

JAM

20, 1

Received, August '21

Revised, October '21

December '21

February '22

Accepted, February '22

# REVIEW OF CUSTOMER EXPERIENCE, PERCEIVED EFFECTIVENESS OF E-COMMERCE INSTITUTIONAL MECHANISMS, AND REPURCHASE INTENTION FROM THE PERSPECTIVE OF EXPECTATION-CONFIRMATION THEORY

**Piji Pakarti**

Student at doctoral program, Faculty of Economics and Business,  
Universitas Gadjah Mada, Indonesia

Lecturer at Faculty of Economics and Business, Universitas Dian Nuswantoro, Indonesia

**Basu Swastha Dharmmesta**

**Sahid Susilo Nugroho**

**Bayu Sutikno**

Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia



Journal of Applied  
Management (JAM)  
Volume 20 Number 1,  
March 2022  
Indexed in DOAJ -  
Directory of Open Access  
Journals, ACI - ASEAN  
Citation Index, SINTA -  
Science and Technology  
Index, and Google  
Scholar.

*Corresponding Author:*  
Piji Pakarti, Student at doctoral program, Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia  
Lecturer at Faculty of Economics and Business, Universitas Dian Nuswantoro, Indonesia,  
E-mail: [piji\\_pakarti@yahoo.com](mailto:piji_pakarti@yahoo.com), DOI: <http://dx.doi.org/10.21776/ub.jam.2022.020.01.02>

**Abstract:** This study aims to determine how the influence of customer experience dimensions includes functionality factors and psychological factors on e-satisfaction, trust in sellers, and repurchase intentions by involving the perceived effectiveness of e-commerce institutional mechanisms (PEEIM). The sampling technique used purposive sampling with two research objects in Yogyakarta and Semarang. The number of samples is 208 respondents. Data was collected using a questionnaire instrument distributed online and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results showed that the variables of usability, communication, trust in the seller, and context familiarity had a positive effect on e-satisfaction. Social presence, product presence, interactivity, and value for money do not affect e-satisfaction. PEEIM positively affects trust in the seller. e-satisfaction directly or indirectly affects repurchase intentions. Further research is directed to develop a research model with a more detailed object focus to get a more comprehensive understanding, for example, by comparing the types of experience products and search products.

**Keywords:** Functionality Factors, Psychological Factors, E-Satisfaction, Perceived Effectiveness, E-Commerce, Institutional Mechanisms, Trust In Seller, Repurchase Intention

**Cite this article as:** Pakarti, P., B. S. Dharmmesta, S. S. Nugroho, and B. Sutikno. 2022. Review of Customer Experience, Perceived Effectiveness of E-Commerce Institutional Mechanisms, and Repurchase Intention from The Perspective of Expectation-Confirmation Theory. *Jurnal Aplikasi Manajemen*, Volume 20, Number 1, Pages 12–24. Malang: Universitas Brawijaya. <http://dx.doi.org/10.21776/ub.jam.2022.020.01.02>.

Understanding the customer experience and the customer journey over time is critical.

Customer experience has emerged as the most important aspect in achieving success across industries. There are still gaps in previous studies related

to customer experience and repurchase intentions, including dimensions and the development of research models. Several studies have used models that explain the relationship between customer experience, satisfaction, trust, and repurchase intention (Rose et al., 2012; Pappas et al., 2014; and Chou et al., 2015) but have not included regulatory variables related to risk reduction and provide online customers with a sense of security. The dimensions used for shaping the customer experience are still very diverse. They have not led to the formation of a comprehensive experience (not including the overall stages of pre-purchase, purchase, and post-purchase). While research from Fang et al. (2014) has included institutional mechanism variables to reduce the effects of uncertainty and risk, the model is limited to explaining the relationship between satisfaction, trust, and repurchase intention without explaining how customer experience affects the creation of consumer repurchase actions.

From a review of previous studies, it is still found that there are gaps in the use of the customer experience dimension and have not led to the formation of a comprehensive experience, so further studies are still needed. Lemon and Verhoef (2016) stated that customer experience is conceptualized in three comprehensive stages: pre-purchase, purchase, and post-purchase. This study develops a model based on the concept of customer experience proposed by Klaus (2013). Customer experience is divided into two dimensions, namely functionality factors consisting of the sub-dimensions of usability, communication, social presence, product presence, interactivity, and psychological factors, which consist of trust in the website, value for money, and context familiarity. Institutional mechanism variables proposed by Fang et al. (2014) are used to predict trust in the seller. The results of this study are expected to be useful to assist marketers in managing and creating quality customer experiences that can encourage e-satisfaction trust in sellers and, in turn, will impact the creation of customer repurchase intentions.

## **LITERATURE REVIEW**

### **Basic Theory**

The Expectation-confirmation theory framework describes the stages of the consumers decide to have repurchase intentions (Oliver, 1980). First, consumers' initial expectations of a particular product or service before buying. Second, they accept and use products or services that shape perceptions about product or service performance. Third, they assess perceived performance against genuine expectations and determine the extent to which those expectations are confirmed. Fourth, they form satisfaction or influence based on the level of confirmation and expectations on which confirmation is based. The last stage is that satisfied consumers will intend to repurchase, while dissatisfied users will not continue to use them.

### **Variable Profile**

#### **Customer Experience**

Customer experience is the overall experience experienced by customers starting from before purchase, during purchase, and after purchase (Lemon and Verhoef, 2016; Klaus, 2013). Klaus (2013) found that the online customer service experience includes two main dimensions and eight sub-dimensions. The two main dimensions are functionality factors and psychological factors. Functionality Factors relate to the technical performance and are an important part of the service that allows users to get what they want. This dimension consists of usability, communication, social presence, and interactivity.

Usability relates to attributes that allow online customers to feel comfortable using the website, such as perceived speed, ease of use, and hyperlink design. An effective and efficient website will impact customer intentions to use the website again and whether they will recommend it to others (Klaus, 2013). Communication describes attributes that reflect customer perceptions of how communication lowers risks associated with online commerce, such as follow-up and transaction confirmation messages,

similar to what the traditional service marketing literature describes as assurance in customer perceptions of service quality (Klaus, 2013).

Social presence is an attribute that reflects virtual customer interactions with other shoppers through comments, product reviews, and social media connectivity. This dimension is often used as a reference for customers in the process of searching for information and evaluating alternatives. Positive social presence impacts customer experience outcomes, such as perceived trustworthiness, usefulness, and interaction convenience (Klaus, 2013). Product presence describes the need to assess a product in a virtual environment and further stimulate purchase intention, such as interactive displays and the availability of options to view more detailed features. Websites need to offer users options to interact and manipulate the visual impression of a product, which is an important aspect of the online customer service experience. For customers to feel the presence of a product (Klaus, 2013). Interactivity describes the effect of dynamic dialogue between a website and its users and vice versa. The existence of a level of customization and personalized service is a functional attribute required by the customer to fulfill basic needs. The recommendation from the seller must be in line with what the customer is looking for and be basic. This level of personalization can enhance the customer service experience and contribute to time savings when transacting online.

Psychological factors play an important role in overcoming customer resistance to online channels due to ignorance of the brand, channel, or physical absence associated with the website. This dimension consists of sub-dimensions of trust in a website, value for money, and context familiarity. Trust in a website refers to the customer's expectation that the seller's website or online store will act competently, openly, and fairly (Chou et al., 2015). The attributes displayed can affect customer confidence that the store is honest, does not misinterpret, provides recommendations based on mutual benefit, and actions that do not harm consumers. Value for money describes how customers perceive the internet as a channel that offers better value and

lower prices than physical stores. Context familiarity refers to a website's ability to create an online customer service experience similar to buying in a traditional channel store. This dimension is reflected in several attributes, such as the visual representation of the online store and the consistency of appearance across the website's pages. Whatever is displayed on the website is interrelated and displayed consistently (Klaus, 2013).

### **E-Satisfaction**

E-satisfaction in online retail is results from evaluation and impression of website performance on several attributes (Rose et al., 2012). Online consumers are not only users who interact with websites by browsing, searching, finding, selecting, comparing, and evaluating goods, but also online shoppers who end up placing orders online and waiting to receive their ordered goods. Online consumer experience is the whole process from interaction with the website to waiting for goods (Chou et al., 2015). When consumer desires are met, consumers will be satisfied. Lower expectations and/or higher performance will lead to greater confirmation, which has a positive effect on customer satisfaction and sustained intention. The opposite condition will lead to disconfirmation, dissatisfaction, and intention to quit (Bhattacharjee, 2001).

### **Trust in Seller**

Online websites are equivalent to retail stores where customers build perceptions of trust based on online interactions (Rose et al., 2012). Trust in the seller is created as a feeling to reduce vulnerability, and expectations are consistently met. Impression formation plays an important role in the realization of customer expectations. Trust is defined as the expectation of the part in a transaction and the risk associated with assumptions and actions on the expectation. Trust is predictable and is confident in the face of risk. When trust is formed, someone will be more likely to buy or repeat their purchase of a similar product from a website (Liu et al., 2005).

### Perceived Effectiveness of E-Commerce Institutional Mechanisms (PEEIM)

Built on the understanding of institutional mechanisms, PEEIM is defined as the general perception of online customers that there are safeguards in the online trading environment to protect customers from potential risks in online transactions (Fang et al., 2014). PEEIM is defined at a general (i.e., vendor-independent) level, which is distinct from other similar constructs such as institutional structures. PEEIM reduces the specific risk resulting from interactions with a particular seller and reduces the contextual risk “out of consideration involving a relationship with a particular seller” (Mayer et al., 1995).

### Repurchase Intention

The online buying model identifies the interests of online retailers to encourage repeat purchases from repeat customers. Khalifa and Liu (2007) combined the outcome variable “online repurchase intention” and found evidence of a relationship between online purchase experience, online purchase satisfaction, and online repurchase intention. Customer satisfaction is the main driver of loyalty in the retail context and is considered an antecedent of repurchase intention (Rose et al., 2012).

## HYPOTHESIS DEVELOPMENT

### The Effect of Customer Experience on E-Satisfaction

When the website is easily accessible, easy to use, and has a hyperlink design, online customers will feel comfortable using the website and will impact creating a positive experience for customers. The existence of communication will reduce the risks associated with e-commerce. Information that the product has entered in the delivery process is also an important attribute, reducing uncertainty in online purchases (Klaus, 2013), leading to positive customer experiences, and increasing customer satisfaction (Anderson and Srinivasan, 2003).

Comments, product reviews, and social media linkages on the website reflect virtual customer interactions with other buyers. That is a reference in

the information search process and alternative evaluation stages (Klaus, 2013). Information will be perceived as more credible from independent parties and respected third parties (e.g., consumer reports) than if the information comes directly from the retailer (Weathers et al., 2007). This social presence will positively impact the customer experience, such as perceptions of trust, benefit, and convenience of interaction (Klaus, 2013), will increase the perception of tangibility and feelings of psychological closeness to a product (Darke et al., 2016). That will lead to a positive customer experience and increase customer satisfaction (Anderson and Srinivasan, 2003).

A website that can display a more detailed product description, offer additional access to “look deeper”, and offer users to interact and get a visual impression of a product will stimulate purchase intentions and provide a positive experience for customers (Klaus, 2013). The stronger the verbal, visual design elements, and the combination of the two forming social presence will positively affect the increasing ability of buyers to evaluate the product. The existence of follow-up and transaction confirmation that appears on the website will give confidence to the customer and create a situation similar to a traditional service that will guarantee the customer’s perception of service quality. The existence of intense interactivity between sellers and buyers will increase buyer satisfaction. When the attributes of the functional dimension, such as the basic elements of the website, provide a positive experience for customers, it will impact the emergence of customer satisfaction with the seller’s service. The higher the technical performance and services received by the customer, the higher the customer experience will be and increase customer satisfaction.

Hypothesis 1: (H1a, H1b, H1c, H1d, H1e): functionality factors (usability, communication, social presence, product presence, interactivity) have a positive effect on e-satisfaction.

Psychological factors consist of sub-dimensions of trust in the seller, value for money, and context

familiarity (Klaus, 2013). Trust in sellers is an important factor in reducing physical distancing, lack of personal contact, and internet anonymity. Customers who believe that the seller's website acts competently, openly, and fairly, then the attributes displayed will also affect customer trust. They will believe that the store is honest, display correct information, provide recommendations based on mutual benefit, and take actions that will not harm consumers. That will impact the emergence of a positive experience for customers and will further increase the satisfaction felt by customers. When customers feel that transactions via the internet are always cheaper, they will emotionally contribute to forming a positive experience (Klaus, 2013).

The sub-dimension of context familiarity is reflected in several attributes, such as a visual representation of the online store and the consistency of display across sections and web pages (Klaus, 2013). The display of product images will increase reliability. That will reduce the psychological distance resulting from separating the distance between sellers and buyers in online transactions (Darke et al., 2016). The stronger the verbal, visual, and combined design elements, the more positive the buyer's ability to evaluate the product. Customers who perceive services are increasingly similar to buying in physical stores. Greater trust in sellers and channels that offer better value than physical stores will increase customer satisfaction (Klaus, 2013).

Hypothesis 2: (H2a, H2b, H2c): psychological factors (trust in seller, value for money, context familiarity) positively affect e-satisfaction.

### **The Effect of E-Satisfaction on Trust in The Seller**

Customer satisfaction with the seller indicates that the seller's performance during the past exchange was perceived as fair and brought prosperity to the customer. Satisfaction also reflects the seller's perception of effective performance in terms of reliability and expertise in fulfilling past transactions, indicating that the seller will also have integrity and the ability to conduct transactions in the future successfully (Mayer et al., 1995). When a

customer is satisfied with a retailer, it creates trust that the seller can be trusted. Thus, the higher the level of satisfaction, the higher the trust (Chou et al., 2015; Fang et al., 2014; Rose et al., 2012).

Hypothesis 3: e-satisfaction has a positive effect on trust in sellers

### **The Effect of Perceived Effectiveness of E-Commerce Institutional Mechanisms (PEEIM) on Trust in The Seller**

PEEIM has important consequences in influencing the evaluation of trust and repurchase intention by managing customer perceptions of the uncertainty of the online trading environment that underlies recurring online transactions (Fang et al., 2014). When people tend to rely on their past experiences to inform their judgment of current decisions, there is a degree of reliance on the certainty of context. When the perceived effectiveness of e-commerce institutional mechanisms is high, the transaction environment will be better protected, reducing uncertainty in online transactions. That will have an impact on increasing trust in the seller.

H4: perceived effectiveness of e-commerce institutional mechanisms has a positive effect on trust in the seller

### **The Effect of Trust in Seller and Repurchase Intention**

Satisfaction has a direct and indirect relationship with repurchase intention through trust (Rose et al., 2012). When customers claim to believe in an online store, they will feel comfortable and confident when shopping at that store (Chou et al., 2015). The feeling of security that arises from the trust will increase the willingness of customers to provide correct information (Chou et al., 2015) and subsequently shop on the same website (Liu et al., 2005), resulting in higher loyalty, namely the willingness to make return visits. In other words, trust will reduce consumer uncertainty when shopping online and then increase the likelihood of repurchasing (Chou et al., 2015).

Hypothesis 5: trust in seller has a positive effect on repurchase intention

### The Effect of E-Satisfaction on Repurchase Intention

Based on the expectation-confirmation theory (ECT) and previous studies (Pappas et al., 2014; Khalifa and Liu, 2007; Rose et al., 2012), satisfaction positively affects customer intention to repurchase online. When customers are satisfied with a website, they are more willing to interact with the website in the future, so they become loyal customers (Anderson and Srinivasan, 2003). That is because the customer avoids the additional effort of searching for another website and chooses to stick with the same website (Chou et al., 2015), and also the uncertainty of whether the customer will receive

the same satisfaction and service from other websites (Chou et al., 2015).

Hypothesis 6: e-satisfaction has a positive effect on repurchase intention.

### Research Model

If the customer experience follows what the customer expects, a confirmation will appear that leads to customer satisfaction. The satisfaction felt by customers will generate trust in customers, which will lead to repeat purchase intentions in the future. Likewise, PEEIM will affect trust in the seller (as seen in Figure 1).

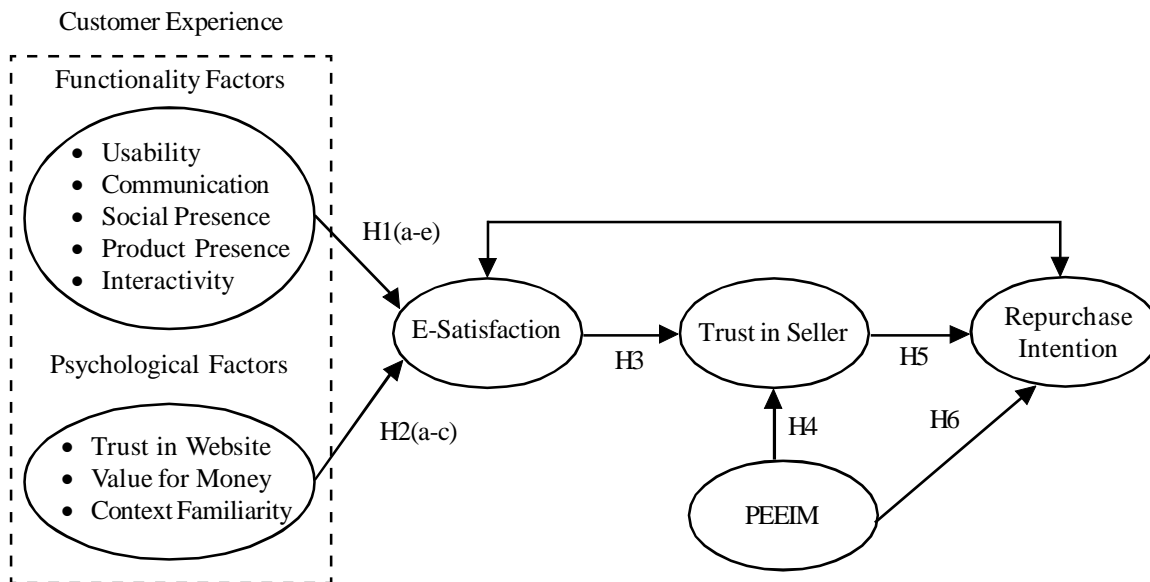


Figure 1. Research Model

### METHOD

This research uses a quantitative approach with empirical studies in two big cities, namely Yogyakarta and Semarang. The sampling technique used is purposive sampling. Criteria for respondents are aged fourteen years or over and have purchased products online through e-marketplaces in the past year. Memory recall techniques were used To reduce consumer perception bias in filling out the questionnaire (Fang et al., 2014). Respondents were asked

to remember the last purchase transaction (the most recent) at certain sellers/online stores on the online market board. The data collection method was conducted by survey technique with a questionnaire distributed online via WhatsApp with the google form application to sample respondents. The number of samples collected was 231 samples, and 23 samples were not filled, so 208 samples could be processed further. Data analysis used Partial Least Squares Structural Equation Modeling (PLS-SEM)

with Smartpls version 3. Indicators for variable measurement are based on previous research: customer experience (functionality factors and psychological factors) using Klaus (2013); e-satisfaction (Chou et al., 2015); trust in seller (Fang et al., 2014); Repurchase intention (Zhang, 2011a,b); and PEEIM (Fang et al., 2014).

**RESULTS**

This study uses 12 variables, eight sub-dimensions of experience, e-satisfaction, trust in the seller, repurchase intention, and PEEIM. The measurement scale uses a 7 point Likert type scale (1: strongly disagree, 7: strongly agree). Characteristics of the majority of respondents: gender (female: 90.19%); age (15-24: 90.38%); the e-marketplace (Shopee: 70.67%); the frequency of making online purchase in the past year (more than 7 times: 58.17%); value for money in the last online transaction (100,000 – 299.000 IDR: 48.08%)

**Evaluation of The Measurement Model**

The convergent validity of the measurement model with a reflective indicator has a Factor Loading  $\geq 0.7$  and an Average Variance Extracted (AVE)  $\geq 0.5$  (Table 2) so that all indicators meet the requirements, except for FFPROD3 (factor loading: 0.602, less than  $<0.7$ ). FFPROD3 is excluded from data processing (Table 1). Convergent validity shows the value obtained from question items measuring the same concept will have a high correlation, while convergent validity is when the measurement instrument is not correlated with other construct measurement instruments (Hair et al., 2014; p. 124).

Evaluation of discriminant validity in this study using Fornell-Larcker Criterion and cross-loading. Test results from The Fornell-Larcker criterion show all the correlation values between the variables. The variables themselves show greater results than the correlation between them and other

**Table 1. The Result of Outer Loadings/Factor Loadings**

Indicator	Factor Loadings	Indicator	Factor Loadings	Indicator	Factor Loadings	Indicator	Factor Loadings
FFGUNA1	0.814	FFPROD1	0.851	FPPER1	0.877	KPS1	0.900
FFGUNA2	0.810	FFPROD2	0.907	FPPER2	0.874	KPS2	0.933
FFGUNA3	0.872	FFPROD3	(0.602)	FPPER3	0.878	KPS3	0.914
FFGUNA4	0.823	FFPROD4	0.781	FPPER4	0.845	KPS4	0.903
FFGUNA5	0.828						
FFINTER1	0.719	FFSOS1	0.818	FPUANG1	0.801	NPU1	0.937
FFINTER2	0.844	FFSOS2	0.874	FPUANG2	0.896	NPU2	0.930
FFINTER3	0.874	FFSOS3	0.718	FPUANG3	0.822	NPU3	0.935
FFINTER4	0.854						
FFKOM1	0.805	FPKEAK1	0.918	KPC1	0.882	PKMPD1	0.838
FFKOM2	0.918	FPKEAK2	0.902	KPC2	0.868	PKMPD2	0.912
FFKOM3	0.909			KPC3	0.867	PKMPD3	0.908
				KPC4	0.886	PKMPD4	0.908
				KPC5	0.846		
				KPC6	0.876		
				KPC7	0.902		

**Table 2. The Result of Average Variance Extracted, Cronbach’s Alpha, and Composite Reliability**

Construct Reliability and Validity				
	Cronbach’s Alpha	Rho_A	Composite Reliability	Average Variance Extracted
PEEIM	0.915	0.926	0.940	0.796
Communication	0.852	0.881	0.910	0.772
Context familiarity	0.792	0.796	0.906	0.828
e-satisfaction	0.933	0.934	0.952	0.832
interactivity	0.841	0.842	0.894	0.681
product presence	0.803	0.814	0.884	0.719
repurchase intention	0.927	0.927	0.954	0.872
social presence	0.727	0.726	0.847	0.649
trust in seller	0.949	0.950	0.958	0.766
trust in website	0.892	0.894	0.925	0.755
usability	0.887	0.888	0.917	0.689
value to money	0.792	0.812	0.878	0.706

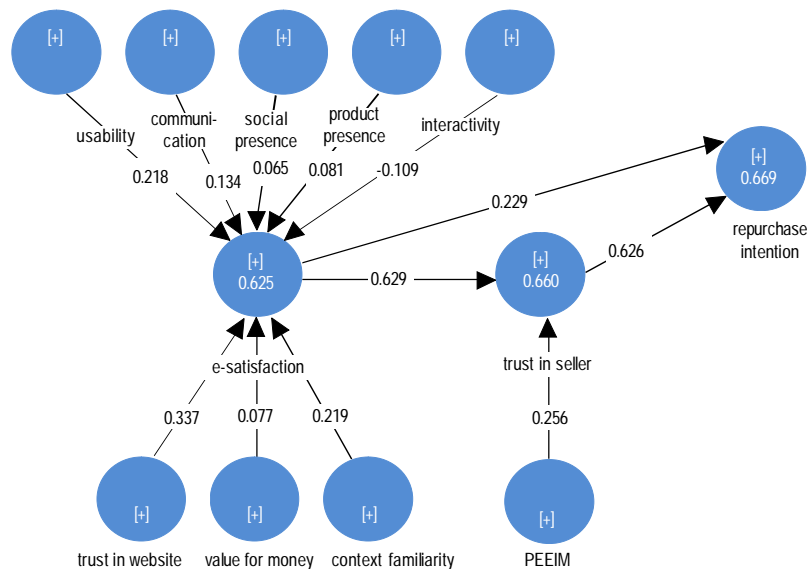
Source: Smartpls processing results, 2021

variables. Likewise, by looking at the cross-loading, the discriminant test also shows that the correlation between the indicator and the variable itself is greater than the correlation between the indicator and other variables. The reliability assessment for all constructs using composite reliability and

Cronbach’ Alpha has a value above 0.7. This means that all are reliable (Table 2).

**Structural Model Evaluation**

Evaluation of the structural model is carried out by testing the inner model, using several assess-



Source: Smartpls processing results, 2021

**Figure 2. The Result of PLS-Algorithm**



ments, namely R-Square, Path Coefficient, T-Statistics (Bootstrapping), Predictive Relevance, and Fit Model. The R Square of e-satisfaction scores 0.625, meaning that 62.5% of the variance of the satisfaction construct is influenced by the variables of usability, communication, social presence, product presence, interactivity, trust in the website, value for money, and context familiarity. Other variables outside of this research influence the remaining (37.5%). The R Square value of trust in the seller is 0.660, meaning that the variables of e-satisfaction and PEEIM influence 66% of the variance of the variable trust in the seller. Variables outside of this study influence the remaining 34%. While the R Square value of repurchase intention shows a score of 0.669, the variables of e-satisfaction and trust influence 66.9% of the variance of the repurchase intention variable in the seller. Variables outside this study influence the remaining 33.1%.

As seen in Table 3, the test results show that usability and communication positively affect e-satisfaction as indicated by the p-value <0.05, and the original sample is positive. The availability of attributes that allow online customers to feel comfortable using the website will affect customer satisfaction (H1a is supported). When sellers provide facilities to communicate with customers, it will reduce the risk of customers' online shopping and in-

crease satisfaction. H1b is supported. The test results for H1c, H1d, and H1e indicate that the hypothesis is not supported. Social presence, Product presence, and interactivity do not affect e-satisfaction, indicated by p-value >0.05. The existence of virtual customer interactions with other buyers through comments, product reviews, and social media links will assist customers in assessing the product but does not affect customer satisfaction. Product information displayed on the website through image interactivity and additional access to view products in more detail will help customers make purchasing decisions but will not affect customer satisfaction. Likewise, the availability of facilities for dialogue between the website and its users will help customers explore more product information but do not affect customer satisfaction.

The results of the H2a test show that the p-value is 0.000 (p<0.05), with the original sample of 0.337, which means that trust in the website has a positive effect on e-satisfaction, H2a is supported. When customers perceive a website to act competently, openly, and fairly, it will increase customer satisfaction. On the other hand, value for money does not affect e-satisfaction (H2b is not supported). That is indicated by the p-value of 0.120 (p>0.05), with the original sample of 0.077. Customers perceive that online shopping offers better value and

**Table 3. The Result of the Hypothesis test**

Hypothesis	Original Sample (Path Coefficient)	p-values	T Statistics	Results (p-value < 0.05)
H1a: usability → e-satisfaction	0.218	0.005	2.589	Supported
H1b: communication → e-satisfaction	0.134	0.026	1.949	Supported
H1c: social presence → e-satisfaction	0.065	0.154	1.021	Not supported
H1d: product presence → e-satisfaction	0.081	0.279	0.588	Not supported
H1e: interactivity → e-satisfaction	-0.109	0.086	1.365	Not supported
H2a: trust in website → e-satisfaction	0.337	0.000	3.954	Supported
H2b: value for money → e-satisfaction	0.077	0.120	1.174	Not supported
H2c: context familiarity → e-satisfaction	0.219	0.004	2.707	Supported
H3: e-satisfaction → trust in seller	0.629	0.000	9.486	Supported
H4: PEEIM → trust in seller	0.256	0.000	3.948	Supported
H5: trust in seller → repurchase intention	0.626	0.000	7.575	Supported
H6: e-satisfaction → repurchase intention	0.229	0.004	2.662	Supported

Source: Smartpls processing results, 2021

**Table 4. The Result of Predictive Relevance (blind folding test) and Fit Model**

	Predictive Relevance (blind folding test)		Fit Model	
	Q <sup>2</sup> (=1-SSE/SSO)		Saturated Model	Estimated Model
e-satisfaction	0.502	SRMR	0.060	0.069
repurchase intention	0.576	D_ULS	3.720	4.906
trust in seller	0.498	D_G	1.907	2.003
		Chi-Square	2173.514	2224.956
		NFI	0.754	0.749

Source: Smartpls processing results, 2021

**Table 5. Indirect Test**

Hypothesis	Original Sample (Path Coefficient)	p-values	Results of the hypothesis test (p-value < 0.05)
e-satisfaction → repurchase intention	0.229	0.004	Supported
e-satisfaction → trust in seller → repurchase intention	0.394	0.000	Supported

Source: Smartpls processing results, 2021

cheaper discounts than physical stores but does not increase customer satisfaction. While the results of the H2c test show that the p-value is 0.004 ( $p < 0.05$ ), with the original sample of 0.219, which means that context familiarity has a positive effect on e-satisfaction, H2c is supported. When a website can provide an online service experience similar to purchase in a physical store, customers will feel comfortable and encourage a positive perception of the website’s credibility, which will then affect increasing customer satisfaction. The H3, H4, H5, and H6 tests showed that the p-value  $< 0.05$ , with the original sample, is positive. That means e-satisfaction and PEEIM positively affect trust in sellers (H3 and H4 are supported). Likewise, trust in the seller and e-satisfaction positively affect repurchase intention (H5 and H6 are supported). Customers satisfied with their previous experience when transacting with online sellers will increase their trust in the seller. The higher the PEEIM, the higher the trust in the seller. Likewise, the higher the trust in the seller, the higher the repurchase intention, and the higher the e-satisfaction, the higher the repurchase intention.

The predictive relevance value is more than zero

for the three endogenous variables through the blind-folding test. That shows that the observed value is good (See Table 4). Likewise, the Normed Fit Index (NFI) results show that the research model is fit at 74.9%. NFI shows a measure of the suitability of a model on a comparative basis to the baseline or the zero model. As seen in Table 5, the results of this study are in line with the research of Rose et al. (2012), which shows that trust in the seller partially mediates the relationship between e-satisfaction and repurchase intention.

**DISCUSSION**

Satisfaction in online transactions is defined as a customer’s preference regarding his previous purchase experience with a particular online trading company (Bhattacharjee, 2001; Anderson and Srinivasan, 2003; Chou et al., 2015). In line with research by Khalifa and Liu (2007), when a website has attributes that are effective in helping users achieve certain goals, such as speed, ease of use, and hyperlink design, users will feel comfortable and bring customer satisfaction. The existence of communication from the seller to the buyer will reduce

the risk in e-commerce. Sellers who provide information about the success of a transaction, provide transaction confirmation, and there is a follow-up transaction will lead to customer satisfaction. A seller's website that can reassure customers that the seller is acting competently, openly, and fairly can increase customer satisfaction. That can be seen from the belief that arises from customers that the seller provides honest information and the belief that the transaction will benefit both parties and will not harm consumers to increase customer satisfaction.

Social presence manifested by comments, reviews, and social media links will help customers search for product information but not affect customer satisfaction. The existence of interactive displays and the option to view more detailed features will help customers feel a product's presence (Darke et al., 2016). Likewise, websites that offer users the option to interact and manipulate the visual impression are an important aspect of the online customer service experience (Klaus, 2013). Some experience product categories are included in the high involvement category. For example, clothing products will bring uncertainty in product descriptions, product fit, and product performance (Hong and Pavlou, 2014; Xu et al., 2020). Reviews given by consumers as estimators of product quality are also often biased due to acquisition bias and unreported bias (Hu et al., 2017). That has an impact on social presence does not affect e-satisfaction.

Likewise, the intense interactivity between sellers and buyers will help with decision-making, especially meeting the need for complete product information. But even this will not bring satisfaction from the buyer. That is possible because the interactivity variable that describes the dialogue between the seller's website and its users is considered by the buyer to be less independent. This information will be different if provided by an independent party outside the seller, for example, information from another buyer (Weathers et al., 2007). In addition, greater interactivity will reduce buyer satisfaction because the information received by buyers through the website is incomplete, so buyers need to spend more time asking sellers more. From

the buyer's point of view, this will reduce the level of satisfaction felt by the buyer. This study indicates that the value for money manifested in lower prices and discounts in online transactions does not affect customer satisfaction. That is possible because, in online transactions, customers can easily compare prices between stores and the availability of many sellers with a wide variety of goods. Value for money is the basis for evaluating the products and sellers to be purchased. The convenience and practicality of conducting online transactions are the reasons for conducting online transactions, but low prices and discounts will not bring satisfaction from customers. The lack of intimacy between buyers and sellers in online transactions can be reduced by creating an online customer service experience similar to a traditional store where customers get complete information on the website. That will increase customer satisfaction, which will impact customer loyalty or repeat purchases from customers (Chou et al., 2015; Rose et al., 2012; Pappas et al., 2014).

In line with Chou et al. (2015) and Rose et al. (2012), this study found that when customers are satisfied with the seller, it will create trust in the seller. Satisfaction is indicated by customers' likes buying at the seller's store, having a pleasant experience, and assuming that the decision to buy at the store is the right one. To save cognitive effort, people tend to form a stable set of beliefs based on past experiences that can be easily drawn to infer new situations (Fang et al., 2014). Satisfaction resulting from successful transactions in the past will form a positive evaluation that renews the customer's belief that the seller will have kindness, integrity, and the ability to succeed with future exchanges (i.e., trust) (Mayer et al., 1995). Fang et al. (2014) indicated that when the institutional mechanism of online trading is more strongly framed as a loss reduction mechanism, customers will be more likely to appreciate the prospective value of this mechanism and increase trust in sellers in general. In line with research from Rose et al. (2012), the results of this study found that satisfaction has a direct and indirect relationship with repurchase intention through trust. When customers have felt the trust of an online store, they feel comfortable and confident when

shopping. The sense of security arising from trust increases the desire to shop at the same website (Chou et al., 2015; Liu et al., 2005), in other words, trust can reduce consumer uncertainty when shopping online and then increase the likelihood of repeat purchases (Fang et al., 2014; Chou et al., 2015).

## CONCLUSIONS

The experience that the customer has both from functionality and psychological factors will affect the satisfaction felt by the customer. Support from institutional mechanisms will generate trust in the seller. E-satisfaction will generate repurchase intentions in the future, either directly or indirectly, through trust in the seller. Providing an easy and fast website to access for sellers who sell online will make it easier for customers to transact. The existence of a guarantee that the seller will follow up the transaction will lead to the belief that the seller is competent, open, and fair in the transaction, which will impact the creation of customer satisfaction. Likewise, the existence of guarantees from institutional mechanisms will reduce risks that will create trust in the seller and lead to repurchase intentions in the future.

## IMPLICATIONS

The results of this study are expected to help marketers manage and create a quality customer experience to create customer satisfaction and trust in the seller and encourage the emergence of customer repurchase intentions.

## LIMITATIONS

The object of this research is still focused on products in general, so it has not provided a detailed understanding of whether the research will produce the same findings for the type of experience product and search product.

## RECOMMENDATIONS

For future research, it is possible to develop a research model with a specific object, for example, comparing the experience product and the search product.

## REFERENCES

- Anderson, R. E. and Srinivasan, S. S. 2003. *E-Satisfaction and E-Loyalty: A Contingency Framework*. Psychology & Marketing, Vol.20, No.2, pp. 123-138.
- Bhattacharjee, A. 2001. *Understanding Information Systems Continuance: An Expectation-Confirmation Model*. MIS Quarterly, Vol. 25, No. 3, pp. 351-370.
- Chou, S., Chen, C., and Lin, J. 2015. *Female online shoppers, Examining the mediating roles of e-satisfaction and e-trust on e-loyalty development*. Internet Research, Vol. 25, No. 4, pp. 542-561.
- Darke, P. R., Brady, M. K., Benedicktus, R. L., and Wilson, A. E. 2016. *Feeling Close from Afar: The Role of Psychological Distance in Offsetting Distrust in Unfamiliar Online Retailers*. Journal of Retailing, Vol. xxx, No. xxx, pp. 1-13.
- Fang, Y., Qureshi, I., Sun, H., McCole, P., Ramsey, E., and Lim, K. H. 2014. *Trust, Satisfaction, and Online Repurchase Intention: The Moderating Role of Perceived Effectiveness of E-Commerce Institutional Mechanisms*. MIS Quarterly, Vol. 38, No.2, pp. 407-427.
- Hair, J. F., Black, W. C., Babin, B. J., and Anderson, R. 2014. *Multivariate Data Analysis, 7<sup>th</sup> ed.* Essex: Pearson Education.
- Hong, Y and Pavlou, P. A. 2014. *Product Fit Uncertainty in Online Markets: Nature, Effects, and Antecedents*. Information Systems Research, Vol. 25, No.2, pp. 328-344
- Hu, N., Pavlou, P. A., and Zhang, J. 2017. *On Self-Selection Biases in Online Product Reviews*. MIS Quarterly Vol. 41, No. 2, pp.449-471.
- Khalifa, M. and Liu, V. 2007. *Online Consumer Retention: Contingent Effects of Online Shopping Habit and Online Shopping Experience*. European Journal of Information Systems, No. 16, pp. 780-792.
- Klaus, P. 2013. *The Case Of Amazon.Com: Towards A Conceptual Framework of Online Customer Service Experience (OCSE) Using The Emerging Consensus Technique (ECT)*. Journal of Services Marketing, Vol. 27, No. 6, pp. 443-457.
- Lemon, Katherine N. and Verhoef, Peter C. 2016. *Understanding Customer Experience Throughout the Customer Journey*. Journal of Marketing: AMA/MSI Special Issue, Vol. 80, pp. 69-96.
- Liu, C., Marchewka, J. T., Lu, J., and Yu, C. 2005. *Beyond concern – A Privacy – Trust-Behavioral Intention Model of Electronic Commerce*. Information & Management, Vol. 42, No. 1, pp. 289 – 304.
- Mayer, R. C; Davis, J. H; and Schoorman, F. D. 1995. *An*

- Integrative Model of Organizational Trust*. Academy of Management Review, Vol. 20, No. 3, pp. 709-734.
- Oliver, R. L. 1980. *A Cognitive Model of The Antecedents and Consequences of Satisfaction Decisions*. Journal of Marketing Research, Vol. XVII, pp. 460-469.
- Pappas, I. O., Pateli, A. G., Giannakos, M. N., and Chrissikopoulos, V. 2014. *Moderating Effects of Online Shopping Experience on Consumer Satisfaction and Repurchase Intentions*. International Journal of Retail & Distribution Management, Vol. 42, No.3, pp. 187-204.
- Rose, S., Clark, M., Samouel, P., and Hair, N. 2012. *Online Customer Experience in e-retailing: An Empirical Model of Antecedents and Outcomes*. Journal of Retailing, Vol. 88, No. 2, pp. 308-322.
- Weathers, D., Sharma, S., and Wood, S. L. 2007. *Effects of Online Communication Practices on Consumer Perceptions of Performance Uncertainty for Search and Experience Goods*. Journal of Retailing, Vol. 4, pp. 393 – 401.
- Xu, Jingjun D., Benbasat, I., and Cenfetelli, R. T. 2020. *The Relative Effect of the Convergence of Product Recommendations from Various Online Sources*. Journal of Management Information Systems, Vol. 37, No.3, pp.788-819.
- Zhang, T. C., Agarwal, R., and Lucas, H. J. 2011a. *The Value of It Enabled Retailer Learning: Personalized Product Recommendations and Customer Store Loyalty in Electronic Markets*. MIS Quarterly, Vol. 35, No. 4, pp. 859-881.
- Zhang, Y., Fang, Y., Wei, K., Ramsey, E., McCole, P., and Chen, H. 2011b. *Repurchase Intention in B2C E-Commerce—A Relationship Quality Perspective*. Information & Management, Vol.48, pp. 192–200.