

Customer Experience and Customer Satisfaction on Blibli Customer Loyalty in the City of Surabaya

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Abstract

The development of the digital world is currently very rapid, progress in the online world every year cannot be doubted. One of the sectors that has been affected by this progress is digital business, namely e-commerce or electronic commerce. The user's text is too brief to be rewritten academically. The main aim of this study was to investigate the influence of customer experience and customer satisfaction on customer loyalty, specifically focusing on the Blibli.com platform in the urban context of Surabaya. The present study employed a quantitative methodology, utilizing a purposive sample technique. The research population is loyal customers from Blibli in the city of Surabaya. The sample in this study are customers aged 26-35 years who live in the city of Surabaya, customers who have made purchases at Blibli with a minimum of 2 purchases, and customers who have used the Blibli application for at least 1 year. While the sample in this study were 112 Blibli customer respondents according to the criteria. All tests using the SmartPLS Application show that all tests get scores above the required values so that the tests are declared reliable. The findings of the research indicate that customer experience exerts a substantial and favorable impact on customer loyalty. Similarly, the variable of customer satisfaction exhibits a noteworthy and favorable impact on customer loyalty.

Keywords: Customer Experience, Customer Satisfaction, Customer Loyalty

INTRODUCTION

Indonesia is a country that is categorized as a developing country. In Indonesia, there are many business opportunities. One of the factors contributing to the many business opportunities is the development of the digital world in Indonesia. The growing population of internet users in Indonesia contributes to the advancement of the digital realm, encompassing individuals of various age groups, spanning from the youth to the elderly, on average. Development world, digital moment This very fast, progressing world goes online every year, no doubt. The advancement of the digital or online world has a major impact on all sectors. One of the sectors that have been affected by this progress is business And finance. Which in this sector focuses on digital business, namely one-commerce business or electronic commerce.

E-commerce is a service on-line that acts as a process to buy And sell products. If usually processes sell and buy are done in a manner offline in a market, shop, or stall, and with the development of the digital world, there are currently many processes sell and buy done in a manner online where seller And buyer do not need to hassle to communicate.

At Kominfo.go.id, Septriana Tangkary, the Director of Informatics Empowerment at the Directorate General of Informatics Applications under the Ministry of Communication and Information, has reported a significant growth rate of 78 percent in the value of electronic commerce (e-commerce) in Indonesia, making it the highest in the world. This assertion is further substantiated by the statistics published by Databoks (2019), which indicates a rise in user numbers and the level of e-commerce adoption between 2017 and 2023. Trends in user e-commerce in Indonesia Enough big in a number of years final Growth is expected to continue in the coming years. Statista said In 2017, the total count of e-commerce users in Indonesia amounted to 139 million, which subsequently experienced a growth rate of 10.8 percent, reaching a total of 154.1 million users in the following year. The projected number of users is anticipated to reach 168.3 million in the year 2019, and is likely to further increase to 212.2 million by the year 2023.

The general public does not know all about Indonesian e-commerce. Only a small portion of the public understands the large amount of e-commerce in Indonesia. One of them is Blibli.com, an e-commerce site originating from Indonesia that is widely known by Indonesians. Blibli.com is owned by PT Global Digital Niaga. Blibli received 19.7 million visitors in the second quarter of 2022, which ranks 5th after other e-commerce sites. • In the second quarter of 2022, Tokopedia and Shopee will still dominate the number of visitors, followed by Lazada and Bukalapak. This can show that Blibli is still losing visitors to e-commerce in Indonesia today. Blibli was ranked 5th in the second quarter of 2022, but there has been a decline in website visitors to Blibli from year to year. a decrease in visitors to the Blibli website. In 2018, Blibli received a total of 45,940,100 visitors; in 2019, Blibli received a total of 21,395,600 visitors, which means that the total number of visitors to Blibli has dropped significantly. In 2020, Blibli visitors increased by 1,017,500, for a total of 22,413,100. In 2021, Blibli experienced a decline again with a total of 17,510,000 visitors, and in the first quarter of 2022, Blibli experienced another decline with a total of 16,326,700 visitors.

The phenomenon of decreasing visitors to Blibli and increasing e-commerce visitors can be influenced by several things. One that can be influenced is the Customer Experience. According to Salim in Lyna et al. (2021), customers experiences are created by satisfaction buyers through experience transacting; therefore, that experience consumer is a style life buyer.

Apart from customer experience, customer satisfaction can also be one of the influences on the advancement of a brand. According to Kotler and Armstrong (2012) in David et al. (2021), customer satisfaction lies in the action of the contents of the screen for a product or service against consumer needs. Consumers do appear to be satisfied when what is expected matches what they want.

A business will survive if customers are loyal to the products used by that company. Customer loyalty can be achieved if the customer's experience is satisfied with the services provided when using the product. Therefore, Customer Experience and Customer Satisfaction are needed by products or businesses to get loyal customers. Customer Loyalty is the faithfulness of somebody to something, be it a product, Good goods, or service. Faithfulness is something that cannot be purchased with money and can only be obtained. So getting loyalty is not easy (Rory et al., 2020).

This research was conducted in the city of Surabaya because, according to cnbcindonesia.com, throughout 2021, there were three cities in Indonesia that were recorded

as areas with the highest sales levels. Based on the city data, one of them is Surabaya. Data from iprice.co.id says that in 2018, Surabaya was included in the top 5 cities that are most active in online shopping, namely 12% of the 2 million users of iprice.co.id.

Literature Review

Customer Experience

According to Salim in Lyna et al. (2021), customer experience is the creation of satisfaction for the buyer through experience transacting; therefore, that experience consumer is a question understand style life. According to Buchari Alma in Delia et al. (2021), customer experience is a memorable experience that cannot be forgotten, is positive, and is holistically involving all five senses.

There are 5 indicators that can measure customer experience according to Schmitt in Bernadita et al (2021), namely : a) Sense, b) Feel, c) Think, d) Act, e) Relate

H1: It is suspected that Customer Experience has a positive effect on Customer Loyalty at Blibli in Surabaya City.

Customer Satisfaction

According to Kotler And Keller (2016), satisfaction is "feeling like or disappointed somebody. Results compare performance Which observed (or effectiveness) product with hope". Customer satisfied when performance fulfil hope. More Good performance, the more tall satisfaction customer. In in in side other, dissatisfaction appear when performance Far more low from hope customer.

According to (Wikhamn, 2019), *Customer satisfaction* refers to the emotional response experienced by consumers in relation to a consumed product or service. Satisfaction can be understood as a process of evaluating the services or outcomes received by consumers in relation to their expectations. In this context, it is expected that the services or outcomes meet or surpass consumer expectations.

There are 3 indicators according to Indrasari (2019) that can measure *customer satisfaction* , namely: a) Conformity of expectations, b) Interest in revisiting, c) Willingness to recommend.

H2: It is suspected that *Customer Satisfaction* has a positive effect on *Customer Loyalty* at Blibli in Surabaya City.

Customer Loyalty

According to the findings of Jeremia and Djurwati (2019: 833), the concept of customer loyalty may be attributed to the extent of consumer satisfaction experienced with a specific product or service. The presence of loyalty among customers has a beneficial influence on both the company and its loyal clientele, as seen by the repeated purchases of corporate items.

In accordance with Kotler and Keller's (2016: 138) findings, loyalty can be defined as a steadfast commitment to continue purchasing or utilizing a chosen product or service in the future, despite the presence of situational effects and marketing strategies aimed at encouraging switching.

According to the research conducted by Nuruni Ika et al. (2020), customer loyalty in the context of marketing services can be understood as a response that is intricately linked to the commitments and promises made by service providers to maintain ongoing relationships. This loyalty is typically demonstrated through repeated purchases from the same service provider, driven by a sense of dedication and practical limitations.

There are 3 indicators that can measure customer loyalty according to Kotler and Keller (2016), namely: a) Repeat Purchases , b) Retention , c) Referrals .

RESEARCH METHODS

The research method used for this research is to use quantitative methods and purposive sampling techniques. In this study, the population consisted of loyal customers of Blibli aged 26–35 who live in the city of Surabaya, customers who have purchased through the Blibli application at least twice, and customers who have used the Blibli application for approximately 1 year. A total of 112 respondents obtained data from a questionnaire in the form of a Google Form that was distributed online. The research data analysis method is the PLS (Partial Least squares) method with SmartPLS.

RESEARCH RESULT AND DISCUSSION

Based on the results of distributing questionnaires online, data were obtained from 112 respondents as follows:

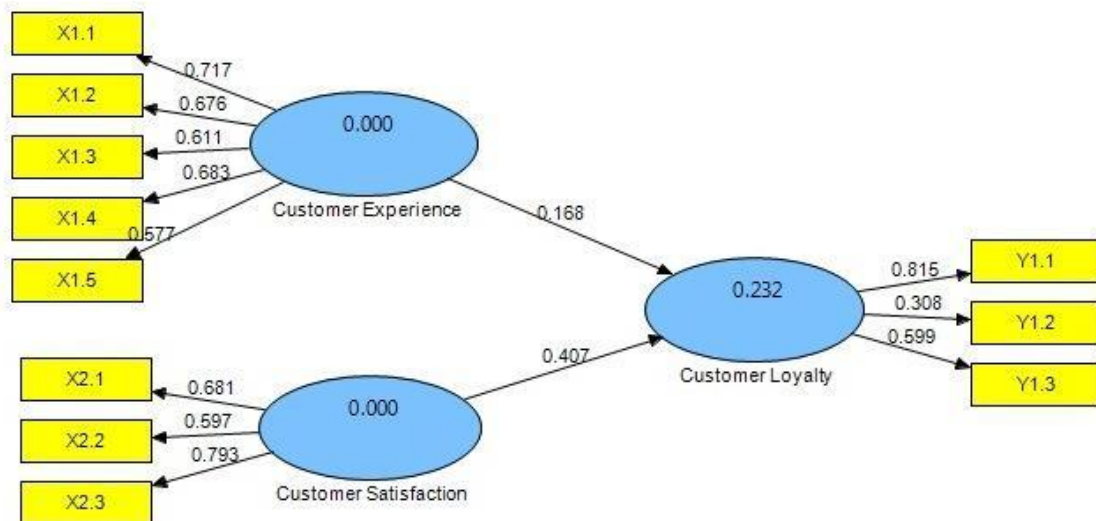


Figure 1. Outer Model

Based on the provided PLS output graphic, it is evident that the factor loading values for each indication are positioned above the arrow connecting the variables and indicators. The magnitude of the path coefficients, represented by the path coefficients, can be observed along

the arrow line connecting exogenous variables and endogenous variables. All indicators of customer experience (X1), customer satisfaction (X2), and customer loyalty (Y) are greater than 0.50 or significant. So all the indicators used in this study have fulfilled convergent validity, which means that their validity is good.

Table 1 Composite Reability

	Composite Reability
CustomerExperience	0.788542
Customer Satisfaction	0.734296
Customer Loyalty	0.611829

The determination of construct reliability is based on the value of composite reliability. A construct is said to possess trustworthiness when the composite reliability value surpasses the threshold of 0.70. In instances of this nature, the indicator is commonly described as exhibiting consistency in its measurement of latent variables.

The Customer Experience variable has a reliability coefficient of 0.788542, whereas the Customer Satisfaction variable has a reliability coefficient of 0.7342963. As both variables have a Composite Reliability value greater than 0.70, all variables in this study can be deemed reliable. According to the results of the Composite Reliability test, the Customer Loyalty variable has a value of 0.611829. This number falls below the threshold of 0.70, suggesting that none of the variables examined in this study can be considered trustworthy.

Table 2 Outer Loading (Mean, STDEV, T-Values)

	Factor Loading (O)	Sample Means (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
X1.1 <- Customer Experience	0.717301	0.712902	0.079123	0.079123	9.065676
X1.2 <- Customer Experience	0.675857	0.666898	0.085270	0.085270	7.926047
X1.3 <- Customer Experience	0.610691	0.609601	0.086699	0.086699	7.043808
X1.4 <- Customer Experience	0.682780	0.660024	0.097750	0.097750	6.984964

X1.5 <- Customer Experience	0.577124	0.565616	0.100291	0.100291	5.754474
X2.1 <- Customer Satisfaction 0.680903 0.663140	0.680903	0.663140	0.109087	0.109087	6.241818
X2.2 <- Customer Satisfaction	0.596684	0.583567	0.132707	0.132707	4.496265
X2.3 <- Customer Satisfaction	0.793041	0.796986	0.064516	0.064516	12.292114
Y1.1 <- Customer Loyalty	0.814790	0.795335	0.093564	0.093564	8.708389
Y1.2 <- Customer Loyalty	0.308346	0.291740	0.188078	0.188078	1.639451
Y1.3 <- Customer Loyalty	0.599189	0.597222	0.114981	0.114981	5.211203

The assessment of indicator validity is conducted by examining the Factor Loading Value of the variable with respect to the indicator, as depicted in the provided table. According to prevailing discourse, a validity measure is considered satisfactory if it exceeds 0.5 and/or if the T-Statistic value surpasses 1.96 (which corresponds to the Z value at a significance level of $\alpha = 0.05$). Factor loading refers to the correlation between indicators and variables. A factor loading more than 0.5 is indicative of validity being met. Additionally, if the T-Statistic value exceeds 1.96, it signifies that the factor is statistically significant.

Based on the aforementioned loading table, it can be observed that all reflective indicators pertaining to the variables of Customer Experience, Customer Satisfaction, and Customer Loyalty exhibit factor loadings (original sample) that exceed 0.50 and are deemed statistically significant (the T- statistic value is more than the Z value $\alpha = 0.05$ (5%) = 1.96), thus the estimation results of all indicators meet convergence validity or good validity.

Table 3 R-Square

	R Square
Customer Experience	
Customer Satisfaction	
Customer Loyalty	0.231556

The coefficient of determination, denoted as R^2 , has a value of 0.231556. The model demonstrates an ability to elucidate the concept of customer loyalty, which is impacted by several independent factors such as customer experience and customer satisfaction. The model accounts for approximately 23.15% of the observed variance. The remaining 76.85% of the variance can be attributed to external variables that were not considered in this study (other than Customer Experience and Customer Satisfaction).

Table 4 Path Coefficients (Mean, STDEV, T-Values)

	Path Coefficients (O)	Sample Means (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
Customer Experience -> Customer Loyalty	0.167913	0.189598	0.073251	0.073251	2.292296
Customer Satisfaction -> Customer Loyalty	0.407184	0.417873	0.080380	0.080380	5.065732

1. Customer Experience has a positive effect on Customer Loyalty is acceptable, with a *path coefficient* of 0.167913 , and a *T-statistic value* of 2.292296 greater than the Z value $\alpha = 0.05$ (5%) = 1.96 , then it is significant Positive
2. Customer Satisfaction has a positive effect on Customer Loyalty is acceptable, with a *path coefficient* of 0.407184 , and a *T-statistic value* of 5.065732 greater than the Z value $\alpha = 0.05$ (5%) = 1.96 , then it is significant Positive

DISCUSSION

The Influence of Customer Experience on Customer Loyalty

The findings of the conducted research indicate a strong and positive relationship between Customer Experience and Customer Loyalty in the City of Surabaya for Blibli. Consequently, the hypothesis can be deemed valid.

According to the results of the descriptive analysis of the customer experience variable, the indicator of the most influential customer experience is sense, which can be interpreted as indicating that consumers or customers are interested in what is felt with the consumer's five senses through sight, sound, touch, taste, and smell. Consumers are more interested in the design of the website on Blibli because it has many features that can make it easier for consumers themselves. For example, on the Blibli main page, various products are provided from various stores and also from various categories. The Blibli main page also provides flash sale features, best deal promos, bills, and refills (paying electricity, water, data packages, electronic money, and wifi bills). One that is owned by Blibli and not owned by other e-commerce companies is the Blibli collaboration with Tiket.com, where consumers can order various kinds of tickets in the Blibli application. This collaboration also creates additional value in the eyes of consumers. There are many other interesting features in Blibli, so consumers still choose the Blibli application.

This study aligns with Adisty et al.'s (2021) research titled *The Influence of Emotional Branding, Customer Experience, and Brand Trust on Customer Loyalty at the Samsung Experience Store*. This study was successful in demonstrating the second hypothesis, that customer experience has a positive and significant effect on customer loyalty.

The Effect of Customer Satisfaction on Customer Loyalty

Customer Satisfaction had a positive and significant effect on Blibli's Customer Loyalty in Surabaya, according to the findings of the research, so the hypothesis could be accepted.

The findings from the descriptive analysis of the customer satisfaction variable, which serves as the indicator for the most influential customer satisfaction variable, are the willingness to recommend, which means that consumers who are satisfied with what is provided by Blibli will recommend it to others, especially those close to them. This indicator can also be used as a marketing technique for Blibli, because the more consumers are satisfied with Blibli, the more people will know about its existence. It can be seen that satisfied customers will provide recommendations to others to use or consume the products or services that have been used. Based on the description above, it can be interpreted that loyal customers will provide positive recommendations to prospective buyers or other people. From the results of respondents' responses, willingness to recommend is the key to Blibli's customer satisfaction.

This research is in line with research conducted by Siti Nurhayati (2020) with the title *Influence of Brand Trust, Brand Experience, and Satisfaction Customer To Loyalty Customer on Products Ward in Yogyakarta*. Stating that H3 is suspected satisfaction customer influential positive and significant To loyalty customer The results are explained with This proven satisfaction customer (X3) is influential, positive, and significant to loyalty customers on products from Wardah Cosmetics in Yogyakarta (Y).

CONCLUSION

Based on the findings of this study conducted on loyal Blibli customers, it can be concluded that the customer experience and customer satisfaction variables have an influence on customer loyalty at Blibli in the city of Surabaya. Based on the outcomes obtained from the experimental analysis of the research hypothesis, customer experience has a contribution to customer loyalty at Blibli in the city of Surabaya. Based on the aforementioned, it can be

inferred that there exists a positive correlation between the level of customer experience and the likelihood of consumer loyalty towards a certain product or service. Similarly, the correlation between customer happiness and customer loyalty is evident at Blibli, a prominent establishment located in the city of Surabaya. Based on the aforementioned, it can be inferred that a higher level of consumer satisfaction with a utilized, consumed, or purchased product or service correlates positively with increased customer loyalty towards the product or service.

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