

## **CHAPTER II**

### **THEORITICAL FRAMEWORK AND HYPOTHESIS**

#### **DEVELOPMENT**

This chapter consists of literature review, the theories that are used in this study, hypothesis, and conceptual framework. There are several theories contained in this chapter, such as the definition and indicators of e-service quality, e-recovery, customer loyalty, and repurchase intention from several experts.

#### **2.1 E-SERVICE QUALITY**

Service quality is defined as how the services meet the customer satisfaction (Parasuraman et al. 2005) explained that e-service quality is a design made on a website with the purpose that the website can operate successfully and efficiently for use in conducting online transactions. Santos (2003) also stated that electronic service quality is the whole evaluation and decision relating to quality in service delivery on electronic transaction. According to Pratiwi (2016) is a service provided to consumers via the internet as the ability of the site in providing facilities and convenience in the process of buying and selling, transactions and as well as distribution to consumers effectively. Chase (2014) added E-service quality is a form of higher service quality broadly related to the internet media as an intermediary between the seller and the buyer to meet transaction needs effectively and efficient. Parasuraman, et al., (1985), discover models to explain differences between customer expectations and experience that appears. first model consists of ten service dimensions quality. In 1988 those ten dimensions known as SERVQUAL which only consists of five dimensions: reliability

is the company's ability to provide services for customers, receptiveness is about how the company provides services that are responsive to all customer wants and needs, empathy related to customer satisfaction is closely related to sincere and close attention to each customer., assurance is related to certainty, that customers get from the behavior of business actors, and tangibles is the company's ability to provide the best service for customers (Parasuraman *et al.*, 1988).

## **2.2 E-RECOVERY**

Grönroos (1996) stated e-recovery refer to the company action handling service failure. Zeithaml *et al.*, (2017) stated that e-recovery is the approach marketplace manage a service performance below customer expectation that can lead to customer dissatisfaction. The company must determine ways to overcome dissatisfaction that occurs during the transaction or after the transaction. failure in this matter such as defective goods, failure to transact, delay in delivery of goods, or damage in delivery of goods. If this problem is not addressed, it will cause long term complications. E-recovery indicators consist of responsiveness which is the ability to provide information for replacement product and several step of returning product and choosing replacement product, compensation which is how the business resolve potential problem and providing compensation if problem exist, and contact is the availability of customer to contact business representative or customer service (Zeithaml *et al.*, 2017).

## 2.3 CUSTOMER LOYALTY

In general, customer loyalty is a form of consumer to use a product or service continuously, because they have high satisfaction with the product or service used, they tend to feel a sense of recommending the product or service to other people. Oliver (2010) stated customer loyalty is the customer commitment to continue subscribe or re-purchase consistently selected products/services on the future, despite the influence situation and marketing efforts have potential to cause change behavior. According to Kotler and Keller (2012) said that customer loyalty is situation that customers consistently spend the entire existing budget to buy a product or service from the same seller. According to Oliver (2010), customer loyalty phase begins from: 1) Cognitive loyalty based solely on brand beliefs. Customers who have this first stage of loyalty use information about the superiority of a product over other products. Cognitive loyalty is based more on functional characteristics, especially cost, benefit, and quality. If these three factors are not good, customers will easily switch to other products. 2) Affective loyalty or liking or attitude towards the brand based on the opportunity to use cumulative satisfaction. Customer satisfaction is highly correlated with future repurchase intentions. In affective loyalty, customer vulnerability is more focused on three factors, which is dissatisfaction with existing brands, persuasion from marketers and customers of other brands, and attempts to try other products. 3) Conative loyalty which shows a loyalty condition that contains whether on first appearance shows deep commitment to buy. At this stage, this commitment shows a desire to conduct the action. The desire to repurchase or become loyal is only an anticipated action but has not yet been implemented. 4) Action loyalty, where intention is converted to action.

Customer loyalty indicator consist of attitudinal loyalty and behavioral loyalty (Al-dweeri et al., 2018). Behavioral loyalty interpreted as a loyalty that drive a consumer to repeat purchase at the same place or website, and attitudinal loyalty does not exactly imply that the consumer really buys from the site, regardless of having a positive behavior towards it.

## **2.4 REPURCHASE INTENTION**

According to Kotler et al., (2016) E-repurchase intention shows a commitment in make a purchase from the existence of a process e-evaluation, from the process of evaluating a person regarding a product, how the product fits with expectations and meet their needs and then lead to repurchase intention to use the product or service again. Suhaily (2017) stated that repurchase intention is an attitude and behavior which is profitable for the company from the transaction that occurs continuously in the future. Kotler and Keller (2012) said that after consumers buying the product or services, customers may have different reactions such as satisfied or dissatisfied and employ post-purchase behavior. The satisfied customers will go again to buy the product and recommend the product to others meanwhile dissatisfied customer will not buy the product and prevent other customer to not buy the product to avoid the same experience. According to Schiffman and Kanuk (2007) explained that consumers do three types of purchase, such as: trial purchase, purchase repeats, and long-term purchases. When consumers buy a product for the first time in a smaller amount than usual, this purchase is considered a trial purchase. However, if the purchase is made by the consumer based on experience that has been done previously, then the purchase is repeat purchase. When consumers do continuous purchases over time then the

purchase is a long-term purchase. Kotler said that buying intention appear after the alternative evaluation process (Kotler *et al.*, 2016). Tjiptono (2015) said that repurchase intention is not equal to loyalty. if loyalty represents a mental obligation to a specific brand or item, while repurchase intention exclusively includes purchasing a similar brand more than once. According to Pham et al., (2018) customer repurchase intention indicator is future purchase which mean that there is a chance of a consumer to buy again from the same website/shop in the future. There are four stages of producers in determining buying interest or determining consumer encouragement in making purchases of the products or services offered. These four stages are known as the AIDA model, for example: Attention, Interest, Desire, and Action (Kotler and Keller, 2012). The first stage is attention where consumers assess the product according to their needs while studying the products offered to them. The second stage is interest, where potential consumers are interested in buying the products offered after obtaining information about the product. The third stage is desire, which is the same as the second stage where the potential consumer have an interest in buying a product, but at this stage potential consumers show a strong motivation to buy the products offered. And the last stage is action where potential consumer is ready to buy or use the products or services offered.

## **2.5 PREVIOUS RESEARCH**

**Table 2. 1 Previous Research**

## PREVIOUS RESEARCH

Title, Author, Year	Variable	Research Method	Research Result
The influence of e-service quality and e-recovery towards repurchase intention on online shop in Surabaya: the mediating role of customer loyalty (Hongdiyanto et al., 2020)	e-service quality, e-recovery, customer loyalty, and repurchase intention	SmartPLS software version 3.2.9, PLS with structural equation analysis (SEM).	The results show that the variable mediated by customer loyalty has a large influence on repurchase intention. In this study, it can be explained that there are significant influences between the effect of E-Service Quality and E-Recovery mediated by customer loyalty towards repurchase intention.
The Effects of E-service Quality on Customer Online Repurchase Intention Towards E-commerce Marketplace C2C in Indonesia (Rahmayanti & Wandebori 2018)	E-service Quality Online customer satisfaction Online repurchase intention	Technology Acceptance Model (TAM).	it is revealed that the greater E-service quality, the online customer satisfaction will be higher, and enhance online repurchase intention

<p>Behavioral Customer Loyalty in Online Shopping: The Role of E-Service Quality and E-Recovery (Shafiee &amp; Bazargan 2017)</p>	<p>E-shopping, E-loyalty, E-service quality, E-recovery, online repurchase intention</p>	<p>PLS-SEM</p>	<p>The results indicate that information security and website performance influence eservice quality both positively and directly. Also, responsiveness, compensation, and contact positively influence e-recovery. E-recovery has positive impact on e-loyalty, which in turn significantly affects online repurchase.</p>
<p>Pengaruh e-service quality dan e-recovery service quality terhadap e-customer satisfaction dan e-customer loyalty (Tambusai et al., 2019)</p>	<p>E-Service Quality, E-Recovery Service Quality, E-Customer Satisfaction, E-Customer Loyalty</p>	<p>path analysis method with the help of PLS</p>	<p>The results of this study indicate that e-service quality and e-recovery service quality have a significant and positive effect on e-customer satisfaction and e-customer loyalty.</p>
<p>Effects of service quality and customer satisfaction on repurchase intention in restaurants on University of Cape Coast campus (Mensah I &amp; Mensah R D 2018)</p>	<p>customer satisfaction, repurchase intention, service quality</p>	<p>Exploratory factor analysis</p>	<p>Also, both service quality and customer satisfaction had significant effects on repurchase intention.</p>

<p>The effect of E-Service Quality, E-Trust, Price, and Brand Image Towards E-Satisfaction and Its Impact on E-Loyalty of Traveloka's Customer (Wilis R A &amp; Nurwulandari A 2020)</p>	<p>E-Service Quality, E-Trust, Price, Brand Image, E-Satisfaction, E-Loyalty</p>	<p>Structural equation modeling (SEM) method with the AMOS 22 application.</p>	<p>Based on the results of the study concluded that EService Quality, E-Trust, Price, and Brand Image have a positive effect on ESatisfaction and, on E-Loyalty.</p>
<p>Research on The Effect of Service Recovery Quality on Customer Repurchase Intention in Online Shopping (Bo Xie et al., 2020)</p>	<p>Service recovery, Repurchase intention, Customers' sentiment, Service error</p>	<p>SPSSAU</p>	<p>Empirical research found that in the context of service failures, the service recovery quality will positively affect customers repurchase intentions; Customers' emotions are related to the quality-of-service recovery. The higher the quality-of-service recovery, the more likely it is for customers to have positive emotions.</p>



<p>Determining the Factors Influencing Consumer Satisfaction and Repurchase Intention of Locally Manufactured Clothing Brands in South Africa (Amukelani &amp; Zulu 2022)</p>	<p>Product Quality, Price, Trust, Country of Origin, Loyalty, Satisfaction, Repurchase Intention, Local Clothing Brands</p>	<p>CB-SEM</p>	<p>Perhaps the findings would have been different if the study was specific to a local clothing campaign. Furthermore, the results suggest that customer loyalty positively affects repurchase intention, like previous research (Savila et al., 2019). This means that enhancing customer loyalty increases repurchase intention. Lastly, the findings confirmed that customer satisfaction significantly affects repurchase intention</p>
<p>Pengaruh E-security, E-service Quality terhadap E-satisfaction dan Pengaruh E-satisfaction, E-security, dan E-service Quality terhadap E-repurchase Intention Secara Langsung pada Pengguna E-commerce Tokopedia (Gosal &amp; Bernarto 2021)</p>	<p>E-security, E-service quality, E-satisfaction, E-repurchase intention.</p>	<p>SmartPLS software</p>	<p>The result of the concluded study is E-security and E-service quality effect E-satisfaction positively and significantly, then E-satisfaction, E-security, and E-service quality effect E-repurchase intention positively and significantly.</p>

## **2.6 HYPOTHESIS DEVELOPMENT**

### **2.6.1 The influence of e-service quality toward customer repurchase intention.**

E-service quality is described as service quality as a various function of a website that provided effective shopping, buying, and delivery (Zeithaml et al., 2000). According to literature Oliveira et al., (2018) electronic transactions will be greatly influenced by e-service quality in term competitive advantage. Previous research that was conducted by Hongdiyanto et al., (2020) mentioned that e-service quality has significant effect on customer repurchase intention. Gosal & Bernarto (2021) also refer to their previous research that e-service quality effect customer repurchase intention positively and significantly. According to Kotler et al., (2016) e-repurchase intention shows a commitment in make a purchase from the existence of a process evaluation then led to repurchase intention to use the product or service again, therefore Wiryana (2019) and Rahmawati (2019) said that there was a positive influence between E-service quality on E-repurchase intention. Based on the findings above, this research proposed the hypothesis:

H1: *E-Service Quality positively influence customer repurchase intention.*

### **2.6.2 The effect of e-recovery toward customer repurchase intention.**

E-recovery is the approach marketplace/business manage a service performance below customer expectation that can lead to customer dissatisfaction (Zeithaml et al., 2017). Previous research that was conducted by Hongdiyanto et al., (2020) mentioned that e-recovery has significant effect on customer repurchase intention. Previous research by Shafiee et al., (2018) also confirmed e-

recovery has a significant effect towards customer repurchase intention. Bo Xie et al., (2020) said in their previous research that in the context of service failures, the service recovery quality will positively affect customers repurchase intentions. Based on the finding above, this research proposed the hypothesis:

H2: *E-Recovery positively influence customer repurchase intention.*

### **2.6.3 The influence of e-service quality toward customer loyalty**

According to Shafiee & bazargan (2017) has mentioned based on their research that e-service quality is one of the factors that affect customer loyalty. Tambusai et al., (2019) also try to explore the influence of e-service quality toward customer loyalty on their research and the result shown that e-service quality has positive and significant effect toward customer loyalty and this statement is supported by the result of the research conducted by (Wilis R A & Nurwulandari A 2020) that e-service quality has positive effect toward customer loyalty. Based on finding above this research proposed the hypothesis:

H3: *E-service quality positively influence customer loyalty.*

### **2.6.4 The influence of e-recovery toward customer loyalty**

According to research Hongdiyanto et al., (2020) said that e-recovery has positive and significant impact toward customer loyalty while Tambusai et al., (2019) also try to explore the influence of e-recovery toward customer loyalty on their research and the result shown that e-recovery has positive and significant effect toward customer loyalty also Al-Dweeri et al., (2018) implies that one of the factors that influence customer loyalty is e-recovery. According to Sciarelli et

al., (2017) said that e-recovery mediated by customer loyalty has a significant effect on customer repurchase intention. Shafiee et al., (2018) stated on their research that e-recovery with customer loyalty as a mediator has a significant effect on repurchase intention. Based on finding above this research proposed hypothesis

H4: *E-recovery positively influence customer loyalty.*

#### **2.6.5 The influence of customer loyalty toward repurchase intention.**

Amukelani & Zulu (2022) stated on their research that there is significant relationship between customer loyalty and repurchase intention. Shafiee & bazargan (2017) argue that e-loyalty has positive and significant impact on repurchase intention and Hongdiyanto et al., (2020) mentioned on their research that Customer Loyalty has a significant effect on customer repurchase intention. Based on finding above this research proposed hypothesis

H5: *Customer loyalty positively influence customer repurchase intention.*

#### **2.6.6 The influence of e-service quality toward customer repurchase intention through customer loyalty as mediation variable.**

Hongdiyanto et al., (2020) stated on their research that e-service quality has significant influence toward repurchase intention that are mediated by customer loyalty also Shafiee & bazargan (2017) implies that e-service quality has positive impact on e-loyalty, which in turn significantly affects online repurchase intention. Based on finding this research proposed hypothesis

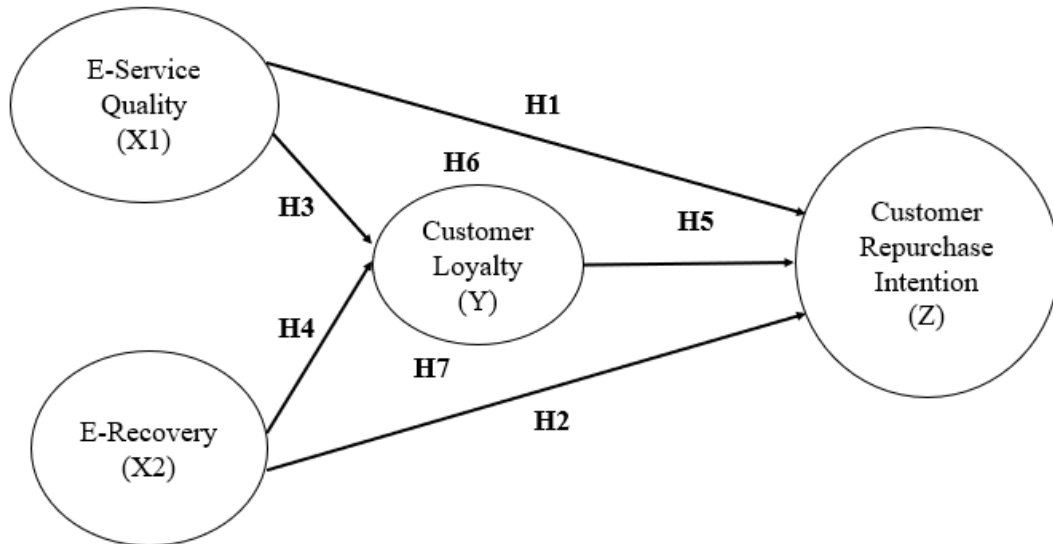
H6: *E-service quality positively influence customer repurchase intention through customer loyalty as mediation variable.*

**2.6.7 The influence of e-recovery toward customer repurchase intention through customer loyalty as mediation variable.**

According to Sciarelli et al., (2017) said that e-recovery mediated by customer loyalty has a significant effect on customer repurchase intention and this statement is supported by the result of the research conducted by Hongdiyanto et al., (2020) on their research, they said that e-recovery with customer loyalty as a mediator has a significant effect on repurchase intention. Based on finding this research proposed hypothesis

H7: *E-recovery positively influence customer repurchase intention through customer loyalty as mediation variable.*

## 2.7 CONCEPTUAL FRAMEWORK



Source: Hongdiyanto et al., (2020)

Figure 2. 1 Conceptual Framework