by research (Noor, 2022) which reveals that there is a positive effect of e-service quality on user loyalty through user satisfaction of public service websites as a mediating variable.

CONCLUSION

Based on the results of the research above, the authors tested using SmartPS 4.0 and obtained validity and reliability test data. With e-service quality has a positive and significant effect on user loyalty in the LinkAja application. E-service quality has a positive and significant effect on user satisfaction on the LinkAja application. User satisfaction has a positive and significant effect on user loyalty in the LinkAja application. and user satisfaction positively and significantly mediates the relationship between e-service quality and user loyalty in the LinkAja application.

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