

Building Loyalty through Usability and Satisfaction toward RedDoorz Web Site Services

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Abstract: This study aims to analyze the effect of satisfaction in building loyalty and positive word of mouth toward Red Doorz users in Bandar Lampung. The main objective is to examine a mediating effect of loyalty in the effect of satisfaction on Word of Mouth. To address these objectives, the quantitative research design was used by distributing the questionnaires to the 250 users of RedDoorz. The 200 usable data used was analyzed by Structural Equation Modelling Analysis, Based on Covariance. The results show that Loyalty plays a mediating role in the effect of Satisfaction on Word of Mouth. It means that the higher satisfaction of the users or customers has, the more loyalty will be created, then the higher positive word of mouth will be developed. This implies that the management must improve the consumers' loyalty in terms of financial transactions whenever they book a hotel online due to still having a complaint towards financial transaction failure.

Keywords- Red Doorz Covariance, Bandar Lampung,

Introduction

Internet technology services still have an obstacle in increasing the number of users. The obstacle that still occurred based on research results by Kassim and Abdel (2006) is the ease of use of internet services (usability). The ease of internet services identified by Kassim and Abdel (2006) included ease of use of features and availability of detailed usage procedures in internet or web site services. Casalo et al (2008) found that usability of e-banking web site services directly influenced customer satisfaction only 34% on customer satisfaction and indirectly on customer loyalty, mediated by consumer satisfaction 31.70%, that will bring about positive word of mouth. While the indirect effect of the usability variable on positive word of mouth after mediated by customer satisfaction is 28.7%. These findings implied that the estimated value of the ease of use towards web site services effect is still relatively low at less than 50%. Compared to the research results by Kassim and Abdel (2006), the results showed that the effect of the usability variable on satisfaction by only 43.7%. Then, when connected to its influence on loyalty and word of mouth, its effect decreases. Therefore, these findings suggested that it needs to re-research by extending the various types of e-commerce services so that this research is extended research, applied to the web site booking services by RedDoorz services.

This research focuses on Singapore's RedDoorz VHO company, operated booking hotel services-based budget hotel platform, and also RedDoorz aggressively develops and expand its business to Indonesia. RedDoorz's market share in 2019 is still 17%. The average user growth or room booking through VHO in Indonesia by 23%. One of the reasons why RedDoorz's market share in Indonesia is low is caused by the usability of its web site services. Therefore, this research aims to analyze the effect of usability on and satisfaction that will bring about the users' loyalty and positive word of mouth. The main objective is to examine a mediating role of loyalty in inducing positive word of mouth due to the effect of satisfaction.

Literature Review And Hypothesis

Kotler and Keller (2014) explained consumer behavior is the study of how individuals, groups, and organizations choose, buy, use, and how goods, services, ideas, or experiences to satisfy their needs and desires. Shiffman and Kanuk (2012), define consumer behavior as the activities of individuals who are directly involved in obtaining and using goods and services, including the decision-making process in the preparation and determination of these activities.

Consumers start activities in market interactions based on the needs and desires of goods and services, and these needs encourage producers, namely companies, to provide these goods and services. In line with the emergence of needs and desires, then the customer also appears expectations about the goods and services that he will later receive from the manufacturer. The company's goal is to give satisfaction to consumers through the products offered, products that have more value will also give more satisfaction to consumers. Product value can be met through increased product usability. This is the basis for a producer or company to meet the needs and expectations of consumers for goods and services so that consumer satisfaction is achieved (Kotler and Keller 2014)

The behavior continued after the customer is satisfied then formed a loyalty of a product or service offered by producers. Kotler and Keller (2014) define consumer loyalty as loyalty is a strongly held commitment to buy again or re-subscribe to certain products or services in the future despite the influence of marketing situations and businesses that have the potential to cause behavioral shifts. The concept of customer loyalty is also defined as "a deep commitment to repurchase/repeat the pattern of product or service preferences in the future, which leads to repeated use of the same service, despite the involvement of situational factors and efforts to switch services".

Moreover, Kotler and Keller (2014, p.305) stated that a loyal consumer tends to become a word of mouth advertiser so that it can create new customers or retain the existing customers to be long-life customers. Word of mouth (WOM), referring to Kotler and Keller (2014; 341) is a positive and negative information communication from someone to others, after buying experiences, also known as viral marketing due to sharing information from one to others or from one user of a web site or other users. Besides, Amin (2016) stated that WOM is a social behavior in which people interact with each other to make a better choice.

Usability and Satisfaction

Ease of use (Usability) is defined as someone believing that using technology will be free of effort. This concept includes clarity of the purpose of using information technology and ease of use of the system for the purpose according to the user's wishes (Asterik-Plasmaijer and William 2017). Ease of use is defined as an individual trust where if they use a particular system it will be free from time constraints of service (Kassim and Abdel 2006).

Ease of use (usability) is something that states individuals believe that the use of a particular technology will improve the performance of individuals. Casalo et al (2008) explain that usability is a perception of usefulness defined as a measure where the use of technology is believed to bring benefits to people who use it.

Several previous studies have shown that perceived usefulness has a positive influence on the attitude of technology (Casalo et al. 2008; Amin, 2016; and Kassim and Abdel, 2006). Amin (2016) found that perceived usefulness is a positively related and significant effect on the satisfaction of internet banking usage. Thus, the first hypothesis in this study was formulated as follows:

H1: usability affects customer satisfaction

Satisfaction and Loyalty

Ismail et al (2013) conducted a study on the effect of satisfaction on internet banking customer acceptance. The research subjects focus on Egypt, where the samples taken are internet banking users. Ismail et al (2013) found that usability influenced customer loyalty. This study is strengthened by the research results conducted by Casalo et al (2008), finding that satisfaction has a direct effect on loyalty. So, the second hypothesis of this study is:

H2: Satisfaction affects loyalty.

Satisfaction and Word of Mouth

Ease of use is also defined as the extent to which a person believes that using technology will be free of effort (Kasim and Abdel; 2006). So, if someone believes that technology is easy to use then that person will use it. So that this ease variable indicates that a system is made not to make the user difficult, but rather a system made to provide convenience for the user.

Someone after receiving ease of service then the next behavior in question will be satisfied and the continued behavior of being satisfied other than loyalty is positive word of mouth (Kotler and Keller; 2014). Casalo et al (2008) in his study found that satisfaction has a positive effect on word of mouth after being mediated by loyalty variables. Thus, the third hypothesis of this study is:

H3: Satisfaction influences the positive word of mouth, and mediated by Loyalty.

Consumer loyalty in the study of Casalo et al (2008) has a positive effect on positive word of mouth. The results of this study reinforce the opinion of Kotler and Keller (2014) which states that after consumers are loyal to a product or service, the behavior carried out by consumers is to inform positive things about the product or service it receives so that the fourth hypothesis of this study is formulated as follows:

H4: Loyalty has a positive effect on word of mouth

Therefore, all hypotheses can be drawn in Figure 1

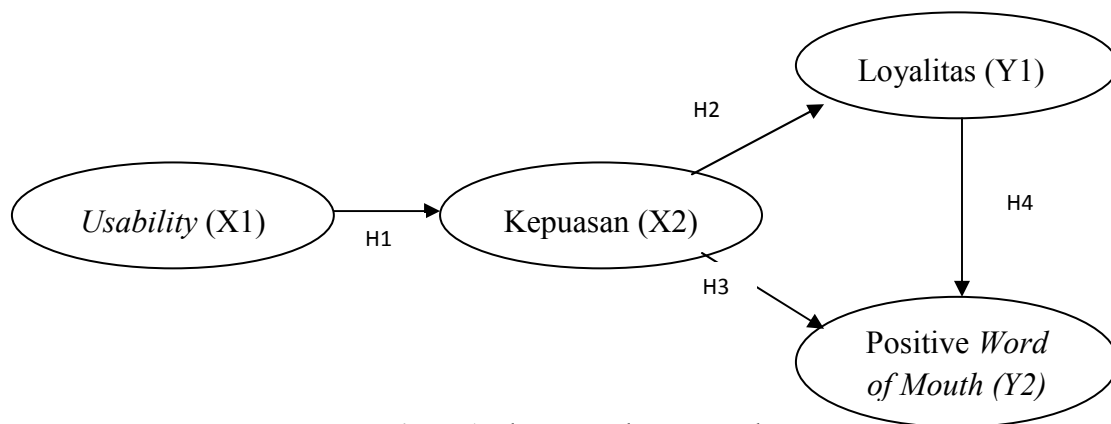


Figure 1. The Research Framework

Research Methodology

This research used a quantitative research design by distributing a questionnaire to 250 Indonesian users of RedDoorz services through online(google.form). The 200 usable data that can be used were analyzed by Structural Equation Modelling (SEM) Analysis, based on Covariance, LISREL Application 8.8. All items in the questionnaire adopted the indicators of Casalo et al (2008) study and adjusted to the characteristic of the research object.

All indicators have fulfilled the requirement of validity and reliability test. The validity test used a loading factor of construct validity based on CFA (Confirmatory Factor Analysis)-SEM equal or more than 0.50, and the Reliability test used Cronbach's alpha (CA) value equal or greater than 0.70.

Results And Discussion

Results

The demographic profile of respondents shows, ages 17 to 46 years are the dominant age group of users of RedDoorz services (90%). This age group is an age group with quite a knowledge of information technology so that the use of RedDoorz connected to information technology in this age group will not have a difficult experience.

RedDoorz service users are dominated by private employees with 34%, civil servants are 20%, and entrepreneurs are 33%. This data shows that consumers of RedDoorz service have a permanent job so that they have a steady income. RedDoorz service must be able to utilize the profession of the consumers who have a busy life by facilitating the best relevant services, as a business user.

SEM-based Covariance results show a two-step approach. First is the measurement of the model fit, and the second is the structural model fit that predicts all constructs are related to each other.

SEM results show that the main measurement criteria of the model fit, measured by the Goodness of fit index is in a good criteria 0.90, with the RMSEA (root mean square error of approximation) value of the model 0.08, fulfilling the criteria for model fit (Hair et al., 2010, p. 667),. Based on the SEM results, it can be concluded that the theoretical model built (Figure 1) is following the estimation model, which can be seen in Table 1 and Figure 2.

Table 1 The Structural Model, Based on SEM - Covariance Results

Path	Direct Effect Coefficient	Indirect Effect Coefficient	Total Effect	Hypothesis Decision
H1: Usability → Satisfaction	0,18	-	-	Supported
H2: Satisfaction → Loyalty	0,26	-	-	Supported
H3a: Satisfaction → Positive WOM	0,16	-	-	Supported
H3b: Satisfaction → Loyalty → Positive WOM	-	=0.26*0.60 = 0.16	=0.16+0.16 =0.32	A Mediating effect of Loyalty: Supported
H4: Loyalty → Positive WOM	0,60	-	-	Supported

Based on Table 1 above, all hypotheses are supported by the empirical data. The usability of the RedDoorz service has a significant effect on Satisfaction, and then Satisfaction directly affects on Loyalty and Positive Word of Mouth. The main important result is that Loyalty plays a mediating role in the effect on Satisfaction on Positive Word of Mouth. This can be seen from the total effect coefficient higher (0.32) than the coefficient of indirect effect (0.16).

Table 1 above can be drawn based on the Structural Model in Figure 2.

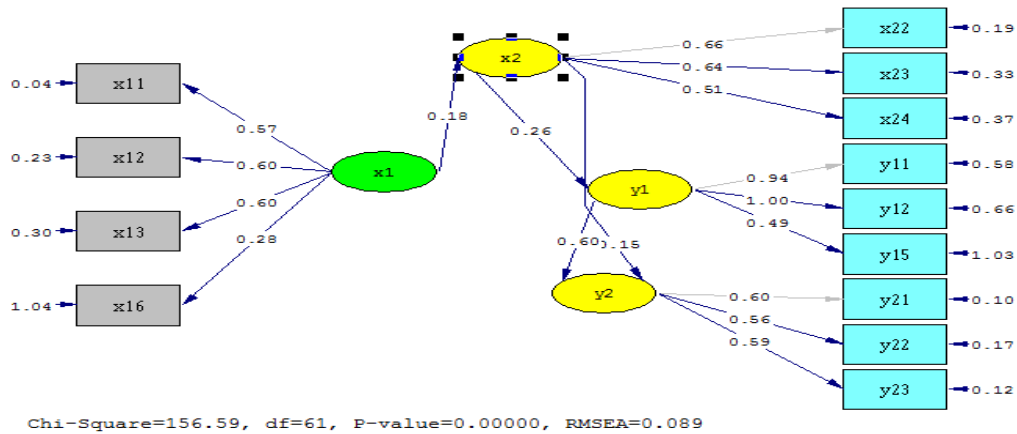


Figure 2. The Structural Model of SEM Results, 2020

Discussion

The effect of usability on satisfaction toward RedDoorz service is 18.00%. This means that if RedDoorz wants to increase user satisfaction toward RedDoorz service, the RedDoorz service must be able to increase the RedDoorz service, especially on features, and contents or design of RedDoorz web site quality because around 21.00 % of the consumers or users of RedDoorz service dissatisfied toward the features and the contents of RedDoorz web site quality, based on the consumers' responses. This result supports the research results by Casalo et al (2008), even though their results show a higher effect around 30.00%. This different effect is because there is still dissatisfaction with the consumers toward the RedDoorz services, especially in the transaction fails, even though the consumers have been charged, but RedDoorz services did not send the products or services promptly.

The effect of Satisfaction on Loyalty is 26.00%. This indicates that the satisfaction variable is important to be improved by RedDoorz to have higher the consumers' loyalty toward RedDoorz services. The results of this study are consistent with research results by Casalo et al (2008), Kasimand Abdel (2006), and Amin (2016). Satisfaction variables have a significant effect on building Loyalty, due to the usability effect toward RedDoorz services. The implication of this finding, it can be concluded that the ease of use of web site services determines the level of customer satisfaction that will build increasing consumer loyalty.

Based on consumers' responses, there are 20.00% dissatisfied consumers and 16.00% of consumers state that the decision to use RedDoorz is not right so that the level of customer satisfaction decreases. Therefore, service improvement can be mainly done by improving the internet connection so that

transaction failures can be reduced. Another thing is to avoid charging fees to consumers if a service transaction fails. Therefore, increasing resources or RedDoorz operators should also be done so that the services provided can be run fast and without errors.

The effect of Satisfaction on Word of Mouth is not too large at 16.00%. This result indicates that if consumers are satisfied, the behavior taken is to recommend and tell positive things after receiving service. Consumers' satisfaction happens due to the usability of RedDoorz services. Based on this finding, the ease of use of the services is the main factor to determine customer satisfaction. Consumers who are satisfied with RedDoorz's service will then provide recommendations to others. This result also is strengthened by the mediating role of loyalty. Loyalty plays a mediating role in the effect of Satisfaction on Word of Mouth, which can be measured by the estimated value of the total effect higher (32.00%) than the estimated value of direct effect (16.00%). It means that the higher the consumers are satisfied the more positive Word of Mouth will be created due to the higher loyalty of the consumers have. This result is also following the research result by Casalo et al (2008).

Based on consumers' responses, as many as 17% disagree that RedDoorz services can be easily accessed. It still needs quite a lot of time to get access. RedDoorz needs to improve its web site quality in terms of ease accessibility.

The influence of Loyalty on positive WOM is 60.00%. This result is the highest value of all other hypothesis values. The results of this study are following the concept of the theory which states that after receiving ease of service, the next behavior in question will be satisfied and the continued behavior of satisfaction besides loyalty is positive word of mouth (Kotler and Keller; 2014). This result also supports the previous results by Casalo et al (2008, stating that loyalty has a significant effect on creating a positive WOM after taking into account customer satisfaction factors.

Conclusion, Implication, Future Research

Usability is the main factor to determine customers' satisfaction toward online services, especially in booking hotels online through RedDoorz services. Then, customer satisfaction has a significant factor in building customer loyalty and creating a positive word of mouth. The main important result is that Loyalty plays a vital role in intervening in the effect of Satisfaction on Positive Word of Mouth, due to usability effect of online services. The higher loyalty of the consumers has, the more positive word of mouth will be created due to customers' satisfaction toward online services.

The research results imply for the management of online services, the management needs to improve features and contents or design of web site quality services to make consumers or users easy to use. The features and contents improvement can be mainly done by improving the features appearance and well-attractive design of the site. Also, the network connection needs to be improved so that the connection can be accessed easily. Also, to important key for management is to improve the long-life customers loyalty by avoiding financial transaction failure when the consumers have a transaction. If this happens, the management must give money back guarantee program.

This study has a limited number of samples so that it needs to conduct further research by extending the various types of the industry sectors and specific business scope in between Business to Business (B-to-B), and also applying the probability sampling technique to get a representative and non-bias sample.

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