



The Examination of Expectancy Disconfirmation Theory in Online Shop Forum

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Abstract

One of the e-commerce applications that are widely used today is online shop sites. Currently, there are many online shop sites being accessed by internet users such as eBay, Kaskus, and Yahoo. With over four million users, Kaskus has become the most popular online shop forum site in Indonesia and listed as one of the most visited website in the world. According to the survey conducted by AC Nielsen in 2010, there is 80 percent of Indonesian Internet users who intend to purchase online. It is predicted that the number of online shoppers will be increased up to 16 million people. Therefore, it is imperative to provide superior e-service quality and e-recovery quality so that customers will be satisfied and loyal to a particular online auction site. This study aims to examine the application of expectancy disconfirmation theory (EDT) on Kaskus. This study replicated the model developed by Yen and Lu (2008). There were ten variables being measured, 29 out of 40 indicators were valid and reliable. This study utilized judgmental sampling by distributing closed-ended questionnaires to 240 respondents and the response rate was 83.33 percent. Most consumers who preferred to shop online were living in big cities as they were busy and looking for convenient shopping facilities. Therefore, this study chose the respondents from Kaskus customers who lived in Jakarta and surrounding areas. Data were analyzed using structural equation modeling (SEM). The findings showed that two e-service quality dimensions had significantly positive influence on consumers' disconfirmation, namely efficiency and privacy protection. On contrary, only one e-recovery dimension, responsiveness, had significantly positive influence on consumers' disconfirmation. The consumers' disconfirmation was found to have a positive effect on customer satisfaction and at the end influenced customer loyalty. Thus, the auctioneers should emphasize the purchase efficiency, privacy protection, and responsiveness to create greater customer loyalty.

Keywords: e-service, e-recovery, online auction, expectancy disconfirmation theory (EDT), loyalty.



INTRODUCTION

In the past few decades, there is a significant growth in the number of Internet users. One of the most beneficial Internet applications is e-commerce. It can be applied on business-to-business (B2B), business-to-consumer (B2C), and consumer-to-consumer (C2C) (Stair & Reynolds, 2012).

This study emphasizes the transactions in C2C e-commerce, particularly in an online shop forum. The object of this study is Kaskus as one of the most visited websites in Indonesia. Up to 2011, there were approximately 900,000 visitors and 15 million page view per day. Therefore, it is selected as the largest Indonesian online community with over 4.5 million users (Kaskus, 2012).

Even though the Indonesians are accustomed to shop in conventional retailers, some young consumers have shifted to the online shops. It is predicted the number of e-commerce users in Indonesia increases to 16 million people in 2012 (Aryandi, 2012). Some consumers are dissatisfied with their online shopping experiences due to payment method, product reliability, and privacy concern. Hence, this study aims to examine the impact of e-service quality to customer loyalty intention by utilizing the expectancy disconfirmation theory. It replicates the model proposed by Yen and Lu (2008).

LITERATURE REVIEW

Expectancy disconfirmation theory (EDT) has been used to predict consumers' post-purchase behavior, including customer satisfaction and loyalty intention. This theory can be applied in e-commerce context as confirmation has a significant effect on satisfaction and IT continuance usage (Yen & Lu, 2008).

After consuming the product, consumer compares the product's actual performance with his pre-purchase expectation. He will be satisfied with the product if the performance exceeds his expectation (Band, 2005; Blackwell et al., 2012). Customer satisfaction towards online shop forum is influenced by e-service quality of providers and e-recovery quality of sellers (Yen & Lu, 2008). The e-service quality of providers is measured through efficiency, system availability, and privacy protection. On the other hand, contact, fulfillment, and responsiveness are used to measure e-recovery quality of the sellers. If the e-service quality of providers and e-recovery quality of sellers increases, then the consumer will be satisfied. Based on these arguments, we test the following hypotheses:

H1: efficiency of the website has positive effect on disconfirmation



H2: availability of the website has positive effect on disconfirmation

H3: privacy protection of the website has positive effect on disconfirmation

H4: contact of the seller has positive effect on disconfirmation

H5: fulfillment of the seller has positive effect on disconfirmation

H6: responsiveness of the seller has positive effect on disconfirmation

H7: customer disconfirmation has positive effect on satisfaction

Customer satisfaction towards online shop forum sites is not only influenced by his level of disconfirmation, but also by their perceived net benefits. In making purchase decision, a smart shopper considers the benefits of the products against the total costs (Wu & Wang, 2006). When benefits are higher than the costs, then consumer will be satisfied. Therefore, the following hypothesis is examined:

H8: perceived net benefit has positive effect on satisfaction

In the context of e-commerce, it is difficult to maintain loyal customers due to fierce competition among online providers. Therefore, the providers should focus on gaining customer satisfaction. Wang et al. (2001) argue that web customer satisfaction has a significant influence on loyalty intention. A satisfied customer is more likely to engage in repurchase intention and spreading positive word-of-mouth. The last hypothesis in this study is:

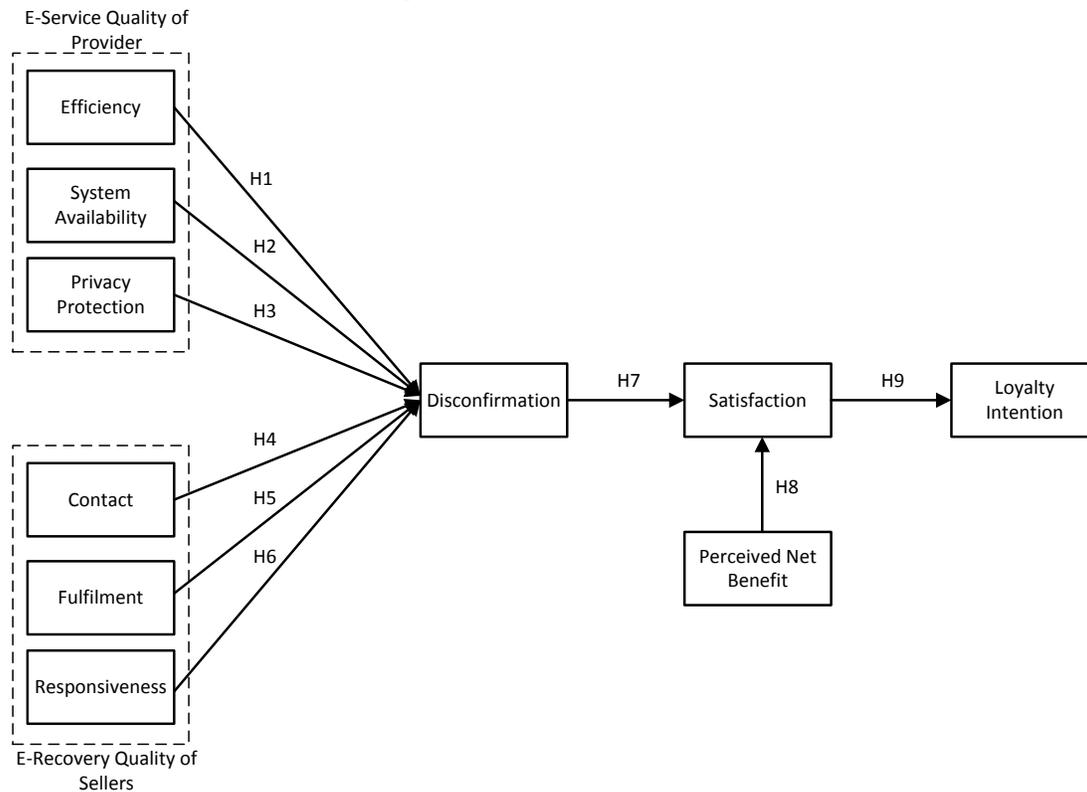
H9: customer satisfaction has positive effect on loyalty intention

RESEARCH METHODOLOGY

There were ten constructs being tested in this study, namely efficiency, system availability, privacy protection, contact, fulfillment, responsiveness, disconfirmation, perceived net benefit, satisfaction, and loyalty intention. Each construct was measured through four items adapted from the study conducted by Yen and Lu (2008).

Most consumers of online shops lived in big cities as the infrastructure of information technology is better than in the rural areas. These consumers shifted their retailer choices to online shops because of modern lifestyle, traffic congestion, and limited leisure time. The Internet penetration rate in Jakarta was 42.7 percent and the rate in 48.1 percent (Waizly, 2011). Therefore, this study was conducted in Jakarta and its surrounding areas. Judgmental sampling was utilized by distributing questionnaires to 240 respondents who had transaction activities for at least one year. The collected data were analyzed using structural equation modeling.

Figure 1. Research Model



RESULTS AND DISCUSSION

There were 200 questionnaires returned by the respondents resulting in 83.33 percent response rate. The majority of the respondents were male between 20 and 30 years old. Most of them held bachelor degree and used Internet more than ten hours weekly. There were 53.5 percent respondents with monthly expenditure between IDR 1 million to 3 million.

Twenty nine out of 40 items were valid and reliable as shown in Table 1. The Cronbach's alpha was ranging between 0.705 and 0.861, so it could be concluded that the items had reached internal consistency reliability. The convergent validity was measured through factor loading ranging between 0.664 and 0.932 and construct reliability between 0.706 and 0.864. The overall model was good fit based on $\chi^2 = 586.891$, $CMIN/DF = 1.691$, $GFI = 0.833$, $CFI = 0.916$, $RMSEA = 0.059$, and $RMR = 0.035$.



Table 1. Results of Convergent Validity Test

Path			Estimate	AVE	CR
Efficiency 1	←	Efficiency	0.769	0.546	0.706
Efficiency 2	←	Efficiency	0.708		
System 1	←	System	0.889	0.627	0.768
System 2	←	System	0.681		
Privacy 2	←	Privacy	0.768	0.664	0.854
Privacy 3	←	Privacy	0.932		
Privacy 4	←	Privacy	0.731		
Contact 1	←	Contact	0.685	0.502	0.751
Contact 2	←	Contact	0.737		
Contact 3	←	Contact	0.703		
Fulfillment 1	←	Fulfillment	0.743	0.533	0.820
Fulfillment 2	←	Fulfillment	0.766		
Fulfillment 3	←	Fulfillment	0.708		
Fulfillment 4	←	Fulfillment	0.701		
Responsiveness 1	←	Responsiveness	0.747	0.567	0.724
Responsiveness 2	←	Responsiveness	0.759		
Disconfirmation 1	←	Disconfirmation	0.664	0.529	0.771
Disconfirmation 3	←	Disconfirmation	0.772		
Disconfirmation 4	←	Disconfirmation	0.742		
Perceived 2	←	Perceived	0.803	0.640	0.841
Perceived 3	←	Perceived	0.859		
Perceived 4	←	Perceived	0.732		
Satisfaction 1	←	Satisfaction	0.715	0.634	0.838
Satisfaction 3	←	Satisfaction	0.821		
Satisfaction 4	←	Satisfaction	0.847		
Loyalty 1	←	Loyalty	0.791	0.615	0.864
Loyalty 2	←	Loyalty	0.838		
Loyalty 3	←	Loyalty	0.787		
Loyalty 4	←	Loyalty	0.717		

Table 2. Results of Hypotheses Test

Hypotheses		Estimate	S.E.	C.R.	P-Value	Conclusion
H1	Disconfirmation ← Efficiency	0.301	0.102	2.757	0.006	Supported
H2	Disconfirmation ← System	0.072	0.077	0.820	0.412	No Supported
H3	Disconfirmation ← Privacy	0.178	0.065	2.260	0.024	Supported
H4	Disconfirmation ← Contact	-0.046	0.092	-0.415	0.678	No Supported
H5	Disconfirmation ← Fulfillment	0.090	0.097	0.905	0.365	No Supported
H6	Disconfirmation ← Responsiveness	0.466	0.130	3.030	0.002	Supported
H7	Satisfaction ← Disconfirmation	0.653	0.122	5.478	0.001	Supported
H8	Satisfaction ← Perceived	0.337	0.078	3.706	0.001	Supported
H9	Loyalty ← Satisfaction	0.871	0.117	9.747	0.001	Supported



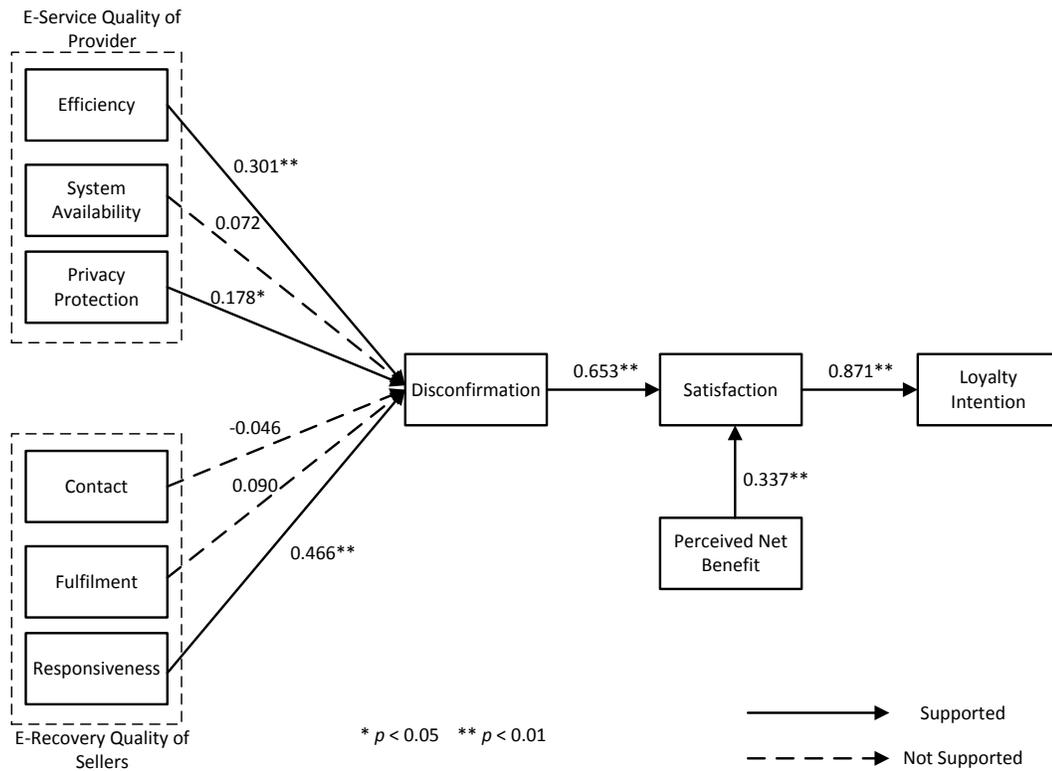
According to Table 2, six hypotheses were supported and the remaining three hypotheses were rejected. The hypotheses that stated e-service quality of providers and e-recovery quality of sellers had positive influence on customer's disconfirmation were partially supported.

Before making purchase decision, a logical consumer is likely to gather as much information as possible. The product details are essential in online transactions because consumers cannot see and feel the products physically prior purchase. Therefore, they need accurate and reliable data. Despite the convenience of online shopping, some consumers are still averse to shift from conventional to online shopping behavior due to security concerns. They are afraid that the providers will share their personal information to other providers. Kaskus is known as a reliable online shop forum. It provides reliable information about the products and sellers' reputation. The provider has a secured process and database, so the information about its customers cannot be used by other providers. Both aspects cause efficiency and privacy protection have a significant positive effect on customer's disconfirmation.

In contrast, system availability has insignificant effect on disconfirmation. It may be due to the speed of Internet connection in Indonesia and website maintenance. Furthermore, Kaskus has changed their web domain three times which creates some difficulties for consumers to access the website. When Kaskus changes the domain, it does not redirect the visitors to the new one, so some visitors get confused.

From the sellers' viewpoint, the findings show that only responsiveness has a significant positive effect on customer's disconfirmation. The advantage of Kaskus is it provides information about sellers' reputation. After making transaction with a particular seller, a buyer may rate the performance of the seller. This rating is beneficial for other consumers as they may assess the quality of the sellers. As a consequence, sellers feel encouraged to obtain good reputation by giving superior quality, providing the details of the products, and handling customers' inquiries. Even though Kaskus has put the sellers' reputation in the website, some sellers have poor service. Some of them cannot be contacted easily by the consumers. Some respondents have faced some problems regarding the delivery of the products because of the slow response of the sellers and late shipments. Therefore, contact and fulfillment have insignificant effect on customers' disconfirmation.

Figure 2. Hypotheses Test



Disconfirmation and perceived net benefits have significant positive effect on customer satisfaction. The majority of respondents satisfy with Kaskus as the performance exceeds their expectation. The sellers who want to sell their products in Kaskus have to provide the details to the buyers, including the price, quality, and transaction effectiveness. Thus, buyers can assess the perceive benefits from using the website for transaction.

It is found that customer satisfaction has a significant positive effect on loyalty intention. There is a tendency that satisfied buyers will spread positive word-of-mouth to other consumers. In the end, it may increase the brand equity of Kaskus and reputation of the sellers.

CONCLUSION AND DIRECTION FOR FUTURE RESEARCH

The efficiency, privacy protection, and responsiveness are the most important factors being considered by the consumers of online transaction forum. The fulfillment of these aspects will affect the level of customer satisfaction and loyalty. Therefore, Kaskus has to maintain the efficiency of its website and protect their customer database. It has to



maintain the content of the website so it can be accessed easily by the consumers due to the slow speed of Internet connection in Indonesia. It would be better if Kaskus does not change its web domain too often. To improve the responsiveness of the sellers, they must be able to be contacted by the buyers anytime and deliver the products immediately after the transactions occur.

The majority of the respondents in this study are young consumers who live in Jakarta. Consumers from different age groups and locations may have different disconfirmation toward online transactions. Future studies may be conducted by involving respondents from different demographic characteristics.

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