THE INFLUENCE OF
ELECTRONIC SERVICE QUALITY TOWARDS
PERCEIVED VALUE ON ONLINE SHOPPING:
(A CASE STUDY OF PT. XYZ INDONESIA)

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PANEL OF EXAMINERS APPROVAL SHEET

The Panel of Examiners declares that the skripsi entitled “THE INFLUENCE OF ELECTRONIC SERVICE QUALITY TOWARDS PERCEIVED VALUE ON ONLINE SHOPPING: (A CASE STUDY OF PT. XYZ INDONESIA)” that was submitted by Audy Theofilus Alfa Putera majoring in Management from the Faculty of Business was assessed and approved to have passed the Oral Examinations on 8 August 2014.

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I declare that this skripsi, entitled “THE INFLUENCE OF ELECTRONIC SERVICE QUALITY TOWARDS PERCEIVED VALUE ON ONLINE SHOPPING: (A CASE STUDY OF PT. XYZ INDONESIA)” is, to the best of my knowledge and beliefs, an original piece of work that has not been submitted, either in a whole or in a part, to another university to obtain a degree.

Cikarang, Indonesia, 22 August, 2014

AUDY THEOFILUS ALFA PUTERA
ABSTRACT

Following the rapid growth of the global telecommunication, Internet has becomes an important channel for selling goods and services. Daily deals e-commerce has been popular since the birth of XYZ and Groupon. Companies like XYZ distribute their product and services entirely through website channels. If these channels are to be usable, they have to be considered by consumers as effective and efficient. The purpose of this research is to analyze the influence of electronic service quality towards perceived value. Variables used in this research are based on E-S-Qual theory, which are: Efficiency, System Availability, Fulfillment, and Privacy. In this study, data were collected through questionnaires to 130 respondents using non probability incidental sampling method to determine the response of respondents of each variable. The research indicates that E-S-Qual has simultaneous significant influence towards perceived value. Nevertheless, only two out of four variables, System Availability and Privacy; which has partial significant influence towards Perceived Value.

Keyword: E-S-Qual, Efficiency, System Availability, Fulfillment, Privacy, Perceived Value
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CHAPTER I

INTRODUCTION

1.1 Research Background

Following the rapid growth of the global telecommunication, Internet has becomes an important channel for selling goods and services. (Parasuraman, Zeithaml, & Malhotra, 2005) Mass communication technology growth has become more sophisticated, causing the movement of information becomes more faster because of the new communication media, online media. Online media can be accessed easily, without barriers, wherever, whoever, and whenever during its spread of information. (Kepercayaan Masyarakat, Tantangan Terberat e-Commerce | HMTI IT Telkom, 2013) People needs of information has grown, not just the attractive, accurate and actual information but also the speed of spreading the information. The widespread of online business has attracted people to participate. It can be seen from the usage of social media, such as Facebook, Twitter, and Instagram, as the store media for selling goods. Customers don’t need to go to some shops to find things they want to buy, they only needs to surf on the internet, do the required payment and after payment confirmed, goods will be delivered.

According to Turban (2005), e-commerce means electronic commerce which includes buying, selling, transfer or trade of products, services or information through internet. According to David Baum (1999), E-Commerce is a dynamic set of technologies, applications, and business process that link enterprises, consumers, and communities through electronics transactions and the electronic exchange of goods, services, and information (Baum, 1999). Based on the statement above, e-commerce can be defined as transaction that are using internet to be done. In the recent years, e-commerce business has become phenomenon in some parts of the world, such as United States of America, some countries in Europe, and Asia including Thailand, Singapore, Malaysia, and
Indonesia. 66 percent of the adults online have purchased something over the Internet, whether it's toy, book, music, or clothing. Almost all internet users (93%) have at one time or another done something related to e-commerce (Horrigan, 2008).

In Indonesia, this phenomenon started to rise up from 2007. Dimitri Mahayana, Chairman of Sharing Vision Telematics Research Institution, stated that trade through internet market in Indonesia in 2009, reached the number of 3.4 million dollars. This number is fantastic to show the huge potential of e-commerce in Indonesia (Fauzi, 2010). According to detikinet journalist, Achmad Rouzni (2013), the rise of e-commerce business in Indonesia is in its starting peak, based on data released by Indonesian Ministry of Communication and Information Technology, e-commerce market in Indonesia in 2013 is projected to double the number of 2012, which was 69 billion US Dollar. According to a business consultant firm, Frost & Sullivan (2012), e-commerce transaction profit in Indonesia has reached 120 million USD in 2010 and projected to reach 650 USD in 2015 (Frost & Sullivan, 2012). In the other hand, Daily Social and Veritrans researches in August 2012, estimates that e-commerce market share based on public and customers report is between 0.6-1.2 billion USD, and e-commerce businesses spending per year is USD 256, and just 6.5% of internet users do online transaction (Kepercayaan Masyarakat, Tantangan Terberat e-Commerce | HMTI IT Telkom, 2013).

Daily deals e-commerce, which is classified as Business-to-Customer (B2C) commerce, has been popular since the birth of XYZ (founded as Hungry Machine) in 2007 and Groupon (founded as “ThePoint.com”) in November 2008. Groupon has 13 million subscribers while XYZ, Groupon’s closest rival in the U.S., raised $40 million since launching its service in July 2009 (Steiner, 2010). According to CBSnews.com, in 2010 Groupon rejected the Google takeaway offer of 6 billion USD which could beat the Google’s purchase record of DoubleClick in 2007 valued 3.1 billion USD.
Their success leads to a busy market, with hundreds of competitors in the market following their success. Nevertheless the market is still for these two giants. Figure 1.1 shows that Groupon and XYZ are two big names in daily deals sector. The tail is long and fragmented and Groupon and XYZ sit as gorillas among ants, accounting for over 90% of all visits among all daily deals websites tracked by comScore (Elbaor, 2011).

In Indonesia, daily deals companies such as Disdus.com, Lakupon.com, Evoucher.com, and XYZ.com are some common names in Indonesian’s mind, especially their own customer. These companies offer big discounts to their customers, both services and products. Due the rivalry of Groupon and XYZ, when both started to spread their wings overseas, both company acquired local daily deal business in Indonesia. In April 2011, Groupon acquired Disdus while...
XYZ took over DealKeren in June 2011. The two local companies become Indonesian’s two giants in daily deals market.

Figure 1.2 indicates that XYZ Indonesia and Groupon are two daily deals giants in Indonesia. They are above their competitors. XYZ Indonesia was founded in August 2010 named DealKeren. DealKeren means “Cool Deal” in English. In June 2011, DealKeren joined XYZ, following the acquisition of DealKeren’s sister family in Thailand and Philippines called Ensogo.

XYZ’s marketing activity is a development of the marketing concept in offering and attracting customers to buy the offered product or service and
facilitate companies that sells their product and services to reach their market. This kind of marketing does not mean that there will be no problem to face, although there are a lot of negative comments in the social media, we can see on social media, such as Kaskus, Twitter and Facebook, XYZ’s active member completed more transactions daily, and of course, the service quality has a big role to achieve this.

Cooperate with XYZ are both profitable for merchant and consumer. For merchant, they will only need to pay the commissions as much as the sold ticket. So there is no risk, this kind of deal is very ideal for local merchant. Merchant who cooperate with XYZ will get market exposure around XYZ’s members. Merchant get new customers, when the customers are satisfied, they will have a consideration to come back again. For consumers, this deal services offer products with cheaper prices.

![Figure 1.3 Change in marketing spending due to spending on daily deal programs](image)

**Source:** (Dholakia, 2011)

According to the research from Dholakia (2011), merchant has bought the idea that daily deals are the effective method for advertising to gain exposure through customers. Customers are attracted with the effect of low prices, although
the chances of any future loyalty become even smaller. Therefore, daily deals give the exposure to local customers as advertising gave.

Figure 1.4 Example of complain aimed for XYZ in Social Media

(Source: Facebook.com)

Companies like XYZ distribute their product and services entirely through website channels. If these channels are to be usable, they have to be considered by consumers as effective and efficient. Even though low price and Web presence were initially thought to be the drivers of success, service quality issues soon became pivotal. When consumers could not complete transactions, products were not delivered on time or at all, e-mails were not answered, and desired information could not be accessed, the viability of Web channels was jeopardized (Parasuraman, Zeithaml, & Malhotra, 2005). Mounting business and academic evidence demonstrated a widespread lack of adequate service quality delivered through the Internet (Ahmad, 2002). Leaders of companies with website presence
have to understand how consumers assess online customer services to deliver excellent service quality.

Nevertheless, there are some problems that are encountered by daily deal companies. Some problem might come from the company, whereas some might come from the merchant. Figures 1.4 shows the example of a customer complained about the performance of website that is really slow, the customer, named Mike Fox, has tried to refresh the page a couple times but that does not give any effect to the slow performance. Customer service of XYZ replied the complaint said that there was some updates on the website design which resulted to the slow performance during the updates.

Figure 1.5 shows the example of a customer complained about the service quality of XYZ. She did not receive her purchases, and when she tried to call and
sent email to the customer service of XYZ, there were no answer and confirmation from XYZ.

Those are some examples of problems faced by XYZ. Website performance and service performance are keys for daily deal companies, because the main process of their business is based in the internet. To be success, company has to maintain its value in their customers’ eyes. Treating customers and make them feel worthy of buying products or goods will help the reputation of the company to be increased and the power of mouth to mouth marketing will help the company to gain more customers. If they do not feel worthy, they will complain, it does not matter whether whose false it is, the company or merchant, company will get complains, and it harms company reputation.

Parasuraman et al. (2005) created E-S-Qual for assessing the Electronic Service Quality. E-S-Qual is the adaptation model of the traditional service quality, because SERVQUAL model is not really relevant to assess the service quality of e-commerce. E-S-Qual has 4 variables, which are Efficiency, System Availability, Fulfillment, and Privacy, and 22 scale items to represent these variables. Electronic Service Quality is vital for a company like XYZ, which its work relied much through the internet. Their works are very much based on the internet, with website as its main weapon to attract customer. With the raise of daily deals commerce, maintain service quality is important. Besides to attract new customers and maintain its regular customer, service quality also needed to keep up in the competition amongst daily deals company.

Researcher is attracted to the problems encountered by XYZ. Therefore, researcher took XYZ as the object of research and disposed to do a research to measure the influence of Electronic Service Quality towards Perceived Value on online shopping with PT. XYZ Indonesia as a case study.
1.2 Problem Identification

The rise of daily deals e-commerce in Indonesia, has led to the birth of daily deals companies, XYZ is not the only player running in the competition. In the other hand, the rivalry between XYZ and Groupon gives a bigger test to win the market, since Groupon is the biggest daily deals company in the world and in Indonesia. This position attracts the researcher to conduct a research about XYZ.

The number of complaints from customers found by the researcher gives another attractive point for the researcher regarding its research project. Quality of services is an important part of being a daily deals company.

Researcher took the research based on the importance of the influence of Electronic Service Quality towards daily deals commerce, focusing to XYZ as the case study.

1.3 Statement of the Problem

In this research, researcher discussed about how much the four dimensions of E-S-Qual of PT. XYZ Indonesia has an impact towards perceived value of website. Therefore, based on the statement above, the title of this research is “The Influence of Electronic Service Quality towards Perceived Value on Online Shopping, (a Case Study of PT. XYZ Indonesia)”. Specifically, this research is aimed to answer the questions below:

1. Is there any partial influence from Efficiency towards perceived value of PT. XYZ Indonesia?
2. Is there any partial influence from System Availability towards perceived value of PT. XYZ Indonesia?
3. Is there any partial influence from Fulfillment towards perceived value of PT. XYZ Indonesia?
4. Is there any partial influence from Privacy towards perceived value of PT. XYZ Indonesia?
5. Is there any simultaneous influence from Electronic Service Quality towards perceived value of PT. XYZ Indonesia?

1.4 Research Objective

The main objective of this research is to empirically investigate the impact of electronic service quality on customers’ perceived value.

Another objective is to give suggestions to XYZ Indonesia about the perspective of their customers’ opinion about their website performance.

This study is conducted to meet some following objectives:

1. To determine the partial influence of Efficiency towards Perceived Value of PT. XYZ Indonesia.
2. To determine the partial influence of Fulfillment towards Perceived Value of PT. XYZ Indonesia.
3. To determine the partial influence of System Availability towards Perceived Value of PT. XYZ Indonesia.
4. To determine the influence of Privacy towards Perceived Value of PT. XYZ Indonesia.
5. To determine the simultaneous influence of Electronic Service Quality towards Perceived Value of PT. XYZ Indonesia.

1.5 Scope and Limitation of the Research

In this research, researcher defines the scope of limitation for evaluating the influence of electronic service quality towards perceived value in PT. XYZ Indonesia. Population of the research is the customers of PT. XYZ Indonesia. Due to the limitation of resources, researcher reduces the population to be the customers of PT. XYZ Indonesia that based in Jabodetabek. Due the limitation of time, researcher cuts down the population to be the customers of PT. XYZ Indonesia that came to the redemption counter in Plaza Semanggi on 20th -22nd February 2013. So, the sample of this research is customers of PT XYZ Indonesia that
based in Jabodetabek and came to the redemption counter in Plaza Semanggi on 20\textsuperscript{th} -22\textsuperscript{nd} February 2013 with the data collection method of non-probability random sampling.

1.6 Definition of Terms

1. Efficiency: the ease and speed of accessing and using the site
2. System Availability: the correct technical functioning of the site.
3. Fulfillment: the extent to which the site’s promises about order delivery and item availability are fulfilled.
4. Privacy: the degree to which the site is safe and protects customer information.
1.7 Significance of the Study

Benefits of this research are:

1. For the company:

   This research will give the company beneficial information about their customer perspective. Therefore, hopefully the company might adjust their marketing strategy to get a competitive advantage to rise in the market.

2. For the researcher:

   Hopefully, researcher is able to get more knowledge about service quality. Researcher can implement what the researcher has learned in University. Researcher can learn and get some experiences about service quality and customer perceived value in the real life. Researcher will be able to implement knowledge learned from this research in the future.

3. For Future Researchers:

   Hopefully, this research can be an insight for future researchers for their development of their researches. Other researches are analyzing the influence of towards Loyalty Intention, using factor analysis and multiple linear regression, hopefully this research provide another insight for future researcher while conducting their research about E-S-Qual.
CHAPTER II

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 E-Commerce

E-Commerce is a new concept that can be explained as buying and selling process of products or services on World Wide Web (Shim, Qureshi, Siegel, & Siegel, 2013). According to David Baum (1999), E-Commerce is a dynamic set of technologies, applications, and business process that link enterprises, consumers, and communities through electronics transactions and the electronic exchange of goods, services, and information (Lewerissa, 2014).

Kalakota & Whinston (1997) and Turban, Lee, King, & Chung (2000) defined e-commerce from four perspectives:

a) Communications perspective, e-commerce is the delivery of information, products/services, or payments over telephone lines, computer networks, or any other electronic medias.

b) Business process perspective, e-commerce is the application of technology toward the automation of business transactions and company’s workflow.

c) Service perspective, e-commerce is a tool that addresses the desire of company, consumers, and management to cut the cost of service while improving the quality of goods and increasing the speed of service delivery.

d) Online perspective, e-commerce provides the capability of buying and selling products and information on the Internet and other online services.
According to Nemat (2011), there are many types of e-commerce, which are:

1) **Business-to-business (B2B)**

   E-commerce transaction happens between businesses, for example between retailer and manufacturer. The volume of B2B transactions is much higher than B2C transactions.

2) **Business-to-consumer (B2C)**

   Activities of businesses serving end consumers with products and/or services. It applies to any business or organization that sells its products or services to consumers over the Internet for its own use.

3) **Business-to-employee (B2E)**

   Business-to-employee uses an intra-business network which allows companies to have the chance to provide products and/or services to their employees.

4) **Business-to-government (B2G)**

   A subordinate of B2B marketing which involves marketing products and services to diverse government levels, through integrated marketing communications techniques.

5) **Consumer-to-business (C2B)**

   Electronic commerce business model in which consumers offer products and services to companies and the companies pay them. This business model is a fully reversal of traditional business model.
6) Consumer-to-consumer (C2C)

Electronic commerce encompasses the electronically-facilitated transactions among consumers through the third party. This commerce marketing is the creation of a product or service with the specific promotional strategy being for consumers to share that product or service with others.

According to Hansen (2005), there are four reasons for the growth of e-commerce, which are:

1. Convenience. There is no need to step outside the door to order almost anything.
2. Greater supply. There are more variants of products, since the collaboration with supplier, which leads to a minimized storage.
3. Lower prices. Online stores are able to cut expenses, which leads to lower prices.
4. Price comparison. Customers have the chance to compare the competitors before deciding to buy. (Gustavsson & Johansson, 2006)

2.1.2 Service Quality

According to Chia et al. (2002), service quality perception is a comparison of consumer expectations with actual performance. According to Becser (2007), service quality is the value judgment of the customer relevant to the performance of the supplier. It is determined in a comprehensive manner or based on particular dimensions, depending on the service sector.

Parasuraman, Zeithaml, and Berry (1988) conducted empirical studies in several industry sectors to develop and refine SERV-QUAL, a multiple-item instrument to quantify customers’ global (as opposed to transaction-specific) assessments of a company’s Service Quality (Mohammad & Alhamadani, 2011). This scale measures Service Quality along five dimensions, which are:
1. Tangible: Appearance of a service firm’s facilities, employees, equipment and communication materials (Culiberg & Rojsek, 2010).

2. Reliability: The ability to perform the promised service dependently and accurately (van der Wiele, van Iwaarden, Ball, & Millen, 2003).

3. Responsiveness: The inclination and willingness of the employees to serve customers quickly and properly (Mohammad & Alhamadani, 2011).

4. Assurance: The employees’ knowledge and courtesy and the service provider’s ability to inspire trust and confidence (Zeithaml, Bitner, & Gremler, 2006).

5. Empathy: Personal, careful attention given to clients (Becser, 2007)

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>Physical facilities, equipment and appearance of personnel.</td>
</tr>
<tr>
<td>Reliability</td>
<td>Ability to perform the promised service dependently and accurately.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Willingness to help customers and provide prompt service.</td>
</tr>
<tr>
<td>Assurance</td>
<td>Knowledge and courtesy of employees and their ability to inspire trust and confidence.</td>
</tr>
<tr>
<td>Empathy</td>
<td>Caring and individualized attention that the firm provides to its customers.</td>
</tr>
</tbody>
</table>

Figure 2.1 SERVQUAL dimensions

(Source: Tazreen, 2012)

The SERVQUAL instrument and its adaptations have been used for measuring Service Quality in many proprietary and published studies. Parasuraman, Zeithaml and Berry (1988) defined service quality as “the comparison between consumer expectations and the perceptions of the service.” This definition has an implicit service gap, which is the difference between the services provided and the service expected (Al-Nasser, Yusoff, Islam, & Al-Nasser, 2013). They also suspected four other gaps in their research.
According to them, reducing the distance in each one of them will also reduce the service gap.

1. Gap 1: the difference between customer perception and management perception based on the customer expectation.
2. Gap 2: the difference between management perception on customer expectation and the translation of these perceptions into service quality specifications.
3. Gap 3: the difference between the service that are actually delivered by the frontline personnel on a daily basis and the specifications set by management.
4. Gap 4: the difference between service delivery and what is promised in external communication to customers.
5. Gap 5: the difference between customer expectations and perceptions (Yaya, Marimon, & Casadesus, 2011) which is referred as the perceived service quality (Kumar, Kee, & Manshor, 2009).

The knowledge gap is the difference between the actual customer’s perception and what managers think they expect; the policy gap is between the management expectation and what is required to be done, the specifications of service quality; the delivery gap is the difference between the specification and what was actually delivered, and the communication gap is the distance between the promised service and what was actually delivered. (Martins, Campomar, & Ikeda, 2013)

2.1.3 E-S-Qual

Following the growth of internet, the usage of internet is also increased. This leads to the needs of an advanced service quality measurement. Electronic service quality is broadly defined as the entire stages of a customer’s interactions with Internet website (Al-Nasser, Yusoff, Islam, & Al-Nasser, 2013), it is the level to which Internet website enables effective and efficient purchasing, shopping and delivery (Zeithaml, Parasuraman, & Malhotra, 2000). According to Santos (2003), electronic service quality is a measurement of the extensive customer judgment and assessment of the delivery of online service in the virtual marketplace. The significance of e-service delivery is acknowledged in the business world and among the reasons for the increase of these services over the Internet is the fact that it is much easier for customers to make a comparison between varying service offerings in contrast to traditional ways (Santos, 2003). Excellent electronic service quality is very important for e-commerce companies. It is the factor to attract more customers for them. Lee and Lin (2005) find that online customers expect higher levels of electronic service quality than customers in the traditional environment do. Cai and Jun (2003) discovered a positive and strong correlation between online vendors’ service quality and their customer satisfaction. However, even with the increased acknowledgement of online services, issues such as how online services quality is defined, its measurement
and its determinants are still unresolved (Kenova & Jonasson, 2006). The development of e-commerce in both global and regional markets has led to the creation of special interesting the measurement of e-service quality and the examination of the e-service dimensions (Mekovec, Bubas, & Vrcek, 2007). Other research involving both qualitative and empirical components demonstrates that customers’ propensity to embrace new technologies depends on the relative dominance of positive and negative feelings in their overall technology beliefs (Parasuraman, 2000).

Some researchers have developed measurement scales to determine the evaluation of website performance. Loiacono, Watson, and Goodhue (2000) developed WebQual, a scale for rating Web sites with 12 dimensions: informational fit to task, interaction, trust, response time, design, intuitiveness, visual appeal, innovativeness, flow-emotional appeal, integrated communication, business processes, and substitutability. Nevertheless, this scale is purposed to evaluate the website design rather than evaluating service quality. Moreover, the scale developers decided to exclude customer service dimension because the research methodology used is not compatible (Wolfinbarger & Gilly, 2003). Yoo and Donthu (2001) created SITEQUAL, a nine items scale based on four dimensions, which are ease of use, aesthetic design, processing speed, and security. However, SITEQUAL does not capture all the aspect of purchasing process and because of that; it cannot measure the comprehensive assessment of service quality (Wolfinbarger & Gilly, 2003). Wolfinbarger and Gilly (2003) developed eTailQ, a 14 items scale, which contains four dimensions, which are Website design, reliability/fulfillment, privacy/security, and customer service. Nevertheless, website design and customer service appears less consistent than the other two dimensions (Parasuraman, Zeithaml, & Malhotra, 2005). Burgess (2006) developed OLSQ, a three-dimensional scale with 20 scale items to measure electronic service quality. The three dimensions are Service Quality, Web Quality and Technical Quality. However, this scale is directed for customers of Business-to-Business commerce. Li and Soumi (2009) proposed an eight dimensional scale item to measure e-service quality. This scale is built upon the
five dimensions of SERVQUAL. The eight dimensions of this scale are website design, reliability, responsiveness, security, fulfillment, personalization, information, and empathy. Bauer et al. (2006) developed five-dimensional scale called eTransQual, a Transaction Process-based Framework, which includes intangible and emotional elements as well as utilitarian benefits, so as to comprehensively assess the E-service quality.

Zeithaml, Parasuraman, and Maholtra (2002) developed five broad set of criteria that are relevant to electronic service quality perception, which are:

1. Information availability and content
2. Ease of use
3. Privacy/security
4. Graphic style
5. Reliability/fulfillment

A number of studies have examined various aspects of these criteria. Some have been hypothesized to be critical, whereas the importance of others has been demonstrated empirically. Availability and depth of information appear to be important because when users can control the content, order, and duration of product-relevant information, their ability to integrate, remember, and thereby use information improves (Ariely, 2000).

Parasuraman et al. (2005) empirically test a multiple scale item to assess the service quality of online shopping providers. They found that two different scales are necessarily needed to test electronic service quality. The core scale, called E-S-Qual, consist of four dimensions, which are efficiency, system availability, fulfillment, and privacy, and the recovery scales, which can be included to a model when the customer has ever deserved a recovery service, is called E-RecS-Qual, consist of three dimensions, which are responsiveness, compensation, and contact. Boshoff (2007) conducted an assessment of the psychometric nature of E-S-Qual and reported that the instrument are valid and reliable.
E-S-Qual dimensions are:

1. **Efficiency**: The ease and speed of accessing and using the site (Parasuraman, Zeithaml, & Malhotra, 2005). Customers will assess a website according to its influences on how they can use the website to efficiently complete the tasks (Chen C.-S., 2008). Efficiency refers to consumers who, by accessing the website, find the products and/or information they want and proceed to check out (make the payment) with minimal effort (Martins, Campomar, & Ikeda, 2013). The site is simple to use, structured properly, requires minimum of information to be input by the customer (Zeithaml, Parasuraman, & Malhotra, 2000). Comprising layout of information, structure, and amount of effort to input information (Burgess, 2006).

2. **System Availability**: The correct technical functioning of the site (Parasuraman, Zeithaml, & Malhotra, 2005). System design quality, systematic hyperlinks, customizable search functions, quick link to other websites and easy server debug functions should be provided (Liu & Arnett, 2000). The technical operation of the website (Martins, Campomar, & Ikeda, 2013). Technical functioning and the level to which the site is available and functioning properly (Martins, Campomar, & Ikeda, 2013). The readiness of the system for immediate usage (Papadomicelaki, Magoutas, Halaris, Apostolou, & Mentzas, 2006).

3. **Fulfillment**: The extent to which the website promise about order delivery and item availability are fulfilled (Parasuraman, Zeithaml, & Malhotra, 2005). According to Wolfinbarger and Gilly (2003), Fulfillment is the accurate display and description of a product so that what customers receive is what they thought they ordered (Wolfinbarger & Gilly, 2003). Fulfillment refers to the fulfillment of the promises, such as having the product in stock and deliver as scheduled (Martins, Campomar, & Ikeda, 2013). Personal needs and trustworthiness of the provider (Burgess, 2006). Inform customers of
the right information about products or service availability is important when purchasing (Li & Suomi, 2009).

4. Privacy: The degree to which the site is safe and protects consumer information (Parasuraman, Zeithaml, & Malhotra, 2005). Privacy refers to the security of credit card payments and privacy of shared information (Wolfinbarger & Gilly, 2003). Privacy is the protection of personal information from sharing with other websites of data collected from the website and protection of anonymity (Friedman, Kahn Jr., & Howe, 2000). The assurance that personal and payment information, such as credit card, will be protected (Martins, Campomar, & Ikeda, 2013). The degree to which the customer believes the site is safe from intrusion and personal information is protected (Zeithaml, Parasuraman, & Maholtra, 2000).
Authors that had conducted researches about e-service quality also found deficiencies that may lead to gaps similar to the gaps in traditional service quality model. The gaps are explained as below:

![Figure 2.3 E-S-Qual gaps](Source: Parasuraman et al., 2005)

1. Fulfillment Gap: According to Yang (2003), the e-service gap is the difference between the requirements that consumers want in the website and the experience of online services (Yang, 2003).
2. Information Gap: The difference the expectations of consumers in relation to the website, and the managers’ perception of these requirements.
3. Design Gap: failure of the company to develop the website in relation to the correct understanding of the specificities desired by consumers for the website. (Zeithaml, Maholtra, & Parasuraman, 2002)
4. Communication Gap: marketing’s lack of correct understanding in relation to the resources, capabilities and limitations of the website and may lead the company to make promises that are not fulfilled, even though they
have influenced the consumer’s expectations and requirements. (Martins, Campomar, & Ikeda, 2013)

E-S-Qual is an advanced model adapted from SERVQUAL to measure the quality of service on internet. In this research, researcher adapted the scale items from Parasuraman et al. (2005).

2.1.4 Perceived Value

Cronin et al. (2000) argued that the study of perceived value (along with service quality and satisfaction) has dominated researches in the services literature. Organizations are increasingly recognizing that perceived value is a key factor in strategic management (Spiteri & Dion, 2004). It has been established that loyalty and profits are strongly linked to perceived value that is created for customers (Khalifa, 2004).

Researchers used different terms to define the construct of perceived value, although the concept still on the same meaning (Sánchez-Fernández & Iniesta-Bonillo, 2007). Based on ninety marketing-related articles, Woodall (2003) found eighteen different names for the value consumers derive from buying and using the product. The most commonly used marketing terms include perceived value, customer value, value and value for money.

Parasuraman, Zeithaml, and Berry (1988) determined perceived value as the consumer utility of a product overall assessment, based on the perceptions of what is received and given. Perceived value is the trade-off between a received benefit and a cost (Al-Nasser, Yusoff, Islam, & Al-Nasser, 2013). Moreover, it implies an interaction between customer and product or service (Payne & Holt, 2001). Zeithaml (1998) determines perceived value as a uni-dimensional construct that can be measured by asking respondents to rate the value that they received while making their purchases (Sánchez-Fernández & Iniesta-Bonillo, 2007). According to Chen and Dubinsky (2003), perceived value is a consumer’s perception of the net benefits gained in exchange for the costs incurred in
obtaining the desired benefits. Woodall (2003) defined perceived value as any demand-side, personal perception of advantage arising out of a customer’s association with an organization’s offering, and can occur as reduction in sacrifice; presence of benefit; the resultant of any weighted combination of sacrifice and benefit; or an aggregation, over time, of any or all of these.

Grewal, Monroe, and Krishnan (1998) separated perceived value into two components, which are acquisition and transaction value. Perceived acquisition value refers to the perception of whether the produce is worth the money, and the perceived transaction value reflect the psychological enjoyment buyers perceive from taking the deal (Zhuang, Cumiskey, Xiao, & Alford, 2010). Perceived value, as the most important measure of gaining a competitive edge, was considered to be an important predictor and the key determinant of customer satisfaction and loyalty (Petrick & Backman, 2002). The importance of perceived value in e-commerce stems from the fact that it is easy to compare product features and prices online (Anderson & Srinivasan, 2003). A positive perception of value may bring customers back to make another transaction (Minocha, Dawson, Blandford, & Millard, 2005).
According to Woodall (2003), there are four types of perceived value, which are:

1. Intrinsic value is object-based, and is perceived as the object and subject interact before or during consumption.
2. Exchange value is object-based, and primarily influenced by the nature of the object and the market in which it is offered.
3. Use value is subjective-based and perceived as individuals evaluate the product during or after usage.
4. Utilitarian value is subject-based, and can be identified at the point when intrinsic and/or use-value are compared with the sacrifice the subject is required to make in order to experience those forms of value.

Figure 2.4 Four types of perceived value

(Source: Broekhuizen, 2006)
According to Sánchez-Fernández and Iniesta-Bonillo (2007), there are three major characteristics of perceived value:

1. Concept of perceived value implies an interaction between a subject and object.
2. Perceived value is relative by virtue of its comparative, personal and situational nature.
3. Perceived value is preferential, perceptual and cognitive-affective in nature.

The perceived value construct is measured with four scale items similar to previous research by Sidershmukh, Singh, and Sabol (2002). The items are consistent with the conceptualization of perceived value as a customer trade-off between benefits and costs and focus on the higher order evaluations that have been posited to contribute to the perceived value of Web sites: perceptions of overall price, convenience, and control (Zeithaml, Parasuraman, & Maholtra, 2000).
## 2.2 Previous Research

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Title</th>
<th>Variables</th>
<th>Result</th>
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</table>
**Dependent:** Perceived Value, Customer Satisfaction, and Customer Loyalty | Electronic Service Quality influence behavioral intention via perceived value and satisfaction. |
| Mahmood A. Awan, Habib Ullah Khan, and Wenqing Zhang (2012) | A Comparative Study on Online Service Quality Perception of Two Major Regional Economies | **Independent:** Efficiency, System Availability, Fulfillment, Privacy, Responsiveness, Compensation, and Contact.  
**Dependent:** Perceived Value & Loyalty Intention | Among the sample of Chinese Customers, fulfillment and compensation are significantly related to perceived value and loyalty intention. On the other side, the data of the KSA customers exhibit very different pattern, where efficiency and responsiveness are significantly related to perceived value and loyalty intention. |
<table>
<thead>
<tr>
<th>Researchers</th>
<th>Title</th>
<th>Variables</th>
<th>Result</th>
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<tbody>
<tr>
<td>Chen Chia-Sing (2008)</td>
<td>Applying E-S-Qual Scale to Assess the Effects of e-Service Quality on e-Loyalty with e-Satisfaction and Perceived Value as Mediators</td>
<td>Independent: Efficiency, System Availability, Fulfillment, and Privacy Dependent: Perceived Value, Online Satisfaction, and Online Loyalty</td>
<td>The results indicate that positive paths exist on the chain of e-services quality and on-line satisfaction and on-line loyalty. On the other hand, e-service quality shows a significant positive impact on customer perceived value. Finally, consumer loyalty was found to be most significantly affected by e-service quality.</td>
</tr>
<tr>
<td>Mohammad Al-Nasser, Yusoff, Rushami Zien, Rabiul Islam, and Abdullah Al-Nasser (2011)</td>
<td>E-Service Quality and its Effect on Consumers' Perceptions Trust</td>
<td>Independent: Efficiency, System Availability, Fulfillment, Privacy, Responsiveness, Compensation, and Contact Dependent: Consumer Trust</td>
<td>The present study revealed that the proposed relationship between e-service quality and consumer trust was statistically significant. E-service quality strongly and positively affected consumer trust in Internet shopping. People who are likely to attach great importance to service quality tend to show trust in online shopping.</td>
</tr>
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</table>
2.3 Theoretical Framework

Figure 2.5 Research Theoretical Framework

(Source: Adapted from Martins, Campomar, & Ikeda, 2013)
2.4 Hypothesis

Hypothesis 1: Efficiency has partial significance influence on Perceived Value.

Hypothesis 2: System Availability has partial significance influence on Perceived Value.

Hypothesis 3: Fulfillment has partial significance influence on Perceived Value.

Hypothesis 4: Privacy has partial significance influence on Perceived Value.

Hypothesis 5: E-S-Qual has simultaneous significance influence on Perceived Value.
CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

Research methodology is a procedure of collecting and processing data to find out the result of research purpose. In general, there are two methods to conduct research. Those are quantitative and qualitative method, the difference between them is the perspective. Qualitative research focused in social science and is more concerned with the understanding rather than formulas and counting, whereas quantitative research is concerned with research design, measurement, and sampling method.

Qualitative research is a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings, and memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 2005). According to Babbie (2010), quantitative methods emphasize on objective measurements and numerical analysis of data collected through polls, questionnaires or surveys. Quantitative research focuses on gathering numerical data and generalizing it across groups of people. Quantitative research is typically considered to be the more “scientific” approach to doing social science. The focus is on using specific definitions and carefully operationalizing what particular concepts and variables mean (Tewksbury, 2009). In quantitative research, the research’s goal is to determine the relationship between independent variables and dependent in a population. Quantitative research designs are either descriptive or experimental. Quantitative research deals in numbers, logic and the objective,
focusing on logic, numbers, and unchanging static data and detailed, convergent reasoning rather than divergent reasoning.

According to Labaree (2014), quantitative research main characteristics are:

1. Research instruments used to gather data is more structured.
2. The representative of population for the result is based on large sample sizes.
3. The research has a high reliability. It can be replicated and repeated.
4. The research questions are clearly defined to answer the objectives.
5. Before the data collected, the aspects of the study are designed carefully.
6. Data are formed in numbers and statistics.
7. Project might be used as the generalized concepts to predict wider or future results, or investigate relationships.
8. Tools like questionnaires or equipment used to collect numerical data.

This research is using quantitative research method to as the method to predict the result, since the objectives of this research is to investigate the influence of E-S-Qual dimensions as the independents variables towards Perceived Value as the dependent variable. The primary data in this research is the questionnaire that will be used and spread among the customers of XYZ.
### 3.2 Operational Definition

**Table 3.1 Operational Definition**
(Source: Self-construct, 2014)

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Definition</th>
<th>Indicators</th>
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</thead>
</table>
| 1   | Efficiency | The ease and speed of accessing and using the site (Parasuraman, Zeithaml, & Malhotra, 2005). | 1. Easiness to find what needed  
2. Easy to get anywhere  
3. Quick to complete transaction  
4. Well organized information  
5. Loads its pages fast  
6. Simple to use  
7. Quick to get on to it  
8. Well organized site |
<p>|     |           | According to Chen (2008) customers will assess a website according to its influences on how they can use the website to efficiently complete the tasks (Chen, 2008). | |
|     |           | Efficiency refers to consumers who, by accessing the website, find the products and/or information they want and proceed to check out (make the payment) with minimal effort (Martins, Campomar, &amp; Ikeda, 2013). | |
|     |           | The site is simple to use, structured properly, requires minimum of information to be input by the customer (Zeithaml, Parasuraman, &amp; Malhotra, 2000). | |
|     |           | Comprising layout of information, structure, and amount of effort to input information (Burgess, 2006). | |</p>
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<th>Definition</th>
<th>Indicators</th>
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<tr>
<td>2</td>
<td>System Availability</td>
<td>The correct technical functioning of the site (Parasuraman, Zeithaml, &amp; Malhotra, 2005). System design quality, systematic hyperlinks, customizable search functions, quick link to other websites and easy server debug functions should be provided (Liu &amp; Arnett, 2000). The technical operation of the website (Martins, Campomar, &amp; Ikeda, 2013). Technical functioning and the level to which the site is available and functioning properly (Martins, Campomar, &amp; Ikeda, 2013). The readiness of the system for immediate usage (Papadomichelaki, Magoutas, Halaris, Apostolou, &amp; Mentzas, 2006)</td>
<td>1. Availability for business 2. Launches and runs right away 3. Does not crash 4. Pages do not freeze</td>
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<td>No.</td>
<td>Variables</td>
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<tr>
<td>3</td>
<td>Fulfillment</td>
<td>The extent to which the website promise about order delivery and item availability are fulfilled (Parasuraman, Zeithaml, &amp; Malhotra, 2005). The accurate display and description of a product so that what customers receive is what they thought they ordered (Wolfinbarger &amp; Gilly, 2003). The fulfillment of the promises, such as having the product in stock and deliver as scheduled (Martins, Campomar, &amp; Ikeda, 2013). Personal needs and trustworthiness of the provider (Burgess, 2006). Inform customers of the right information about products or service availability is important when purchasing (Li &amp; Suomi, 2009).</td>
<td>1. Delivers orders when promised 2. Makes items available for delivery within a suitable time frame 3. Quickly delivers order 4. Sends out the items ordered 5. Has in stock the items the company 6. Claims to have truthful about its offerings 7. Makes accurate promises about delivery</td>
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<tr>
<td>No.</td>
<td>Variables</td>
<td>Definition</td>
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<tr>
<td>4</td>
<td>Privacy</td>
<td>The degree to which the site is safe and protects consumer information (Parasuraman, Zeithaml, &amp; Malhotra, 2005). The security of credit card payments and privacy of shared information (Wolfinbarger &amp; Gilly, 2003). The protection of personal information from sharing with other websites of data collected from the website and protection of anonymity (Friedman, Kahn Jr., &amp; Howe, 2000). Technical functioning and the level to which the site is available and functioning properly (Martins, Campomar, &amp; Ikeda, 2013). The readiness of the system for immediate usage (Papadomichelaki, Magoutas, Halaris, Apostolou, &amp; Mentzas, 2006) The degree to which the customer believes the site is safe from intrusion and personal information is protected (Zeithaml, Parasuraman, &amp; Maholtra, 2000).</td>
<td>1. Protects information about Web-shopping behavior 2. Does not share personal information with other sites 3. Protects information about credit card</td>
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<tr>
<td>No.</td>
<td>Variables</td>
<td>Definition</td>
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| 5   | Perceived Value | A customer trade-off between benefits and cost. (Parasuraman, Zeithaml, & Malhotra, 2005). Interaction between customer and product or service (Payne & Holt, 2001) Consumer’s perception of the net benefits gained in exchange for the costs incurred in obtaining the desired benefits (Chen & Dubinsky, 2003). any demand-side, personal perception of advantage arising out of a customer’s association with an organization’s offering, and can occur as reduction in sacrifice; presence of benefit; the resultant of any weighted combination of sacrifice and benefit (Woodall, 2003). | 1. Economical of the site  
2. Overall convenience  
3. Feeling of being in control  
4. Overall value for money and effort |
3.3 Sampling Design

Sample is a part of number of characteristics that owned by population (Sugiyono, 2013). According to Maholtra (2010), Sample can be determined from 4-5 times from the scale items used. There are 26 scale items in this research, so the minimum sample for this research is 104 respondents. There are 130 respondents in this research which passed the minimum required number to execute this research.

In this research, researcher chose to non-probability methods. Non-probability sampling is a method that does not give equal opportunities for each element or member of population to be selected respondent because of certain considerations (Sue G, 2008). Non-probability sampling relies on the personal judgment of the researcher rather than on chance to select sample elements. The researcher can arbitrarily or consciously decide what elements to include in the sample. Non-probability sample may yield good estimates of the population characteristics, but they do not allow for objective evaluation of the precision of the sample results. Because there is no way of determining the probability of selecting any particular element for inclusion in the sample, the estimates obtained are not statistically projectable to the population (Fiandini, 2013).

Researcher used incidental sampling method in this research. Incidental sampling method is a method to select the sample by coincident/incidentally as long as the sample is qualified for the research (Sugiyono, 2013). In order for a study to be scientifically valid, the selection and appropriate use of sampling method that yield unbiased estimates of behavior are critical (Toit, 2002). Incidental sampling is referred to as convenience sampling, the process of arbitrarily selecting some people to be part of a sample because they are readily available, not because they are most representative of the population being studied (Cohen, Swerdlik, & Sturman, 2012). Therefore, researcher decided to combine non-probability and incidental sampling as the method for data collecting.
3.4 Research Instrument

3.4.1 Questionnaire

A survey approach has been widely used in marketing research to obtain raw data from large groups of people (Cooper & Schindler, 2013). Babbie (2010) found that a survey is the tool most often used as a strategy in business and social researches. The major advantages of employing a survey include: the ability to collect data from large sample sizes at relatively low costs; the capability to identify factors related to the context of issue; and to measure perception and behavior by using relevant instruments. According to Richardson, et al (2005), questionnaire is a survey instrument that gathers the required information for further investigation. The reason of choosing questionnaire is faster and cheaper to collect the data (Fiandini, 2013). Therefore, researcher is able to complete the survey through the target time as well as spend lower cost.

This research’s survey instrument consisted of three parts. The first part consisted of 5 demographic questions about respondents’ identity. The second part contained 22 E-S-Qual scale items which consist of 8 items of efficiency, 4 items of system availability, 7 items of fulfillment, and 3 items of privacy. The third part consisted of four item measures of perceived value. In this questionnaire, researcher adapted Likert scale as the measurement scale.
3.5 Data Analysis

3.5.1 Validity and Reliability

3.5.1.1 Validity

In this research, researcher used questionnaire for data collection. After constructing the instrument, the validity of the instrument should be tested to the sample where the population taken. Validity test is measured using SPSS 20 for Windows. The important column for validity is Corrected Item-Total Correlation. To measure the validity of each question, the correlation value of each variable have to be greater than 0.39 based on Spearman r table. It can be determined defining degree of freedom by:

\[ df = n - k \]

Where:

\[ df = \text{degree of freedom} \]

\[ n = \text{number of pre-test respondents} \]

\[ k = \text{variables included in this research} \]

Therefore, in this research is the degree of freedom is 26. Based on Spearman r table, the critical value is 0.390.
3.5.1.2 Reliability

Reliability is the consistency of the measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subject. In short, it is the repeatability of the measurement. A measure is considered reliable if a person score on the same test given twice is similar. The reliability of scale items used in this research was calculated by Cronbach's coefficient alpha. The equation is as below:

\[ \alpha = \frac{k r}{1 + (k - 1)r} \]

Where:

\( \alpha \) = Instrument reliability's coefficient

\( r \) = mean correlation coefficient between variables

\( k \) = number of questions

According to Pallant (2010), in terms of reliability, the most important figure is alpha value. If the alpha value is above 0.7, the scale can be considered as reliable.

3.5.2 Correlation Test

Correlation test is a statistical test to analyze the association between two or more ordinal scale. The Spearman's rank-order correlation is the nonparametric version of the Pearson product-moment correlation. Spearman's correlation coefficient measures the strength and direction of association between two ranked variables (Laerd Statistics).

\[ \rho = 1 - \frac{6 \sum d^2}{n(n^2)} \]

Where:
\[ \rho \] = spearman correlation coefficient

\[ 6 \sum d^2 \] = each variables square total

\[ n \] = total sample

De Vaus (2001) interpreted the result of correlation coefficient as below:

a) 0.00 : no correlation
b) 0.01 – 0.09 : deficient correlation
c) 0.10 – 0.29 : weak correlation
d) 0.30 – 0.49 : moderate correlation
e) 0.50 – 0.69 : strong correlation
f) 0.70 – 0.89 : negligible correlation
g) >0.90 : almost perfect correlation

3.5.3 Multicollienarity

Multicollinearity test has function to test regression model whether it has correlation between independent variables or not. A good regression model should not have correlation between independent variables then the variables will not be orthogonal. Orthogonal variable is an independent variable which has correlation with other independent variable equal to zero. It underlies mathematical estimation and measures how a predictor variable is related to other predictor variables. The correlation could affect variance of regression estimated. According to Katz (2006), variables correlated between 0.8 and 0.9 may cause problems, and variables at more than 0.9 will pose problem in the analysis (Katz, 2006).
3.5.4 Binary Logistic Regression

Logistic regression is used when the level of measurement of the data is ordinal scale, where there is no exact relevant degree of differences between the scales. In this research, researcher used likert scale, which is categorized as ordinal, therefore the usage of logistic regression is required to get the best output. Binary logistic regression deals with the situation when the observed outcome of a dependent can have only two possible outcomes. The frequencies of values 0 and 1 are used to predict the outcome in this research. It is used to predict the probability of a case based on the values of independent variables. Researcher decided to use binary logistic regression to determine the output into two possible outcomes.

3.5.4.1 Hosmer and Lemeshow Goodness of Fit

Hosmer and Lemeshow Goodness-of-Fit Test is conducted to test the null hypothesis to obtain evidence that empirical data fit with model. According to Ghozali (2009), if the value of Hosmer and Lemeshow is significant or smaller than 0.05, the null hypothesis (H₀) is rejected and not considered a fit model. In the other hand, if the value of Hosmer and Lemeshow is not significant and greater than 0.05, the null hypothesis is accepted and reputed to fit model.

3.5.4.2 Coefficient Determination

The coefficient determination used in this research is Cox & Snell R Square and Nagelkerke R Square. \( R^2 \) is used to assess goodness of fit as it represents the proportion of variance in the criterion that is explained by the predictors. \( R^2 \) determined how simultaneously the independent variables affecting dependent variable. According to Burns & Burns (2008), the Nagelkerke R Square is considered as a more reliable measure of the relationship.
3.5.5 Hypothesis Testing

Hypothesis testing refers to a method or a process by which analyst tests a statistical hypothesis using data from a scientific study. The purpose of hypothesis testing is to know whether null hypothesis is accepted or rejected. Logistic regression test partially can be done by looking at Variables in the Equation. Variables in the Equation table indicate the analysis result of each independent variable (Efficiency, System Availability, Fulfillment, and Privacy) towards dependent variable (Perceived Value). Column in the table that is important for the hypothesis testing is Significance and B column. Significant value of each variable will be compared to significance level of 0.05 ($\alpha = 5\%$), while $B$ indicates the direction of the relationship. If the significant of variable is lower than 0.05, hypothesis (Ho) is accepted. In the other hand if the significance is more than 0.05, hypothesis (Ho) is rejected.

Simultaneous logistic regression can be done by analyzing Omnibus Test of Model Coefficient. Omnibus Test of Model Coefficient describes the association of chi-square with each step of the regression model. According to the calculation from SPSS 20 for Windows, the difference between the value of $-2 \log$ Likelihood with significance level of 0.05 is 55.201, which indicates that the independent variables has a significant difference from the constant model.
CHAPTER 4

DATA ANALYSIS

4.1 Company Profile

4.1.1 Company Overview

Company Name: PT. XYZ Indonesia

Company Address: Graha Aktiva Jl. Rasuna Said Kav. 3 Block X-1 Jakarta 12950

Redemption Counter: Plaza Semanggi Jl. Jend. Sudirman Kav. 50 Jakarta 12930

4.1.2 Vision and Mission

Smart shopping, smart spending. Life is an adventurous journey and XYZ want customers to get the most out of it. There is no need to bother looking for any reference in magazines or elsewhere to find a new place to eat and hang out, which spa is worth to try, or any cheap vacation package. Every time customers want to go to any interesting places, just open XYZ website, XYZ have it all and even much more!

Gaining money needs hard work and XYZ appreciate it. That is why XYZ and our best merchants all over the city offer customers the best discount for customers to experience their products and services without spending too much money. Why spend more if customers can spend less? XYZ purposes are to satisfy both customers and merchants. Customers get the best deal and merchants get more customers.
4.1.2.1 Vision

To be the pioneer in social commerce, inspired by social responsibility

4.1.2.2 Moral Vision

Make Profit while making difference. XYZ donates money for social activities. Merchants and customers are an important part of this activity. The fact that motivate XYZ:

1. 50% of the population earns less than $2/day.
2. 30,000 children die every day from preventable causes.
3. 1 billion people have difficulty to access clean water.
4. Cancer, Alzheimer’s, AIDS, and many other diseases can be prevented to some extent.

4.1.2.3 Mission

We add surprises to every calendar. All the deals offered by XYZ destined to our customer to explore their world, answer their curiosity and spontaneity.

4.1.2.4 Values

1. Full Support for the team personally and professionally

We give the best support to our calendar. We expect integrity and 100% support to the company’s value. We invite our team to share any ideas, become a role model to the society, and help people anytime and anywhere. We support the empowerment of our team to determine the future direction of their own in our system of values. We always receive every step forward. Although sometimes mistakes happen, as long as everything is done in good faith, we are always open to it.

2. Improve the life quality of our customer
We invite our customer to try new things, enjoy their live, and appreciate themselves by enjoying our products and services from our selected merchants. We also always provide extra surprise to every offered deal.

3. **Assist our customer to save money**

   If you can try a lot of great things with low prices, why should wasteful? You can use your money for more valuable things, such as charity or invest.

4. **Give the best customer service**

   Your opinions are very valuable. We always try to be honest and responsive in all communications with you. There is nothing to hide. We consider every advice and critic.

5. **Socially responsible**

   Our words are deeds. We decided to dedicate a portion of our income for charity. By shopping at XYZ Indonesia, you also help those people in need.

6. **Long term cooperation with our merchants, customers, and social activity**

   In our business, everyone is a winner. We gave solution to our merchants and customers and connect them through any social activities. Together, we can make the differences.

**4.1.3 History**

XYZ was founded in August 2010 named *DealKeren*. *DealKeren* means “Cool Deal” in English, which offers the sensation of tasting a lot of services around Jakarta with cheaper prices. In June 2011, *DealKeren* joined XYZ, following the acquisition of *DealKeren*’s sister family in Thailand and Philippines called Ensogo. XYZ is a daily deals company headquartered in Washington DC and has more than 50 million subscribers in 25 countries. Following the acquisition, XYZ Indonesia will help merchants to grow their business to the next
level with more advances offers and marketing strategies. And for its customers, they can get a whole new experience of more attractive shopping with new suprises in XYZ’s calendar.

XYZ Indonesia offers unique experience and invites everybody to explore their world. XYZ believes that every step that they made can influence people around and live to create memorable moments with all their beloved people.

4.1.4 Organizational Structure

![Organizational Chart](image)

**Figure 4.1 Organizational Chart**

(Source: Self-construct, adapted from company data, 2014)

4.1.5 Business Process

XYZ is a company that works in e-commerce service by promoting and selling partner’s products and services without using ready stock system such as travelling packages, electronic stuffs, leisure packages, restaurant packages, home appliances, etc.
Partner that cooperates with XYZ is referred as merchant. First, merchant and XYZ’s sales representation make an agreement and sign it on the Service Order Agreement. After that, Yield Department processes it to be reported to Merchant Services and Production. Production created deal preview and Merchant Services contacted the merchant to ask them if the deal can be processed to be running on the website for a specific promotion time. After the promotion time ends, the company calculates confirmed transactions and reports it to the merchant. For daily deal and travel, customers will get a voucher that can be downloaded on the website to be used during the redemption period for the bought package in the destined place. For retail, merchant will get an order resume of total customer’s order to be sent to XYZ’s warehouse, customers that choose to take their paid product in the XYZ redemption area will have to go to there and obtain it and customer that have chosen the delivery option will get their product delivered using couriers.

4.2 Data Result Analysis

4.2.1 Result of Validity Testing

Validity testing is an instrument that used to measure what it intends to be measured (Ferdinand 2006). Researchers used SPSS 20 for Windows to test the validity of variables. To measure the validity of each question, the correlation value of each variable have to be greater than 0.39 based on Spearman r table.
Table 4.1 Result of Validity Testing

(Source: Self-Construct, edited data from SPSS 20 for Windows)

<table>
<thead>
<tr>
<th>Scale items</th>
<th>Corrected Item-Total Correlation</th>
<th>Degree of Freedom</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>eff1</td>
<td>.650</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>eff2</td>
<td>.530</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>eff3</td>
<td>.777</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>eff4</td>
<td>.502</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>eff5</td>
<td>.601</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>eff6</td>
<td>.665</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>eff7</td>
<td>.649</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>eff8</td>
<td>.447</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>sys1</td>
<td>.707</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>sa2</td>
<td>.763</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>sa3</td>
<td>.746</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>sa4</td>
<td>.728</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>ful1</td>
<td>.743</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>ful2</td>
<td>.712</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>ful3</td>
<td>.787</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>ful4</td>
<td>.794</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>ful5</td>
<td>.729</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>ful6</td>
<td>.777</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>ful7</td>
<td>.779</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>pri1</td>
<td>.704</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>pri2</td>
<td>.625</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>pri3</td>
<td>.761</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>per1</td>
<td>.605</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>per2</td>
<td>.768</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>per3</td>
<td>.789</td>
<td>.390</td>
<td>Valid</td>
</tr>
<tr>
<td>per4</td>
<td>.634</td>
<td>.390</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Validity test result can be viewed based on the score of *Corrected Item-Total Correlation*, compared with the Spearman r table score with the significance of 0.05 with 30 respondents which is 0.390. Based on the table above, each *Corrected Item-Total Correlation* is higher than 0.390 which means that all the scale items are valid and can be used as the measurement items.

### 4.2.2 Result of Reliability Testing

To test whether the variables used in questionnaire are reliable or not, researcher use Cronbach’s Alpha Coefficient, which is calculated using SPSS 20 for Windows. According to Pallant (2010), in terms of reliability, the most important figure is alpha value. If the alpha value is above 0.7, the scale can be considered as reliable (Pallant, 2010).

#### 4.2.2.1 Reliability Statistic of Efficiency

**Table 4.2 Result of Reliability Testing of Efficiency**

(Source: Self-Construct, data from SPSS 20 for Windows)

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
<td>.896</td>
<td>8</td>
</tr>
</tbody>
</table>

Table indicates the result of reliability testing for Efficiency. Based on the table above, Efficiency has Cronbach’s alpha value of .896 which is greater than 0.7. This means that Efficiency is reliable.
4.2.2.2 Reliability Statistic of System Availability

Table 4.3 Result of Reliability Testing of System Availability
(Source: Self-Construct, data from SPSS 20 for Windows)

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>.890</td>
</tr>
</tbody>
</table>

Table above shows the result of reliability testing for System Availability. Based on the result, System Availability has Cronbach’s alpha value of .890 which is greater than 0.7. This shows that System Availability is reliable.

4.2.2.3 Reliability Statistic of Fulfillment

Table 4.4 Result of Reliability Testing of Fulfillment
(Source: Self-Construct, data from SPSS 20 for Windows)

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>.956</td>
</tr>
</tbody>
</table>

Table indicates the result of reliability testing for Fulfillment. Based on the table above, Fulfillment has Cronbach’s alpha value of .956 which is greater than 0.7. This means that Fulfillment is reliable.

4.2.2.4 Reliability Statistic of Privacy

Table 4.5 Result of Reliability Testing of Privacy
(Source: Self-Construct, data from SPSS 20 for Windows)

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>.922</td>
</tr>
</tbody>
</table>

Table indicates the result of reliability testing for Privacy. Based on the table above, Privacy has Cronbach’s alpha value of .922 which is greater than 0.7. This means that Privacy is reliable.
4.2.2.5 Reliability Statistic of E-S-Qual

Table 4.6 Result of Reliability Testing of E-S-Qual
(Source: Self-Construct, data from SPSS 20 for Windows)

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
<td>N of Items</td>
</tr>
<tr>
<td>.956</td>
<td>22</td>
</tr>
</tbody>
</table>

Table indicates the result of reliability testing for E-S-Qual. Based on the table above, E-S-Qual has Cronbach’s alpha value of .861 which is greater than 0.7. This means that E-S-Qual is reliable.

4.2.2.6 Reliability Statistic of Perceived Value

Table 4.7 Result of Reliability Testing of Perceived Value
(Source: Self-Construct, data from SPSS 20 for Windows)

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
<td>N of Items</td>
</tr>
<tr>
<td>.903</td>
<td>4</td>
</tr>
</tbody>
</table>

Table indicates the result of reliability testing for Perceived Value. Based on the table above, Perceived Value has Cronbach’s alpha value of .903 which is greater than 0.7. This means that Perceived Value is reliable.
4.2.3  Demographic Profile

4.2.3.1 Gender

Based on table above, out of 130 respondents, there were 74 male respondents and 56 female respondents or 43.1% male respondents and 56.9% respondents. So according to the table, most of XYZ’s customers are female.

---

**Figure 4.2 Respondents Group based on Gender**
(Source: Self-construct)

**Table 4.8 Respondents Gender Table**
(Source: Self-construct)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>56</td>
<td>43.1%</td>
</tr>
<tr>
<td>Female</td>
<td>74</td>
<td>56.9%</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100%</td>
</tr>
</tbody>
</table>

Based on table above, out of 130 respondents, there were 74 male respondents and 56 female respondents or 43.1% male respondents and 56.9% respondents. So according to the table, most of XYZ’s customers are female.
4.2.3.2 Age

Figure 4.3 Respondents Group based on Age
(Source: Self-construct)

Table 4.9 Respondents Age Table
(Source: Self-construct)

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20 years old</td>
<td>15</td>
<td>11.54%</td>
</tr>
<tr>
<td>21-25 years old</td>
<td>27</td>
<td>20.77%</td>
</tr>
<tr>
<td>26-30 years old</td>
<td>38</td>
<td>29.23%</td>
</tr>
<tr>
<td>31-35 years old</td>
<td>31</td>
<td>23.85%</td>
</tr>
<tr>
<td>&gt;36 years old</td>
<td>19</td>
<td>14.62%</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table above shows that the most of the respondents aged 26 years old until 35 years old, with the age group of 26-30 years old has the frequency of 38 respondents and the age group of 31-35 years old has the frequency of 31. So according to the table above, most of the XYZ’s customers are adult females who are already has a stable financial position.
4.2.3.3 Occupation

![Occupation Chart]

Figure 4.4 Respondents Group based on Occupation
(Source: Self-construct)

Table 4.10 Respondents Occupation Table
(Source: Self-construct)

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>37</td>
<td>28.46%</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>54</td>
<td>41.54%</td>
</tr>
<tr>
<td>Housewife/ Househusband</td>
<td>17</td>
<td>13.08%</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>22</td>
<td>16.92%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>28.46%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>130</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Based on the table above, most of the respondents are housewives/househusbands and employees, with housewives having the percentage of 41.54% and employees have the percentage of 28.46%. According to the statement above, most of XYZ’s customers are adults who own their own money or/and already have a family.
4.2.3.4 Domicile

According to the table above, most of the customers come from North Jakarta and West Jakarta, with the number of the research respondents from North Jakarta reached 42 and from West Jakarta reached 31. So based on the statement above, the spread of XYZ customers is centered in North Jakarta and West Jakarta.
4.2.3.5 Buying Frequency

![Buying Frequency Pie Chart]

Figure 4.6 Respondents Group based on Buying Frequency
(Source: Self-construct)

Table 4.12 Respondents Buying Frequency Table
(Source: Self-construct)

<table>
<thead>
<tr>
<th>Buying Frequencies</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3 times a month</td>
<td>31</td>
<td>23.85%</td>
</tr>
<tr>
<td>4-6 times a month</td>
<td>50</td>
<td>38.46%</td>
</tr>
<tr>
<td>7-9 times a month</td>
<td>37</td>
<td>28.46%</td>
</tr>
<tr>
<td>&gt;10 times a month</td>
<td>12</td>
<td>9.23%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>130</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Based on the table above, most of the respondents have used the service of XYZ for 4 until 9 times a month, with the percentage of 38.46% respondents that buys 4-6 times a month and 28.46% respondents buys 7-9 times a month. According to the statement above, researcher conclude that XYZ has already regular customers that actively buys from XYZ.
4.2.4 Descriptive Analysis

Descriptive statistics show the mean and standard deviation of the E-S-Qual dimensions, which are Efficiency, System Availability, Fulfillment and Privacy, and Perceived Value according to respondent responses. Mean is an average score on what the respondent answered in the questionnaire based on Likert Scale. Standard Deviation is a measure of the spread of the answer.

4.2.4.1 Efficiency Descriptive Statistic

Table above shows the spread of answers from eight scale items of Efficiency, the highest answers for scale item EFF1, which the statement is “XYZ makes it easy to find what I need”, is moderate, which means that most of the respondents thinks that XYZ is easy enough to find what they need. For scale item EFF2, “XYZ makes it easy to get anywhere on the website”, most of the answers is agree, it indicates that the website of XYZ is quite easy to get anywhere on the website. Scale item EFF3, “XYZ enables me to complete a transaction quickly” has the most answer on agree with the number of 55, this indicates that most of

Figure 4.7 Efficiency Descriptive Statistic
(Source: Self-construct)
the respondents are agree that XYZ is capable of quick transaction. EFF4, “Information at XYZ website is well organized”, has the most answers on agree. It means that XYZ website is quite organized for the customers. Meanwhile, EFF5, which the statement was “XYZ website loads its pages fast”, has the most answers on moderate. It indicates that XYZ is fast enough to be opened. In the other hand, EFF6, with the question of “XYZ website is simple to use”, most of the respondents tend to be agree with this statement, it means that most of the respondents feels that the website of XYZ is simple to use. For scale item EFF7, ”XYZ website enables me to get on to it quickly”, the most answer is agree, so it means that XYZ website enables most of this research’s respondents to get on to it quickly. And for the last scale item, EFF8, which the statement is, “XYZ website is well organized”, the biggest number of the answer is on agree, with the number of 62, it indicates that most of the respondents are agree on the organization of the website.
4.2.4.2 System Availability Descriptive Statistic

Table above shows the result of the spread of answers on System Availability. The first scale item for this variable, SYS1 with the statement of “XYZ website is always available for transaction”, has the most answers on agree with the number of 48 answers, it means that the availability of XYZ website for transaction is quite agreeable. Meanwhile, scale item SYS2, “XYZ website launches and runs right away”, the answers between agree and moderate is tight, there are 49 answers for agree and 48 answers for moderate, so according to the answers of this research’s respondents, they are not disagree, but also not really agree with the performance of XYZ on the first time it is opened. The third scale item, SYS3, ”XYZ website does not crash”, the biggest number of the answers is moderate with the number of 59, it means that the respondents are neither agree nor disagree about the performance of XYZ website about its crash problem. Finally, the last scale of this variable, SYS4, “Pages at XYZ website do not freeze after I enter my order information”, the biggest group of respondents chose agree on this statement, it indicates that the webpage of XYZ is always loaded during the order information page.
4.2.4.3 Fulfillment Descriptive Statistic

Table above shows the result of the Fulfillment variable, there are seven scale items for this variable. The first scale item, FUL1, the most answers for this scale item is moderate with the number of 48. It means that the respondents are content about the statement of “XYZ delivers orders when promised”. The second scale item is FUL2, “XYZ website makes items available within a suitable time frame”, the answer are 50 on moderate and 49 on agree, so it indicates that they are almost agree with the FUL2 scale item. For third scale item, FUL3, which is “XYZ quickly delivers what I order”, has the most answer of moderate. It indicates that respondents are content about the time of the delivery order. FUL4, “XYZ sends out the items ordered”, the biggest number is on moderate, so it indicates that the respondents are content it the delivery of the ordered items. In the other hand, FUL5, “XYZ has in stock the items the company claims to have”, has the biggest number of answers of moderate, which means that the respondents are content with the items stock of the company that they claim they have. Meanwhile FUL6, “XYZ is truthful about its offerings”, the answers are 44 agrees and 43 moderates, it indicates that the respondents are about to agree about the truth of the products and services that XYZ has offered. The last scale item,
FUL7, “*XYZ makes accurate promises about delivery of products*”, the biggest group of answers is agreed. This indicates that XYZ is quite accurate with their promises of delivering their products.

### 4.2.4.4 Privacy Descriptive Statistic

![Privacy Descriptive Statistic](image)

Table above shows the spread of answers for Privacy variable, which has three variables, which are PRI1, PRI2, and PRI3. PRI 1, which the statement is “*XYZ protects information about my Web-shopping behavior*”, has the most answer on agree, with the number of 58. This number indicates that the security of respondents’ information about their Web-shopping behavior. The second scale item, PRI2 with “*XYZ does not share my personal information with other sites*” statement, was answered moderate by 66 respondents. It indicates that respondents are content about their personal information security, they do not know that XYZ can be trusted that they are not going to share it with other sites. The last scale item is PRI3, “*XYZ website protects information about my credit card*”, has the most answer of moderate. It indicates that the respondents are content about their credit card information security.
4.2.4.5 Perceived Value Descriptive Statistic

![Perceived Value Descriptive Statistic](image)

Figure 4.11 Perceived Value Descriptive Statistic
(Source: Self-construct)

The table above shows the result of the spread of Perceived Quality, the dependent variable of this research. There are four scale items in this variable. The first is PER1, “The prices of the products and services available at XYZ website”, has the most answer of beneficial. It means that the respondents feel that the prices of the products and services available at XYZ website are beneficial for them. The second scale item, PER2 which is “The overall convenience of using XYZ website”, was answered mostly as beneficial with the number of 55 respondents. In the other hand, PER3, “The extent to which the XYZ website gives you a feeling of being in control”, the biggest group of answer is beneficial, which indicates that the respondents are agreeing the statement of the scale item PER3. The last scale item is PER4, which is “The overall value you get from XYZ website for your money and effort”, most of the respondents answered that it is beneficial. It indicates that the respondents slightly agree on the benefit of the value that they get from XYZ for their money and effort.
### 4.2.5 Correlation Test

Table 4.13 Result of Correlation Test  
(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th></th>
<th>efficiency</th>
<th>system</th>
<th>fulfillment</th>
<th>privacy</th>
<th>perceived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's Rho</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.693**</td>
<td>.404**</td>
<td>.244**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.005</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>130</td>
<td>130</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>System Availability</td>
<td>Correlation Coefficient</td>
<td>.693**</td>
<td>1.000</td>
<td>.408**</td>
<td>.130</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.141</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>130</td>
<td>130</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>Fulfillment</td>
<td>Correlation Coefficient</td>
<td>.404**</td>
<td>.408**</td>
<td>1.000</td>
<td>.254**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>130</td>
<td>130</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>Privacy</td>
<td>Correlation Coefficient</td>
<td>.244**</td>
<td>.130</td>
<td>.254**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.005</td>
<td>.141</td>
<td>.003</td>
<td>.015</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>130</td>
<td>130</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>Correlation Coefficient</td>
<td>.590**</td>
<td>.554**</td>
<td>.461**</td>
<td>.213*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.015</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>130</td>
<td>130</td>
<td>130</td>
<td>130</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

According to Dunn (2013), the correlation coefficient number shows the magnitude and direction between two variables. The magnitude is the strength of the variable, the closer the correlation is to either +1 or -1, the stronger the
correlation. If the correlation is zero or very close to zero, there is no association between the two variables (Dunn, 2013). The direction on the correlation coefficient indicates the relationship of the variables, if the coefficient is positive, then the two variables has a positive relationship, which means that if one variable increase, the other one will also increase. In the other hand, if the coefficient is negative, it indicates an inverse relationship, if one variable increase, the other one will be decreased instead.

The table above shows the correlation between independent variables of this research, which are Efficiency System Availability, Fulfillment, and Privacy, based on the answer of the respondents of this research. The correlations between those variables are all calculated as positive relationships.

1. Efficiency and System Availability. The correlation coefficient between Efficiency and System Availability is 0.693. It indicates a strong correlation between these variables. As Efficiency increases, System Availability increases.
2. Efficiency and Fulfillment. The correlation coefficient between Efficiency and Fulfillment is 0.404. It means that the correlation is moderate.
3. Efficiency and Privacy. The correlation coefficient between Efficiency and Privacy is 0.244. It indicates that the power of the correlation is weak.
4. Efficiency and Perceived Value. The correlation coefficient between Efficiency and Perceived Value is 0.590. It is indicating that the correlation has a strong power between them.
5. System Availability and Fulfillment. The correlation coefficient between System Availability and Fulfillment is 0.408. It means the power of the correlation is moderate.
6. System Availability and Privacy. The correlation coefficient between System Availability and Privacy is 0.130. This indicates that the correlation between these variables is weak.
7. System Availability and Perceived Value. The correlation coefficient between them is 0.554. It indicates that the power of the correlation is strong.

8. Fulfillment and Privacy. The correlation coefficient between Fulfillment and Privacy is 0.254. It indicates that the power of the correlation is weak.

9. Fulfillment and Perceived Value. The correlation coefficient between Fulfillment and Perceived Value is 0.461. From this number we can determine the power of the correlation which is moderate.

10. Privacy and Perceived Value. The correlation coefficient between Privacy and Perceived Value is 0.213. It indicates that the power of the correlation is weak.
4.2.6 Multicolinearity Test

Multicolinearity test is used to test multicollinearity between independent variables of this regression model, which are Efficiency, System Availability, Fulfillment, and Privacy. If there is no indication of strong correlation between variables, it means that the regression model is good.

Table 4.14 Result of Multicollinearity Test
(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>EFF</th>
<th>SYS</th>
<th>FUL</th>
<th>PRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.000</td>
<td>-.513</td>
<td>.008</td>
<td>-.421</td>
<td>-.314</td>
</tr>
<tr>
<td>EFF</td>
<td>-.513</td>
<td>1.000</td>
<td>-.663</td>
<td>.092</td>
<td>.356</td>
</tr>
<tr>
<td>SYS</td>
<td>.008</td>
<td>-.663</td>
<td>1.000</td>
<td>-.247</td>
<td>.316</td>
</tr>
<tr>
<td>FUL</td>
<td>-.421</td>
<td>.092</td>
<td>-.247</td>
<td>1.000</td>
<td>.068</td>
</tr>
<tr>
<td>PRI</td>
<td>-.314</td>
<td>-.356</td>
<td>.316</td>
<td>.068</td>
<td>1.000</td>
</tr>
</tbody>
</table>

From table above, the correlation matrix between them are:

1. Efficiency and System Availability has the value of -0.633.
2. Efficiency and Fulfillment has the value 0.092.
3. Efficiency and Privacy has the value of -0.356.
4. System Availability and Fulfillment has the value of -0.254
5. Fulfillment and Privacy has the value of 0.068

According to Josie (2012), large correlation coefficients in the correlation matrix of predictor variables indicate multicollinearity, if there is a multicollinearity between any two predictor variables, then the correlation coefficient between these two variables will be near to unity (Josie, 2012). There are no values that exceed the value of 0.9. So there is no multicollinearity between independent variables.
4.2.3 Binomial Logistic Regression

Table 4.15 Case Processing Summary

(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted Cases</td>
<td>130</td>
<td>100.0</td>
</tr>
<tr>
<td>Selected Cases Included in Analysis</td>
<td>130</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing Cases</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100.0</td>
</tr>
<tr>
<td>Unselected Cases</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100.0</td>
</tr>
</tbody>
</table>

a. If weight is in effect, see classification table for the total number of cases.

Table above shows that there are 130 samples with are the respondents number of this research, missing cases due to valuable zero is none. Therefore the case selected in this research is 100%.

Table 4.16 Dependent Variable Encoding

(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th>Dependent Variable Encoding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Value</td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

Dependent variable, which is Perceived Value, is dichotomy. Dependent variable is classified into two categories: beneficial (1) and costly (0).
4.2.7.1 Hosmer and Lemeshow Goodness of Fit Test

Eligibility of regression model is assessed by Hosmer and Lemeshow’s Goodness Fit Test. If the significance value of Hosmer and Lemeshow’s Goodness Fit Test is higher than 0.05, it can be ascertained null hypothesis \( H_0 \) is not rejected which means model fits the data indicating that the model is accepted and able to predict data of observation.

<table>
<thead>
<tr>
<th>Step</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.369</td>
<td>2</td>
<td>.832</td>
</tr>
</tbody>
</table>

Result of test on Table 4.9 shows that the value of chi-square is 0.369 with significance of 0.832. From the result, it can be determined that significance value of 0.832 is higher than alpha (0.05). It means that \( H_0 \) is accepted and there is no any difference between predicted classification and observed classification. Logistic regression model fits well to data and can be used for further analysis.

4.2.7.2 Coefficient Determination (Cox and Snell R Square and Nagelkerke’s R Square Test)

<table>
<thead>
<tr>
<th>Step</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell R Square</th>
<th>Nagelkerke R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>33.631(^a)</td>
<td>.346</td>
<td>.699</td>
</tr>
</tbody>
</table>

Cox and Snell R Square and Nagelkerke’s R Square Test are used to determine the role of the independent variables of this research, which are Efficiency (EFF), System Availability (SYS), Fulfillment (FUL), and
Privacy (PRI), towards dependent variable, Perceived Value (PER). Coefficient determination ($R^2$) range is represented by the value of Cox & Snell R Square and Nagelkerke’s R Square. $R^2$ is developed to determine how simultaneously the independent variables affecting dependent variable. In this research, the value of Cox & Snell R Square is 0.346 and Nagelkerke R Square is 0.699. According to Burns & Burns (2008), the Nagelkerke R Square is a more reliable measure of the relationship (Burns & Burns, 2008). It indicates that 34.9% to 69.9% variability in Perceived Value can be explained by the set of independent variables included in the model. The rest is affected by other variables that are not measured in this research.

Table 4.19 Classification Table$^{ab}$
(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th>Classification Table$^{a,b}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observed</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>PER</td>
</tr>
<tr>
<td>Step 0</td>
</tr>
<tr>
<td>Overall Percentage</td>
</tr>
</tbody>
</table>

a. Constant is included in the model.
b. The cut value is .500

The table above shows the percentage of the predicted dependent variable before independent variables entered to the calculation. Result shows that the accuracy of the data is 89.2% with the 0 value is 0% and 1 value is 100%.
Table 4.20 Classification Table\(^a\)
(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th>Classification Table(^a)</th>
<th>Predicted</th>
<th>Percentage Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observed PER 0</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Observed PER 1</td>
<td>1</td>
<td>115</td>
</tr>
<tr>
<td>Overall Percentage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) The cut value is .500

Classification table is used to see the accuracy of model used in this research. Result on the table above shows that the overall accuracy data is 96.9%. This number comes from the aggregate after the regression is done between percentage of correct of value 0 which is 78.6% and 1 of the dependent variable (PER) which is 99.1%.

### 4.2.8 Hypothesis Testing

After obtaining the model that fit to the data, the next step is hypothesis testing to analyze how the independent variables affect dependent variables.

#### 4.2.8.1 Partial Hypothesis Testing

Variables in the Equation table indicate the analysis result of each independent variable (Efficiency, System Availability, Fulfillment, and Privacy) towards dependent variable (Perceived Value). Column in the table that is important for the hypothesis testing is Significance and B column. Significant value of each variable will be compared to significance level of 0.05 (\(\alpha = 5%\)), while B indicates the direction of the relationship. If the significant of variable is lower than 0.05, hypothesis (Ho) is accepted. In the other hand if the significance is more than 0.05, hypothesis (Ho) is rejected.
Table 4.21 Variables in the Equation
(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th>Variables in the Equation</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFF</td>
<td>-0.612</td>
<td>1.857</td>
<td>0.108</td>
<td>1</td>
<td>0.742</td>
<td>0.542</td>
</tr>
<tr>
<td>SYS</td>
<td>4.804</td>
<td>1.461</td>
<td>10.814</td>
<td>1</td>
<td>0.001</td>
<td>121.969</td>
</tr>
<tr>
<td>Step 1⁷</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUL</td>
<td>1.120</td>
<td>1.063</td>
<td>1.111</td>
<td>1</td>
<td>0.292</td>
<td>3.066</td>
</tr>
<tr>
<td>PRI</td>
<td>2.271</td>
<td>1.093</td>
<td>4.319</td>
<td>1</td>
<td>0.038</td>
<td>9.690</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.093</td>
<td>1.450</td>
<td>4.552</td>
<td>1</td>
<td>0.033</td>
<td>0.045</td>
</tr>
</tbody>
</table>

a. Variable(s) entered on step 1: EFF, SYS, FUL, PRI.

Hypothesis 1

The significance coefficient of Efficiency is 0.742, which indicates that there is no significant influence from Efficiency towards Perceived Quality. Therefore, Hypothesis 1 is rejected.

Hypothesis 2

The significance coefficient of System Availability is 0.001, indicating that there is a significant influence from System Availability. B coefficient is 4.804 which mean that the relationship is positive. It indicates that System Availability has a positive influence towards Perceived Value. Hence, hypothesis 2 is accepted.

Hypothesis 3

Fulfillment has a significant value of 0.292, which means that there is no influence. B coefficient for Fulfillment is 1.120, which means that the relationship is positive. Nevertheless, since there are no significant influence, hypothesis 3 is rejected.
Hypothesis 4

Privacy has a B coefficient of 2.271 which indicates positive relationship, and significant value of 0.038 which indicates influence from Privacy. Thus, Hypothesis 4 is accepted.

4.2.8.2 Simultaneous Hypothesis Testing

Table 4.20 Omnibus Tests of Model Coefficients
(Source: Self-construct using SPSS 20 for Windows, 2014)

<table>
<thead>
<tr>
<th>Omnibus Tests of Model Coefficients</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
<td>55.201</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Step 1 Block</td>
<td>55.201</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Model</td>
<td>55.201</td>
<td>4</td>
<td>.000</td>
</tr>
</tbody>
</table>

Omnibus Test of Model Coefficient describes the association of chi-square with each step of the regression model. According to the calculation from SPSS 20 for Windows, the difference between the value of -2 Log Likelihood with significance level of 0.05 is 55.201, which indicates that the independent variables has a significant difference from the constant model.

Hypothesis 5

Table above shows that the significance is 0.000 which is lower than 0.05. It means that independent variables of this research (Efficiency, System Availability, Fulfillment, and Privacy) have significant influence to dependent variables (Perceived Value). Therefore, Hypothesis 5 is accepted.

4.3 Interpretation of Analysis

The result from Variables in the Equation table indicates that Efficiency has an inverse relationship and not significant influence towards Perceived Value with the score of -0.612 and the significant value of 0.742. This result is related to the
research by Awan et al. (2008) on customers in China that Efficiency is not significant towards Perceived Value.

The result from Variables in the Equation table indicates that System Availability has a positive relationship and significantly influenced Perceived Value with the score of 4.804 and the significant value of 0.001, which means that System Availability is the most significant among independent variables discussed in this research. This result is contradict against the research by Awan et al. (2008) which resulted that through both customers in China and KSA, System Availability is not significant towards Perceived Value.

The result from Variables in the Equation table indicates that Fulfillment has a positive relationship but not significantly influenced Perceived Value with the score of 1.120 and the significant value of 0.292. This result is related to the research by Awan et al. (2008) on customers in China that Fulfillment is significant towards Perceived Value.

The result from Variables in the Equation table indicates that Privacy has a positive relationship and significantly influenced Perceived Value with the score of 2.271 and the significant value of 0.038. This result is contradict against the research by Awan et al. (2008) which resulted that through both customers in China and KSA, System Availability is not significant towards Perceived Value.

The Omnibus Test of Model Coefficient shows that the difference between the value of -2 Log Likelihood with significance level of 0.05 is 55.201, which indicates that the independent variables (Efficiency, System Availability, Fulfillment, and Privacy) is significant towards dependent variables (Perceived Value). This result is equal to the researches by Kuang Wen Wu (2011), Chen Chia-Sing (2008), and Al-Nasser et al. (2011) which indicates that Electronic Service Quality has significant influence towards Perceived Value.
CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The purpose of this research was to analyze the effect of four-dimensional E-S-Qual (efficiency, system availability, fulfillment, and privacy) towards perceived value of PT. XYZ Indonesia. From the research that has been conducted, the conclusion is as follows:

1. E-S-Qual has significant simultaneous influence towards perceived value. This result is equal to the researches by Kuang Wen Wu (2011), Chen Chia-Sing (2008), and Al-Nasser et al. (2011) which indicates that Electronic Service Quality has significant influence towards Perceived Value.

2. Efficiency has no significant influence towards perceived value. This result is related to the research by Awan et al. (2008) on customers in China that Efficiency is not significant towards Perceived Value.

3. System availability has a positive relationship and significant influence towards perceived value. This result is contradict against the research by Awan et al. (2008) which resulted that through both customers in China and KSA, System Availability is not significant towards Perceived Value. This result is related to the research by Awan et al. (2008) on customers in China that Fulfillment is significant towards Perceived Value.

4. Fulfillment has a positive relationship but no significant influence towards perceived value. This result is related to the research by Awan et al. (2008) on customers in China that Fulfillment is significant towards Perceived Value.

5. Privacy has a positive relationship and significant influence towards perceived value. This result is contradict against the research by Awan et
al. (2008) which resulted that through both customers in China and KSA, System Availability is not significant towards Perceived Value.

Based on the result from this research, it indicates that system availability is the most significant variable among the entire variable. XYZ Indonesia has to improve the performance of Efficiency and Fulfillment because these variables are not significant according to the research.

5.2 Recommendation

Based on result of the research on the influence of Electronic Service Quality towards Perceived Value that has been calculated using statistic, researcher would propose some recommendations that are expected to be taken into consideration, which are:

1. For the company

Based on the result that has been conducted in this research, XYZ Indonesia needs to maintain system availability and privacy, which are already significant, and improves fulfillment and privacy to improve the chance to win the market against competitors. Hopefully this research helps company to expand business to a better position in the market.

2. For future research

Since system availability and privacy has already significant influence towards perceived value, researchers suggests future researchers to emphasize study on efficiency and fulfillment to find the significance of these variables towards perceived value. Hopefully this research gives future researches some insight regarding E-S-Qual.
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APPENDICES