

Building Loyalty through Usability and Satisfaction with RedDoorz Website Services

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Abstrak

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This study aims to analyze the effect of satisfaction in building loyalty and positive word of mouth on RedDoorz users in Bandar Lampung. The main objective was to examine the effect of loyalty mediation on the effect of Word of Mouth satisfaction. To answer this goal, a quantitative research design was used by distributing questionnaires to 250 RedDoorz users. 200 usable data were analyzed with Structural Equation Modeling Analysis, Based on Covariance. The results showed that loyalty plays a role in mediating the effect of Word of Mouth satisfaction. That is, the higher the satisfaction of users or customers, the more loyalty is created, the more positive word of mouth will grow. This implies that the management must increase consumer loyalty in terms of financial transactions every time they make hotel reservations online because there are still complaints about financial transaction failures.

Keywords: *Loyalty, Usability, Satisfaction, Website Services, RedDoorz*

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INTRODUCTION

Internet technology services still have obstacles in increasing the number of users. The obstacle that still occurs based on the results of Kassim and Abdel's research (2006) is the ease of use of internet services (usability). The ease of internet services identified by Kassim and Abdel (2006) includes ease of use of features and availability of detailed usage procedures in internet services or websites. Casalo et al (2008) found that the usability of e-banking website services directly affects customer satisfaction only 34% to customer satisfaction and indirectly to customer loyalty, mediated by consumer satisfaction 31.70%, which will result in positive word of mouth. While the indirect effect of usability variables on word of mouth was positive after mediated customer satisfaction by 28.7%. This finding implies that the estimated value of ease of use on the effect of website services is still relatively low at less than 50%. Compared to the results of Kassim and Abdel's (2006) research, the results showed that the influence of usability variables on satisfaction was only 43.7%. Then, if it is related to its influence on loyalty and word of mouth, its influence decreases. Therefore, these findings suggest the need for re-research by expanding

different types of e-commerce services so that this study is an expanded study, applied to website booking services by RedDoorz services.

This research focuses on Singapore's RedDoorz VHO company, which operates a budget hotel platform based on hotel booking services, as well as RedDoorz which is aggressively developing and expanding its business to Indonesia. RedDoorz's market share in 2019 is still 17%. The average growth of users or bookings through VHO in Indonesia is 23%. RedDoorz's low market share in Indonesia is partly due to the usability of its website services. Therefore, this study aims to analyze the effect of usability and satisfaction that will bring user loyalty and positive word of mouth. The main objective was to examine the mediating role of loyalty in encouraging positive word of mouth due to the influence of satisfaction.

LITERATURE REVIEW AND HYPOTHESES

Kotler and Keller (2014) explain 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 directly involved in obtaining and using goods and services, including the decision-making process in the preparation and determination of such activities.

Consumers initiate activities in market interaction based on the needs and desires for goods and services, and these needs drive producers i.e. firms to provide those goods and services. In line with the emergence of needs and wants, there are also customer expectations about the goods and services they will receive from producers. The company's goal is to provide satisfaction to consumers through the products offered, products that have more value will also provide more satisfaction to consumers. The value of the product can be met through increased usability of the product. This is the basis for producers or companies to meet consumer needs and expectations for goods and services so as to achieve consumer satisfaction (Kotler and Keller 2014).

This behavior continues after satisfied customers then form loyalty to a product or service offered by the manufacturer. Kotler and Keller (2014) define consumer loyalty as loyalty is a strongly held commitment to repurchase or resubscribe a particular product or service in the future despite the influence of marketing and business situations that have the potential to cause behavioral change. The concept of customer loyalty is also defined as "a deep commitment to repurchase/ repeat a pattern of preference of a product or service in the future, leading to repeated use of the same service, regardless of the involvement of situational factors and attempts to switch services".

In addition, Kotler and Keller (2014, p.305) state that loyal consumers tend to become word-of-mouth advertisers so as to create new customers or retain existing customers to become old

customers. Word of mouth (WOM), according to Kotler and Keller (2014; 341) is the communication of positive and negative information from one person to another, after buying an experience, also referred to as viral marketing because it shares information from one person to another or from one user. website or other users. In addition, Amin (2016) states that WOM is a social behavior where people interact with each other to make better choices.

Useability and Satisfaction

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

Ease of use (usability) is something that states individuals believe that the use of a particular technology will improve individual performance. Casalo et al (2008) explain that usability is a perception of usability which is defined as a measure by which 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 technological attitudes (Casalo et al. 2008; Amen, 2016; and Kassim and Abdel, 2006). Amin (2016) found that perceived usefulness has a positive and significant effect on the satisfaction of using internet banking. Thus, the first hypothesis in this study is formulated as H1: usability affects customer satisfaction.

Satisfaction and Loyalty

Ismail et al (2013) conducted research on the effect of satisfaction on internet banking customer acceptance. The subjects of the study focused on Egypt, where the sample taken was internet banking users. Ismail et al (2013) found that usability affects customer loyalty. This research is reinforced by the results of research conducted by Casalo et al (2008) found that satisfaction has a direct effect on loyalty. So, the second hypothesis of this study is H2: Satisfaction affects loyalty.

Kepuasan dan Word of Mouth

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

A person after receiving ease of service, the next behavior concerned will feel satisfied and the next satisfied behavior besides loyalty is a positive word of mouth (Kotler and Keller; 2014).

Casalo et al (2008) in their research found that satisfaction has a positive effect on *word of mouth* after mediated by loyalty variables. Thus, the third hypothesis of this study is H3: Satisfaction positively affects word of mouth, and is mediated by loyalty.

Consumer loyalty in the research of Casalo et al (2008) has a positive effect on positive word of mouth. The results of this study strengthen 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 products or services they receive so that the four hypotheses of this study are formulated as H4: Loyalty has a positive effect on *word of mouths*. So that the research model is formulated as follows.

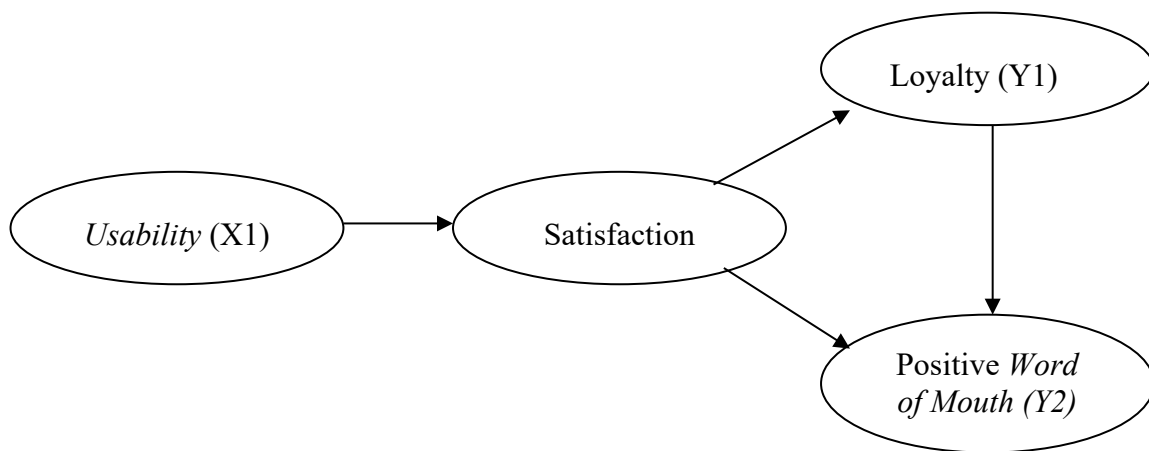


Figure 1. Research Model

RESEARCH METHODOLOGY

This study used quantitative research design by distributing questionnaires to 250 RedDoorz service users in Indonesia through online (google.form). 200 usable data were analyzed by Structural Equation Modeling (SEM) Analysis, based on Covariance, LISREL 8.8 Applications. All items in the questionnaire adopted the indicators of the study of Casalo et al (2008) and adjusted to the characteristics of the object of study.

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

RESULTS AND DISCUSSION

The demographic profile of respondents shows that the age of 17 to 46 years is the dominant age group of RedDoorz service users (90%). This age group is an age group that is quite

knowledgeable in information technology so that the use of RedDoorz connected to information technology in this age group will not experience difficulties.

RedDoorz service users are dominated by private employees with 34%, civil servants 20%, and entrepreneurs 33%. This data shows that RedDoorz service consumers have regular jobs so they have a fixed income. RedDoorz services must be able to take advantage of the busy consumer profession by facilitating the best relevant services, as business users.

SEM-based covariance results show a two-step approach. The first is the measurement of model fit, and the second is the fit of a structural model that predicts all constructs relate to each other.

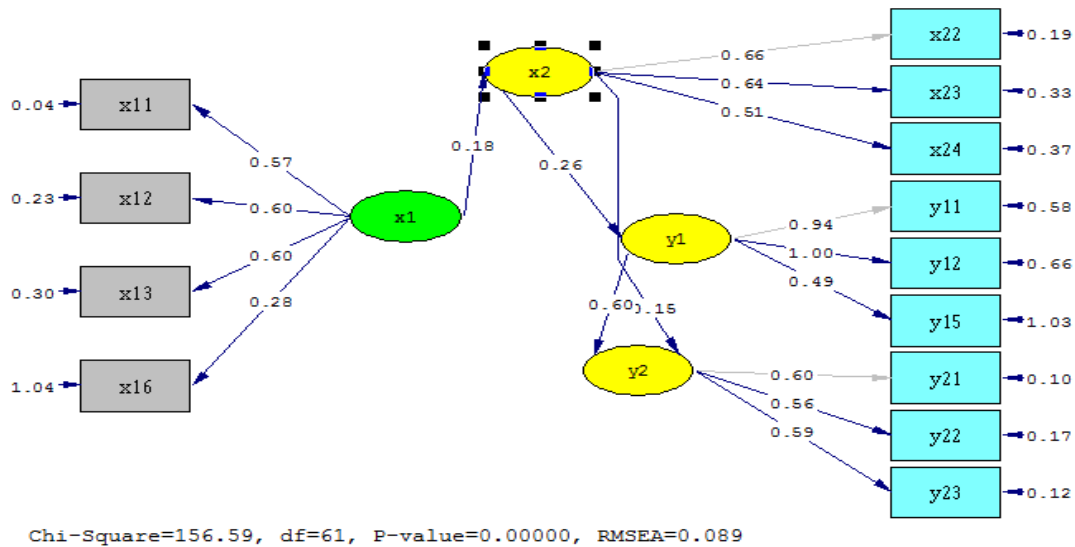
The SEM results show that the main measurement criteria of the fit model measured by Goodness of fit index are at a good criterion of 0.90, with the RMSEA (root mean square error of approximation) value of the model 0.08 meeting the criteria of the fit model (Hair et al., 2010, p. 667), . Based on the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

Table 1 Structural Models Based on SEM Results – Covariance

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 all hypotheses are supported by empirical data. RedDoorz service usability has a significant effect on Satisfaction, then Satisfaction has a direct effect on Loyalty and Positive Word of Mouth. An important key outcome is that Loyalty plays a mediating role in the effect of Satisfaction on Positive Word of Mouth. This can be seen from the higher total influence coefficient (0.32) compared to the indirect influence coefficient (0.16).

Figure 2. Estimation Model



The effect of usability on satisfaction with RedDoorz services is 18.00%. This means that if RedDoorz wants to increase user satisfaction with RedDoorz services, then RedDoorz services must be able to improve RedDoorz services especially in features, and the quality of RedDoorz website content or design because about 21.00% of consumers or users of RedDoorz services are not satisfied with the features and quality content of RedDoorz websites, based on consumer feedback. These results support the results of the study of Casalo et al (2008), although the results show a higher influence of about 30.00%. This different effect is due to consumer dissatisfaction with RedDoorz services, especially in failed transactions, even though consumers have been charged, RedDoorz services do not immediately deliver products or services.

The effect of satisfaction on loyalty is 26.00%. This shows that the satisfaction variable is important to be improved by RedDoorz so that consumer loyalty to RedDoorz services is higher. The results of this study are in line with the results of research by Casalo et al (2008), Kasimand Abdel (2006), and Amin (2016). The Satisfaction variable has a significant effect on Building Loyalty, because of the usability effect on RedDoorz services. The implication of these findings,

it can be concluded that the ease of use of website services determines the level of customer satisfaction that will build increasing consumer loyalty.

Based on consumer feedback, there are 20.00% of consumers who are dissatisfied and 16.00% of consumers stated that the decision to use RedDoorz is not right so that the level of customer satisfaction decreases. Therefore, service improvement can mainly be done by improving the internet connection so that transaction failures can be reduced. Another thing is to avoid charging fees to consumers if service transactions fail. Therefore, increasing RedDoorz resources or operators must also be done so that the services provided can run quickly and without errors.

The effect of satisfaction on Word of Mouth is not too large by 16.00%. These results show that if consumers are satisfied, the behavior carried out is to recommend and tell positive things after receiving service. Customer satisfaction occurs because of the usefulness of RedDoorz services. Based on these findings, ease of use of services is a major factor for determining customer satisfaction. Customers who are satisfied with RedDoorz's services will then provide recommendations to others. This result is also reinforced by the role of loyalty mediation. Loyalty plays a role in mediating the effect of Word of Mouth satisfaction which can be measured by the estimated value of total effect higher (32.00%) than the estimated value of direct effect (16.00%). This means that the higher the customer satisfaction, the positive Word of Mouth will be created because the higher the loyalty that consumers have. These results also follow the results of the study of Casalo et al (2008).

Based on consumer feedback, as many as 17% disagree that RedDoorz services can be accessed easily. It still takes a lot of time to gain access. RedDoorz needs to improve the quality of its website in terms of ease of accessibility.

The effect of Loyalty on WOM is positive by 60.00%. This result is the highest of all hypothetical values. The results of this study are in accordance with the concept of theory which states that after receiving ease of service, the next behavior concerned will feel satisfied and the subsequent satisfaction behavior besides loyalty is positive word of mouth (Kotler and Keller; 2014). This result also supports the previous results by Casalo et al (2008) which stated that loyalty has a significant effect on the creation of positive WOM after taking into account customer satisfaction factors.

CONCLUSIONS, IMPLICATIONS, FUTURE RESEARCH

Usability is the main factor that determines customer satisfaction with online services, especially in online hotel reservations through RedDoorz services. Then, customer satisfaction has a significant factor in building customer loyalty and creating positive word of mouth. A key

important result is that Loyalty plays an important role in intervening in the effect of Satisfaction on Positive Word of Mouth, due to the usability effect of online services. The higher the consumer loyalty, the positive word of mouth will be created because of consumer satisfaction with online services.

The results of the study imply that for the management of online services, management needs to improve the features and content or design of quality website services so that consumers or users can easily use them. Feature and content improvements can mainly be made by improving the appearance of attractive site features and design. In addition, the network connection needs to be upgraded so that the connection can be accessed easily. In addition, an important key for management is to increase long-term customer loyalty by avoiding financial transaction failures when consumers make transactions. If this happens, management must provide a money-back guarantee program.

This research has a limited number of samples so further research needs to be done by expanding the types of industry sectors and certain business coverage between Business to Business (B-to-B), and also applying probability sampling techniques to obtain representative and unbiased samples.

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