

## FACTORS AFFECTING LOYALTY THROUGH ONLINE SHOPPING: THE CASE OF UPPER-MIDDLE CLASS CUSTOMERS IN JAKARTA

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### ABSTRACT

**Purpose** – The purpose of this paper is to investigate the factor affecting loyalty through online shopping for upper-middle class customer in Jakarta towards customer satisfaction to increase customer loyalty.

**Design/Methodology/Approach** – Data were collected through online questionnaire, journal and research studies. Statistical analysis such as descriptive analysis and multiple linear regression were used to analyze the significance of the data. Furthermore the result will be elaborated as the main discussion and conclusion of this paper.

**Findings** – The findings of the multiple linear regression showed that, amongst; user interface, product information, service information and security perception factors that have been researched; this study concluded that security perception was the most significant factor that affected information satisfaction, thus having the greatest impact on customer loyalty. A major contribution of this study will be its implications for marketers and business owners as this research can be used to assist in the creation of websites and other online channels. Further, market analysts could focus on developing a customized marketing strategy.

**Keywords:** Indonesia, Loyalty, Online, Fashion, Satisfaction, Security

### INTRODUCTION

Over the last couple of decades, online shopping has transformed from a new concept to an essential part of people's lives. Online retailing is one of the fastest growing sectors in Europe, the USA and Asia (Hollensen, 2014). The number of online buyers has doubled since 2011 to 1,3 billion people and the global B2C online sales worldwide equal almost 2 trillion US dollars (eMarketer, 2016). Internet features, including ecommerce, contribute to economic growth and modernization both in developed and developing countries (Manyika & Roxburgh, 2011).

The globalized character of online shopping removes locational barriers and allows people access to international web-stores. It implies the necessity of cross-national research of consumer behaviour. Most online retailers of fashion goods provide international delivery and some have become global online stores with deep penetration outside the country of origin such as Amazon and Ebay.

Research by British e-commerce support company, DooFinder, has found that fashion goods are the highest selling online products across most of the world (Diaz, 2019). Inconsistent sizes across fashion goods manufacturers has been a major hurdle in developing this market through online shopping. The reason why fashion goods are now number 1 is primarily due to an improved return policy within this market. According to Orendorff (2019) says research by Statista predicts returns alone will cost US online retailers more than \$550 billion by 2020. How companies manage these costs can ultimately make or break a company. Zappos, an American online shoe retailer, now owned by Amazon, found that their most profitable customers were those buying the most expensive products, but typically returned half of everything they ordered (Dugdale, 2010).

A study in 2015 by Shia B.C. et al (2015) cited several references from Ratten (2010), Shin (2013), Mazman et al., (2009) and provide results from several social media sites to show the effect that social media has on online buying behaviour. While the number of internet users increased between 2006 and 2014 from 9.0% to 34.9% in the study by Shia et al., (2015), the more recent study by Deloitte (Ho, 2017) shows that the growth in online shopping in Indonesia is a much more recent phenomenon. Only 17% of surveyed respondents in 2016 had used online shopping compared to 42% in 2017. Although late to start, Indonesia is quickly embracing the online shopping world.

Indonesia, especially Jakarta, has seen a significant growth in young professionals, part of the developing affluent middle and upper-middle classes. These young professionals are hungry to acquire the latest fashions and, with more disposable income, increasingly seek international brands. They actively seek information and purchase online (Tee, Chan Yin-Fah, Gharleghi, & Samadi, 2015) Shia B.C. et al (2015) state that, from a percentage of total population perspective, Indonesia has only recently had greater access to the internet and this has come with the growth of the middle class. However, the total number of users has increased significantly.

Between 2015 and 2016, the sale of luxury items, including high-end fashion goods, jumped 84% in Indonesia, the largest growth in Asia. According to (aCommerce , 2017) Masari Group is one of the latest fashion goods retailers to take their shopping experience online with masarishop.com, to target Indonesia's most affluent citizens. Indonesia Tatler magazine is known for its focus on high-end fashion goods. In 2017, the magazine published an article on 8 high-end luxury online sites (Mackinnon, 2017) showing there is now a market in Indonesia for everything from fashion goods to helicopters through online shopping.

Research has shown the upper-middle class is the fastest growing demographic in Indonesia (Global Blue , 2019) and that Indonesia will become an upper-middle class country by 2024. An increasing number of the millennial generation are being promoted into middle and senior management positions. Fashion houses are targeting this affluent group who have more disposable income and seek the latest trends in fashion (aCommerce , 2017). While seeking the latest in fashion they are also tech-savvy and wanting their desires to be fulfilled quickly and easily. Online shopping provides the solution for many of their needs, including fashion goods (Global Blue , 2019). Although this channel is relatively new for Indonesia the role of online shopping for fashion goods must be explored further to understand if this is a short-term trend or sustainable as the future way to shop. This research will address the following research question: Do Upper-Middle Class Indonesians have a loyalty to online fashion goods websites? By learning more about loyalty to online fashion goods websites, fashion houses may achieve a better understanding of the drivers for customer loyalty. Understanding customer loyalty drivers can lead to more effective website design and strategies to promote their fashion goods and services. In recognition of the increasing demand for fashion goods online, this study intends to investigate the positive and negative aspects of online shopping that impact upper-middle class customer loyalty.

## LITERATURE REVIEW

### Online shopping

Online purchasing research tends to focus on the experience while using a website and accessibility to a website for different demographics. One of the main disadvantages of online purchasing is the lack of touch and feel (AccountLearning , 2018). Research into the overall shopping experience for items such as fashion goods appears evenly divided; those that see the experience as positive relate to the "tactile" experiences of going out, interacting with sales staff and trying on the goods prior to purchase (Griffiths, 2018) while those studies that see this as a negative experience focus on "pressure shopping" where the sales assistant can negatively influence a buyer's choice.

A study in 2014 (Hollensen, 2014), identified that consumers are expanding the range of product categories they are willing to purchase online to include those that contain attributes of "touch and feel". However, the PWC report (2018) shows that more recent trends have swung back to in-store purchasing across the broad spectrum of consumer goods globally. The percentage of respondents saying they will continue to purchase in-store has reached 44% and highlighted this reverse in trend with annual growth since 2015, when it reached a low of 36% (PWC, 2018). Liu, et al (2103) found in-store shopping was particularly favoured by those respondents purchasing expensive fashion goods, where aesthetic appeal and store trust was most important.

There is research that contradicts these trends. They have found that, traditionally, the purchase of fashion goods is synonymous with a sophisticated and complex shopping experience (Xu & Chen, Consumer Purchase Decision- Making Process Based on the Traditional Clothing Shopping Form, 2017) suggesting online shopping is not suited to this market. Despite the current increasing trend of e-commerce for all consumer items, 44% of the PWC Global Consumer Insights Survey 2018 respondents of consumer products say they continue to buy in-store, up from a low of 36% in 2015. This conflicting research highlights the saying, "one size fits all" does not apply to purchasing fashion goods.

In the fight for bricks and mortar stores to remain relevant in today's market, the "Fashion and apparel Industry Report" (ShopifyPlus, 2018) describes how technology is being used in-store to provide a new experience and offer more than a dedicated online store can offer. This trend is blurring the lines between pure in-store versus pure online vendors and has created the omni-channel approach to marketing (Wojciech & Cuthbertson, 2014).

The User Interface is the mode of communication between the vendor and the customer. It is therefore critical for online shopping that the homepage inspires the customer with trust in the vendor and makes it easy to navigate through the webpages (Peiris & Kulkarni, 2015). We have all heard that first impressions matter. Weinberg (2015) explains that if the initial experience of your product is not great, you can't expect that person to become a customer. This is the same for a bricks and mortar store and an online store, yet companies often do not see the value in a similar investment with their website. Berndt Hauptkorn, Chief Executive at Bally.com explains that their concept behind their website design is based on the iPad and the way people use an iPad, to make the site feel modern and exciting (Hosea, 2011).

Learning about a retailer's website requires the customer to invest their time to learn how to navigate the web pages in order to find the information they need to decide to purchase. (Chou & Hsu, 2015) explain that in a traditional store the customer is guided by the staff to find the products they are looking for and assists with various in-store services. Online customers are left to search the store on their own which often requires a greater investment in time. The more time a customer invests in learning about a website the more they are building a loyalty to repurchase or renew a service from that retailer and the less likely they will switch to another retailer (Selnes, 1993).

In the pursuit of a better online experience for the customer, online sites now offer a variety of help and search options which extend the interactive experience. The "Contact Us" and simple search text field remain the standard methods for additional information, however, websites are more commonly providing "web chat" services where a customer can communicate via text in real time. If web chat does not satisfy the customer, communication can be escalated to a phone call with a customer service representative.

Bally shoes, in an article by (Hosea, 2011) noted that many online shopping websites offer the customer the option to buy or to experience the brand. You have to make a choice. When a customer visits a bricks and mortar site they get both at the same time. Bally.com challenged their website designers to create a website where customers can experience the brand while learning about the products creating a more interactive experience.

Perhaps the most common problem with product information is quality. Unfortunately, the online shopping industry is so big that it is impossible to audit every retailer. This allows less honest sellers to publish inaccurate, or blatantly wrong, information. Reviews on these websites are also untrustworthy (Mittal, 2017).

When purchasing fashion clothes and shoes on line choosing the size is a gamble. There are no international standards for clothes and shoe sizes and even between brands there are sufficient differences to create problems. According to (Mittal, 2017), Fitrrati is an online app that helps consumers to choose the right size by using brand, retailer and consumer information to find the best fit. It is now embedded in several online retailer's websites. This technology was developed in response to the common problem from consumer feedback that the unreliable size of fashion clothes creates a high percentage of returns which lowers the consumers satisfaction of online shopping (Inna, 2015).

Online shopping has its own set of challenges and often the quality of some basic services can be critical to the overall perception of the product. One that is often hidden away from easy viewing is the return policy, or the return policy is too complicated or expensive. As highlighted above, buying fashion goods online is often a gamble with quality and size. An easy to understand return policy would greatly enhance the confidence and therefore the satisfaction when buying through that online vendor (Mittal, 2017). This is further reinforced by (Kotler & Armstrong, 2014) who states that the key to customer retention is customer satisfaction.

The perception of a secure website is important when it involves online payment that requires several personal details. Trust is often linked closely with security when discussing usability of online websites (Peiris & Kulkarni, 2015). Security is often promoted using symbols of Secure Site Seals (SSL) or Trusted Site Seals.

Hung et al (2014) raises security concerns with "word of mouth" responses either on the retailer's website or through the broader social media networks. People can easily conceal who they are and write testimonials or complaints which are untrue. Some companies employ people that can quickly respond to these online comments and some companies employ virtual customers to write positive comments.

### **Loyalty**

Repurchasing is probably the most tangible sign of loyalty, although it does not show what percentage of those goods and services a customer is buying solely from the one retailer. Existing research into consumer repurchasing behaviour towards online shopping and traditional market shopping is limited in its depth and scope. A local study on repurchasing of online shopping in Jakarta was published recently (Suhaily & Soelalih,

2017). However, broad generalizations dominate this area of research. The PWC reports focus on retail trends related to the method of purchasing, not on repurchasing.

The decision to repurchase can be based on rational evaluation (cognitive trust), emotional evaluation (emotional trust) or a mix of both (Chou & Hsu, 2015). Their research concludes that trust is a rational evaluation due to customer's belief in the retailer's benevolence, competence and integrity. For fashion goods, buying a well-known global brand from that branded website supports the rational evaluation, whereas buying that same brand through a 3<sup>rd</sup> party website would introduce some doubt about the quality (originality) of the product and the quality of the service.

Traditional word of mouth has always provided a strong reference, both positive and negative. In today's world of electronic communication and social media, geographical boundaries are removed and the speed of communications have dramatically increased. Hung et al (2014) observed that feedback on retailer's websites and through other social media can be both positive and negative. Customers are more likely to invest their time providing negative rather than positive feedback. Often customers expect good quality and service and therefore feel there is no need to respond when they receive the goods or services they expect.

Customer satisfaction is an important determinant of customer loyalty (Lovelock, Wirtz, Tat Keh, & Lu, 2005) and most managers are interested in customer satisfaction because it is strongly associated with loyalty (e.g. Sambandam and Lord, 1995; Anderson and Sullivan, 1993; Cronin et al., 2000). The similar statement also stated by several authors: A positive impact of satisfaction is reported on repurchase behaviour (Sambandam and Lord, 1995; LaBarbera and Mazursky, 1983), repurchase intent (Anderson and Sullivan, 1993; Cronin et al., 2000), positive word-of-mouth (Bitner, 1990; Swan and Oliver, 1989), customer retention (Bolton, 1998), and use of continuously provided services (Bolton and Lemon, 1999).

### Upper-middle Class Customers

Indonesia's new middle-class population are growing by more than 8 million people per year (Tan, 2016). The middle-class have an increased disposable income which is typically used to enhance their lifestyle, acquire the latest gadgets and keep up-to-date with fashion trends.

Rodrigo Chaves (cited in Boediono, 2017) stated,

*"The middle class holds the key to unlocking the potential of Indonesia. It is important for the government to support the growth of this group in all fronts."*

At the Bank of Indonesia annual meeting in 2018, Perry Warjio, Governor of the Bank of Indonesia, said that Indonesia will become an upper-middle income country by 2024, with an income per capita of USD 4,800 (Sekretariat Kabinet, 2018). This economic outlook supports the government's policies aimed at stimulating the growth of the middle class. It is therefore likely many of the large "aspiring" group will be considered middle class by 2024.

These tech-savvy professionals are the first generation that grew up in the digital age and fully embrace the online applications. They heavily rely on per reviews to build a trust for the sites and to keep current with local and international trends. Individualism is important to this group and in this regard, fashion becomes a key point of difference.

### METHODOLOGY

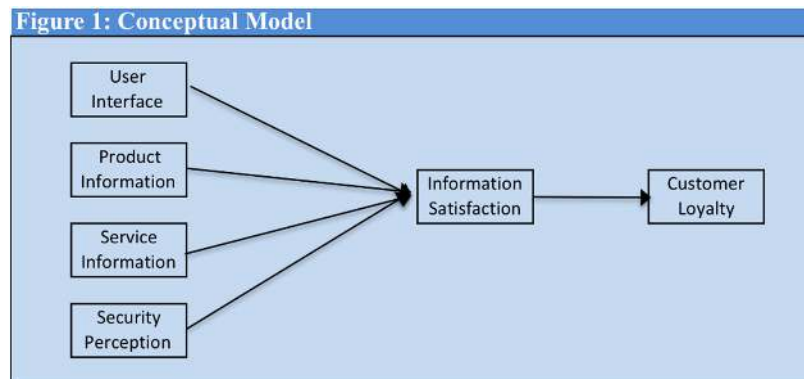
To measure the level of customer loyalty from upper-middle class in Jakarta regarding the purchase of online shopping for fashion goods, self-administered questionnaire were distributed online. The questionnaire consists of six elements (user interface, product information, service information, security perception, information satisfaction and customer loyalty). The online distribution was spread among office workers, master students group at Binus University and school parents from high-end school through whatsapp group chat. The questionnaire was formed with Google document survey and the survey participant simply just click the link given and complete the questionnaire. A convenient sampling method was developed for this research. The list of questions were formed based on a review of previous literatures and journals and was modified by the researchers using a literature review and adjusted for content validity. The results are processed using descriptive analysis, standard deviations and frequencies, and multiple linear regression analysis methods.

## Subjects and Data Collection

The questionnaire consisted of 26 questions and measured the loyalty of upper-middle class customers who purchase fashion goods online by using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The questions on this questionnaire survey were based on previous research (Park & Kim, 2003). The last section in the questionnaire consisted of question related to socio-demographic characteristics of the respondents (gender, age, education level, monthly income and disposable income, name of frequent online shopping platform and fashion goods item frequently purchased). To confirm the questionnaire are reliable and valid, a preliminary test was conducted using 20 randomly selected upper-middle class online shopper in Jakarta. The reliability was tested by using Cronbach's alpha. Complete values of reliability test result shown in the appendix II. As it can be seen, the Cronbach's alpha values for all variable are above  $> 0.6 - 0.7$  therefore it can be concluded that the questionnaire are accepted and valid. The population of this research about which the conclusion will be drawn upon are 212 upper-middle class community in Jakarta who have experienced shopping on E-Commerce as well as Traditional for fashion goods. Data were collected in early August 2019 and out of 220 questionnaire being distributed, 96% of 220 are valid to be used to analyse the fashion goods online purchase experience and their level of loyalty. All data processing was done by using SPSS version 22.0 to address the objective of this study.

### Conceptual Model:

A conceptual model of inputs that create loyalty and outputs from Information Satisfaction



## RESULTS

The profile of the respondents shows more female respondents 56.6% (N=120) than male respondents 43.4% (N=92), exact ages of respondents were not recorded, the research required the respondents to only state one of three age ranges; below 30 years (61.3%), 31 to 40 years (29.7%) and above 40 (9.0%) years. The below 30 age group included many students (18.5% of this age group and 11.3% of the occupation group). Other occupations included, employed (71.2%), unemployed (12.7%) and entrepreneurs (4.7%). 88.7% held a certificate in tertiary education. The high result in education was due to the majority of respondents being approached close to universities near trendy shopping malls. The relationship of income to the amount of that income spent on fashion goods showed some correlation between those earning more than RP 10 million also spent more than RP 3 million on fashion goods. It should also be noted that 6 respondents earning less than Rp 10 million also spent more than Rp 3 million on fashion goods and 22 respondents earning greater than Rp 10 million spent less than Rp 3 million on fashion goods, each month. 64.2% of respondents said that their last purchase online was a bag. Outside the scope of this study is a question of why bags are so popular online, one possible outcome is that the bag does not need to exactly fit your body like the other categories of fashion goods, reducing the chance that it may not fit or suit the purchaser. Table I presents the profile of the respondents.

Table I Profile of Respondents		
Socio-demographic factors	No	(%)
<b>Gender</b>		
Male	92	43.40
Female	120	56.60
<b>Age Group</b>		
<30	130	61.32
31 - 40	63	29.72
>40	19	8.96
<b>Education</b>		
SMA or K	24	11.32
S1	162	76.42
S2/S3	26	12.26
<b>Occupation</b>		
Student	24	11.32
Employee	151	71.23
Entrepreneur	10	4.72
Unemployed	27	12.74
<b>Monthly Income</b>		
<Rp 10 million	39	18.40
>Rp 10 million	173	81.60
<b>Monthly Expenditure on fashion goods</b>		
<Rp 3 million	55	25.94
>Rp 3 million	157	74.06
<b>Favourite Online shopping site (respondents were asked to choose 3, total sum is 300%)</b>		
Tokopedia	126	59.43
Masarishop.com	31	14.62
Asos.com	11	5.19
Zilingo.com/id	67	31.60
Lazada.co.id	102	48.11
Zalora.co.id	161	75.94
Shopee.co.id	138	65.09
<b>Last Fashion Goods purchased</b>		
Accessories	22	10.38
Shoes	18	8.49
Bags	136	64.15
Clothes	36	16.98

Table II depicts the correlation matrix of the research constructs whereas the strength of linear relationship between variables are measured. Whereas the coefficient score shows that the association among this study construct have low to moderate positive and negative association. The correlation coefficients are indicators of the liner strength of a relationship between two variables. They should not be used to explain cause and effect. No multi-collinearity problem existed amongst the constructs, as the correlation coefficient remained below 0.9 (Hair, Black, Babin, Anderson, & Tatham, 1998).

Table II: Pearson correlation among constructs

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Constructs	Mean	SD	User Interface	Product Information	Service Information	Security Perception	Information Satisfaction	Customer Loyalty
User Interface	4.16	0.76	1.000					
Product Information	4.00	0.80	0.025	1.000				
Service Information	3.95	0.83	0.820**	0.146*	1.000			
Security Perception	4.02	0.84	0.730**	-0.018	0.755**	1.000		
Information Satisfaction	4.00	0.84	0.301**	0.054	0.091	0.365**	1.000	
Customer Loyalty	3.94	0.85	0.157*	0.822**	0.277**	0.136*	-0.054	1.000
** Correlation is significant at the 0.01 level (2-tailed)								
* Correlation is significant at the 0.05 level (2-tailed)								

The result is generated by correlating each item score to the total score using the Pearson Correlation technique. The test criteria whether the correlation coefficient ( $r_{xy}$ ) is greater than the value of  $r$  table of 0.1381, which means that the questionnaire items are valid. The results of the summary can be seen in the table below.

Table III: Result of multiple linear regression

Table III: Test Results for Validity				
Variable	Indicator	Coefficient Correlation	r table	Remarks
User Interface (X1)	X1.1	0,613	0,1381	Valid
	X1.2	0,638	0,1381	Valid
	X1.3	0,653	0,1381	Valid
	X1.4	0,684	0,1381	Valid
	X1.5	0,578	0,1381	Valid
Product Information (X2)	X2.1	0,661	0,1381	Valid
	X2.2	0,684	0,1381	Valid
	X2.3	0,630	0,1381	Valid
	X2.4	0,594	0,1381	Valid
	X2.5	0,696	0,1381	Valid
Service Information (X3)	X3.1	0,644	0,1381	Valid
	X3.2	0,661	0,1381	Valid
	X3.3	0,572	0,1381	Valid
	X3.4	0,635	0,1381	Valid
	X3.5	0,670	0,1381	Valid
Security Perception (X4)	X4.1	0,620	0,1381	Valid
	X4.2	0,637	0,1381	Valid
	X4.3	0,671	0,1381	Valid
	X4.4	0,674	0,1381	Valid
	X4.5	0,651	0,1381	Valid
Information Satisfaction (Y1)	Y1.1	0,738	0,1381	Valid
	Y1.2	0,792	0,1381	Valid
	Y1.3	0,722	0,1381	Valid
Customer Loyalty (Y2)	Y2.1	0,735	0,1381	Valid
	Y2.2	0,748	0,1381	Valid
	Y2.3	0,782	0,1381	Valid

Based on the results of testing the validity of the instrument that all correlation values are greater than the value of r table of 0.1381. Thus the questions in the variables are declared valid and can be used as data collection tools in this study.

Table IV: Multiple linear regression result						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,237	0,446		0,531	0,596
	User Interface	0,336	0,084	0,264	3,997	0
	Product Information	0,026	0,076	0,02	0,347	0,729
	Service Information	0,181	0,076	0,143	2,373	0,019
	Security Perception	0,382	0,076	0,336	4,93	0
a. Dependent Variable: Information Satisfaction						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,149	0,264		8,143	0
	Information Satisfaction	0,45	0,0066	0,427	6,851	0
a. Dependent Variable: Customer Loyalty						

Table IV above display multiple linear regression analysis. This analysis was used to estimate the coefficients of the linear equation involving the four-predicting variable of information satisfaction and from information satisfaction to customer loyalty. The findings indicated that product information (B 0.0266, p 0.729) and service information (B 0.181, p 0.019), is less significant for the factor affecting information satisfaction while user interface (B 0.336, p 0.0) and security perception was the most significant factor affecting the overall information satisfaction (B 0.382, p 0.0).

Further to, the findings, indicated that information satisfaction (B 0.45, p 0) is significant as a factor affecting customer loyalty. The test results show the probability <level of significance (= 5% or 0.05). This means that there is a significant effect of Information Satisfaction on Customer Loyalty. Coefficient value of 0.427 (positive), meaning that when information satisfaction increases, it tends to increase customer loyalty.

**Table V: F Test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.478	4	4.62	27.914	.000 <sup>b</sup>
	Residual	34.257	207	0.165		
	Total	52.735	211			

Testing the influence of user interface, product information, Service Information, and Security Perception of Information Satisfaction produces a calculated F value of 27,91 with a probability of 0,00. The test results show the probability <level of significance (= 5% or 0.05). This means that there is a significant influence of the User Interface, Product Information, Service Information, and Security Perception simultaneously or together on Information Satisfaction

## DISCUSSION AND IMPLICATION

Factors that affect customer's loyalty, especially for those upper-middle class shoppers, are important in the online shopping industry. However, the level of research is low in Indonesia compared to the rise in activity and competition for online platforms and the awakening start-up boom in the fashion goods Industry (Bland, 2014). Based on that, the authors have conducted this research to explore some of the important factors affecting customer's loyalty in buying fashion goods online.

This study looked specifically at online shopping of fashion goods, with comparisons to traditional bricks and mortar shopping outlets. Many retailers have moved to multi-channel shopping where they have distinct and separate channels in which to promote and sell their products. The latest trend being explored by some retailers is called omni-channel shopping, a way in which channels to market are linked to provide the buyer with opportunities to use different channels at various points throughout their shopping experience. For example, the initial research may be online, once they have decided what to buy they visit a store for the touch and feel experience, they pay using an online system and then have the goods delivered to their home. Piotrowicz & Cuthbertson, (2014) provide an insight into this new way of shopping.

Kim and Lennon (2010) states detailed information generates positive satisfaction while customers are browsing a website. This research is aligned with Park and Kim (2003) who found that quality of information has a direct impact on customer satisfaction. Furthermore, security perception has been recognized as a key factor when customers make a decision to shop online (Peiris & Kulkarni, 2015). Among those two factors security perceptions have the most direct and important determinant on customer satisfaction to purchase online goods, which align with this study findings that security perceptions play a significant role and a driver in influencing customer satisfaction in buying goods online. The strong relationship between product information and security perception indicate that Indonesian online shopper consider these factors direct determinants for information satisfaction and loyalty whether customer will purchase with the websites and increasing the probability to repurchase from website with which they were satisfied.

From the choice of seven (7) websites offered in the survey, the respondents rated Zalora as the preferred online website for fashion goods. The authors viewed the Zalora website (<https://www.zalora.co.id>) and found four distinct security aspects were provided for the online shopper. Zalora have adopted three payment security systems; payment card industry (PCI) security standard to protect personal information, the card holder protection requires the buyer to verify their purchase through a one-time password (OTP) sent to a mobile phone and an encrypted network to ensure electronic communication of any information is difficult to decipher. The fourth security aspect is a 30-day free return policy which provides buyers a level of security knowing they can get their money back if they are not happy with the purchase.

During the survey, three questions were asked to gauge customer loyalty to online shopping. The results of the survey for the Upper Middle-Class respondents (disposable income greater than IDR 10 million) found that more than 50% responded with "Agree", on the Likert scale. The respondents said they would; repurchase online, that they would choose online as their first choice for purchasing fashion goods and they would recommend online shopping to others.

Based on the statistical results authors have already highlighted that security perception is the most important variable to the upper-middle class online shoppers. The result also showed a high positive response for good user interface. This shows to attract upper-middle class online shoppers; a successful fashion goods website must have high perception of security and be easy to navigate.



### **Managerial Implications**

In terms of socio-demographic factors, the majority of the respondents surveyed were millennial that are experienced with purchasing goods online. This is an important factor for marketers to consider when developing a customized marketing strategy for this target segment. This study identifies the factors affecting loyalty through online shopping that lead to overall customer satisfaction and impact the degree of customer loyalty to fashion goods online retailers.

From the point of view of marketers and business development, this research can be used to improve websites and other online channels allowing marketers to utilize their resources more efficiently. Combining the information from this study with marketing promotion to attract more interaction with the user, it can play a role in gaining market share over the competitor. In addition, agencies, influencers, and other promoters will be more likely to promote the website.

### **Theoretical Implication**

Product information is an essential factor, but studies on its influence on overall information satisfaction in Jakarta are limited. Hence, this study was undertaken to bridge the knowledge gap. The finding of this study shows construct can affect information satisfaction when purchasing goods online. Findings of this research could provide a foundation and benchmark for future studies on this topic.

### **Limitations and Suggestions for future studies**

In this study, the respondents that were surveyed in Jakarta are people within easy reach and an inner network of the researchers. Future studies may consider expanding the scope of the research by surveying multiple locations to obtain broader data and consider other characteristics, such as geography where the respondent's access to fashion goods bricks and mortar outlets may influence the use of online shopping. The research data collection used a questionnaire, with a Likert scale response, as the tool. Future studies should consider the use of qualitative methods to gain different perceptions and a greater depth of understanding of the factors that influence the online purchase of fashion goods. It is suggested, for future studies, to broaden the survey to include different demographics and to identify differences, such as; the economics of the family and cultural background. These differences may be important factors in the overall customer behaviour when purchasing fashion goods online goods. It is recommended further research is conducted in this area for top-end fashion goods.

### **Managerial Implications**

In terms of socio demographic factors, the majority of the respondent surveyed were millennial that used to buy goods online. This is an important factors for marketer to consider when developing a customized marketing strategy for this segment of millennial. This research proves that factors affecting loyalty through online shopping that lead to the overall satisfaction which might affect degree of customer loyalty to specific channel.

From the point of view of marketers and business development, this research can be used to assist creation of website or online channel. Furthermore marketer could use their resouces more efficiently. Combining the information from this study with marketing promotion to engage more interaction with the user, it can play a role to gain market base over the competitor. In addition, agencies, influencer, and other promoter play a role in convincing user to use a website.

### **Theoretical Implication**

Product information are essential factos, but studies on its influence on overall information satisfaction in Jakarta are limited. Hence, this study was undetaken to bridge the knowledge gap. The finding of this study shows construct can affect information satisfaction when purchasing goods line. Findings of this research could provide a foundation for future studies on this topics. Moreover the main item can contribute and be measure for others entities to have better understanding on how to increase customer loyalty.

### **Limitations and Suggestions for future studies**

In this study, the respondents that were surveyed in Jakarta is from people that are within reach and inner network of the researchers. Future studies that expand the frame of the research to do equally in proportion from multiple area to obtain broader and more general data. This research data collection used questionnaire as the tool. Its has been suggested in the future studies to use qualitative methods to gain different perception to gain more in depth understanding of factors that play a factor when purchase online goods. Therefore it is suggested for future studies to take into consideration different aspects such as economic of the family, cultural background and number of family member to know better about the important of those factor in overall customer behaviour when purchasing online goods.

## APPENDIX 1

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### I. INTRODUCTION:

Hello!

You are invited to participate in our research. In this survey, we want to know about your loyalty to online shopping. Completion of this survey will take approximately 3-5 minutes.

Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions at any time about the survey or the procedures, you may contact Nandayani ([ny\\_180787@yahoo.com](mailto:ny_180787@yahoo.com)).

Thank you very much for your time and support.

Sincerely Yours,

Nandayani and Rendy Salim

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			Strongly Disagree	Diagree	Neutral	Agree	Strongly Agree
<b>User Interface</b>	1	The website is convenient to search for fashion goods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	2	The website is convenient to order for fashion goods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	3	The website is easy to navigate the wanted pages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	4	The website is user friendly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	5	The website does everything I would expect it to do	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Product Information</b>	6	The website provides up-to-date fashion goods information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	7	I believe the website will fulfil what is expected by customer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	8	The website provides sufficient fashion goods information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	9	The fashion goods information is relevant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	10	The product information can be understand easily	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Service Information</b>	11	The website provides sufficient service information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	12	The website provides sufficient information on return policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	13	The website have provided enough different media to contact with the seller	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	14	I find the website provide fast service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	15	The service information provided is easy to understand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<b>Security Perceptions</b>	16	I feel this website offer enough online security.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	17	I feel transaction information through this website is quite safe.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	18	I feel that payment through this website is quite safe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	19	I feel safe sharing personal information to the website.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	20	I feel the website show concern for personal information of its user	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Information Satisfaction</b>	21	I am satisfied with the information in purchasing online item through the website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	22	I likely will share my positive experience to others about the web site	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	23	Overall, I am satisfied with the information service provided by the website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Customer Loyalty</b>	24	I would recommend this website to those who seek my advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	25	I will do more purchases with the website in the future	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	26	I consider this website to be my first choice when I want to buy fashion goods online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## II. RESPONDENT INFORMATION:

1	Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female
2	Age	<input type="checkbox"/> <20-30	<input type="checkbox"/> <31-41 <input type="checkbox"/> <40
3	Educational background	<input type="checkbox"/> SMA or SMK <input type="checkbox"/> S2/ S3	<input type="checkbox"/> Diploma <input type="checkbox"/> S1 <input type="checkbox"/> Others
4	Occupation	<input type="checkbox"/> Student	<input type="checkbox"/> Employee <input type="checkbox"/> Unemployed <input type="checkbox"/> Entrepreneur
5	Monthly disposable income	<input type="checkbox"/> <Rp 10 Juta	<input type="checkbox"/> >Rp 10 Juta
6	Monthly expenditure on Fashion Goods	<input type="checkbox"/> <Rp 3 Juta	<input type="checkbox"/> >Rp 3 Juta
7	Number your top three (3) favorite online shopping stires for fashion goods with;	___ Blibli.com ___ Lazada.co.id ___ Tokopedia.com ___ Zilingo.com/id	___ Berrybenka ___ Shopee.co.id ___ Zalora.co.id ___ Others, please specify
8	What were the last fashion goods you purchased through online shopping	<input type="checkbox"/> Clothes <input type="checkbox"/> Bags	<input type="checkbox"/> Shoes <input type="checkbox"/> Accessories

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