

# E-Service Quality and Corporate Image on Customer Perception

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IDN Times (2017) noted that five e-commerce companies that have a large audience experienced incredible average growth of 97%. Matahari Mall holds the highest growth value at 201%, followed by JD.id at 135% and Blibli at 107%. The number of companies adopting technology in Indonesia amounted to 26.6 million until 2017. With the growth in technology adoption by business people, does the quality of e-service and corporate image still need attention. The purpose of this study is to analyse the effect of e-service quality and corporate image on customer perceptions of one of the companies in Jakarta who want to adopt technology in business. This research approach uses quantitative, research data collection by distributing questionnaires online and offline to 78 samples out of the population of 361. The analytical method uses multiple linear regression analysis and is processed with SPSS. The result shown is that e-service quality and corporate image can significantly influence customer perception and that the most impactful outcomes is that a businesses corporate image is directly followed by e-service quality.

**Key words:** *E-service quality, corporate image, customer perception.*

## Introduction

The rapid development of technology has resulted in unavoidable competition in the field of business, so companies need to know the right steps in order to stay afloat and be competitive with other similar companies. One of the steps that companies can take is to apply technology to their business processes. Technology has become a necessity for the community. The implementation of technology is expected to simplify, speed up the transaction process, save costs, time, effort and can reach a wider market. Turban et al (2012), divides the advantages of the implementation of electronics or technology in business processes into two, for companies and customers. The benefits for the company are expanding the market reach into

both national and international markets, reducing processing costs, distribution and withdrawal of accurate and real-time information. While benefits for customers such as 24-hour access to a large number of goods and services. Liputan6.com (2018), noted the development of e-commerce totalling 26.2 million and Alibaba is the largest e-commerce company for now. Central Statistics Agency (BPS) noted that there has been an increase in the number of companies implementing eCommerce in Indonesia in the past 10 years growing to around 17. Detik.com (2015), noted that Indonesia has become the largest e-commerce market in all of Southeast Asia. In 2014, Euromonitor noted that Indonesian online sales reached US\$ 1.1 billion, which was higher than in Thailand and Singapore. Thus, Indonesia's e-Commerce market has the opportunity to grow even greater with the largest population and the largest level of gross domestic product (GDP) in ASEAN. Euromonitor estimates that the average annual growth of online sales in Indonesia during 2014-2017 is 38%. According to Turban et al (2012); Shahriari & Gheiji (2015), defines eCommerce as all efforts and the process of selling goods or services by adopting technology as a means. The company in this study also began to adopt technology to run its B2B business, no longer dependent on marketplaces such as Tokopedia, Bibli and others. Biggemann & Buttle (2012), states that B2B companies are companies that sell goods or services between businesspeople while B2C is a company that sells goods or services directly to individuals or end-users. The company is engaged in the sale of security device products such as CCTV, fire alarms, public address systems, conference systems, intrusion alarms and access control systems since 2000. Sutojo (2011), as for the benefits of a good and strong company image which has medium- and long-term competitiveness; being a shield during times of crisis, attracting reliable executives, where reliable executives are company assets; improve the effectiveness of marketing strategies, save on operational costs. Therefore, it would be advantageous for a company to know what customer perceptions about these technologies are especially in terms of improving the quality of electronic-based services and corporate image.

For this research can be directed and time-constrained, authors set limits, and the scope of the research, namely the unit of analysis in this study is one of the security device distributor companies in Jakarta that applies technology into business processes; the variable to be examined is e-service quality, corporate image as an independent variable on customer perception as the dependent variable. While the purpose of this study is to find out what the relationship between e-service quality variables and customer perception is; and how is the relationship between corporate image variables and customer perception exists; and how the relationship between e-service quality and corporate image with customer perception, especially through the companies studied in this study. The research is expected to be a reference in making strategic decisions for similar business actors, especially the companies studied; understand the problems that occur and the actions that need to be taken to improve in the future; as one source of reference for further research; add insight for those who are interested in the research topics discussed.

## **Literature Review**

Ushantha et al (2014), argues that the measurement of several points is needed to get a comprehensive understanding of customer perceptions of service quality and satisfaction. Mmutle (2017), believes that customers have high expectations of the quality of services both traditional and modern based. Ryu et al (2012), shows that the quality of service determines a companies image. Muyeed (2012), in his study, shows that customer perceptions can vary according to the nature of the service.

### ***E-Commerce***

E-Commerce is a concept that has changed the flow of human life; e-commerce can also be said to be the main criterion of the information and communication technology revolution, especially in the economic field. The statement was supported by Shahriari & Gheiji (2015), saying e-commerce is a process of exchange or service using the internet network.

### ***E-Service Quality***

Armstrong et al (2014), stated that there are four characteristics of service: service intangibility, which is service that cannot be known and felt by the customer before the customer buys the goods or services offered by the company so that the customer must make a perception about the service to be received; service instability is a service that cannot be separated from service providers; service variability, that is the quality of service will be determined by whom the person is providing the service, when the service is provided, where the service is provided, and how the service is provided; service perishability, i.e. services cannot be stored for later sale. One of the differences between company one with other similar companies is the quality of services provided (Sood, 2012). Sood also stated that there are three dimensions of service quality: quality of design, that is the characteristics of an item or service that will be strongly influenced by the designer who determines quality features into the product or service; quality of conformance, which is the level of conformity of the product or service to meet the specifications specified by the designer; quality of performance which is the quality of performance of either product or service. Its usefulness is measured by carrying out the functions contained in the product under known conditions so that the level of usability and durability of the product will form a good or bad image for the product or service. Stiglingh (2014), said the quality of service is assessed from the comparison between the services expected by customers and the services received by customers. According to Kandampully and Solnet (2015), there are five dimensions of service quality, namely reliability, namely how the company provides the right services and maintains the quality of service provided to customers; responsiveness, which is how far the employee is ready to provide the services needed to meet

customer needs; assurance is the quality of the employee's self-such as knowledge, professionalism and ethics applied by the employee in the delivery to the customer; empathy, namely the level of corporate concern for individual customers that can be measured from the dedication, level of sensitivity, and the ability to know what their customers need; tangibles is a psychological aspect of service as a whole, covering the appearance of employees which is very important for first impressions, the equipment and equipment used to serve customers are also very important to support the services provided... Dhurup et all (2014), although the application of technology in service relationships results in the absence of interpersonal contact between people, electronic-based services are major caterers to the demands of consumers today.

### ***Corporate Image***

Sutojo (2011); Khvtisiashvili (2012); Loudon et al (2014), corporate image is a customer's perception of the company and can be positive or negative. Khvtisiashvili (2012), there are five dimensions in corporate image namely corporate identity is the identity of a company that can distinguish it from similar competitor companies; reputation is the character of the company which includes management, credibility and services that focus on customer needs; corporate quality is a very important dimension because it covers the performance of the company as a whole which directly influences the creation of the company's image; physical quality that is related to the real environment of the company during carrying out operational activities; interactive quality is the interaction relationship between employees of the company and customers. Also, he said that several factors influenced the company's success rate in forming a good corporate image in the eyes of customers: creating an image based on the desires of the company's business targets; provide benefits through quality and service as desired by the community; a good image for the community can emerge from how the company carries out social responsibility and how the company cares about the environment; honesty can lead to customer trust to form a good image for the company; good image of the company will be seen from all activities carried out by the company including activities and achievements that have been achieved by the company.

### ***Customer Perception***

Kotler & Keller (2012), customer perception is an exchange between a benefit and a sacrifice of the performance of goods and services. Sweeney & Soutar; Mazzarol (2012), divides customer perceptions into three dimensions:

1. Functional quality, which is the quality value of a product or service is one of the important factors for consumers to make a purchase, if the goods or services have high quality, consumers will not hesitate to pay dearly to satisfy their desires. The better and consistent

the quality of a product or service, the greater the value that will be felt by consumers and the value can be managed through quality consistency. Quality Functional Value can also be interpreted as the benefits derived from the quality perceived by consumers from products or services.

2. Emotional Value. Apart from looking at it from an economic perspective, consumers now look at it from a consumption perspective where their psychological state can also be fulfilled. The more positive the value of a product or service obtained by consumers, the purchase decision will directly increase. Emotional Value can also be defined as benefits derived from feelings or effective statements produced by the product.
3. Functional Value (Value for Money). The price of the product or service interprets the value of the goods or services and as a major factor influencing consumers in decision making.

## Method

This study adopted a quantitative approach. Questionnaire forms were prepared and distributed among customer via online and offline. Data analysis was carried out using SPSS (version 21). The sampling technique used in this study is simple random sampling where the sample selection is made randomly without regard to levels in the members of the population. To determine the number of samples taken, this study used the Slovin formula with the following calculation:

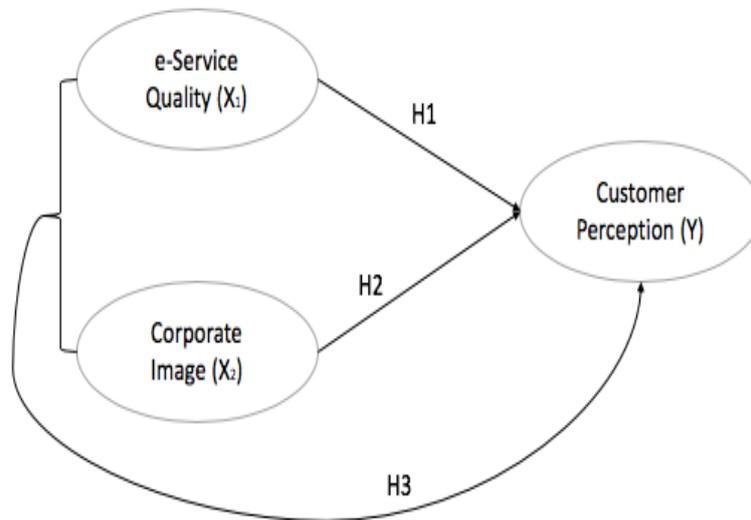
$$n = \frac{N}{N(\alpha)^2 + 1}$$

$$n = \frac{361}{361(0,01) + 1}$$

$$= 78,30$$

The research framework of this study as follow:

**Figure 1.** Research Framework



Source: Authors (2019)

Hypothesis 1: Effect of e-service quality on customer perception

Ho : e-service quality affects customer perception

Ha : e-service quality does not affect customer perception

Hypothesis 2: Effect of corporate image on customer perception

Ho : corporate image affects customer perception

Ha : corporate image does not affect customer perception

Hypothesis 3: Effect of e-service quality and corporate image on customer perception

Ho : e-service quality and corporate image affects customer perception

Ha : e-service quality and the corporate image does not affect customer perception

## Results and Discussions

Based on the results of filling out the questionnaire in which the number of customers domiciled in Jakarta was 41% and 59% outside Jakarta; 45% men and 55% women; 10% aged <25 years, 37% aged 25-30 years and 53% aged > 30 years; 15% have a high school education and 85% have a university education; 39% earn <10 million, 57% earn 10-25 million and 4% earn > 25 million.

First, the validity test is performed, and the result shows that each variable is valid. As in the table below:

**Table 1:** Validity Test

Variable	rCount	rtable	Result
e-Service quality	0.74	0.15	Valid
Corporate Image	0.77	0.15	Valid
Customer Perception	0.87	0.15	Valid

Source: Data Processing Results, 2019

The second step is testing the reliability per variable. The test results show that each variable is reliable.

**Table 2:** Reliability Test of e-Service Quality (X<sup>1</sup>)

Reliability Statistics

Cronbach's Alpha	N of Items
.932	10

**Table 3:** Reliability Test of Corporate Image (X<sup>2</sup>)

Reliability Statistics

Cronbach's Alpha	N of Items
.942	10

**Table 4:** Reliability Test of Customer Perception (Y)

Reliability Statistics

Cronbach's Alpha	N of Items
.972	10

Source: Data Processing Results, 2019

**Table 5:** Model Summary

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.787 <sup>a</sup>	.620	.615	4.56119

a. Predictors: (Constant), e-service quality

b. Dependent Variable: perception

Source: Data Processing Results, 2019

Table 5 shows that e-service quality affects customer perception by 62% while the rest is influenced by other factors and e-service quality variable influence customer perception variables significantly (see table 6).

**Table 6:** Anova  
**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2576.043	1	2576.043	123.822	.000 <sup>b</sup>
	Residual	1581.137	76	20.804		
	Total	4157.179	77			

a. Dependent Variable: perception

b. Predictors: (Constant), e-service quality

Source: Data Processing Results, 2019

Table 7 shows that corporate image affects customer perception by 84.1% while the rest is influenced by other factors and corporate image variable influence customer perception variables significantly (see table 8).

**Table 7:** Model Summary  
**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917 <sup>a</sup>	.841	.839	2.94687

a. Predictors: (Constant), corporate

b. Dependent Variable: perception

Source: Data Processing Results, 2019

**Table 8:** Anova  
**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3497.192	1	3497.192	402.715	.000 <sup>b</sup>
	Residual	659.987	76	8.684		
	Total	4157.179	77			

a. Dependent Variable: perception

b. Predictors: (Constant), corporate

Source: Data Processing Results, 2019

Then the tests are carried out simultaneously, and the results show that e-service quality and corporate image affects customer perception by 84.2% while the rest is influenced by other factors (see table 9).

**Table 9:** Model Summary

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917 <sup>a</sup>	.842	.837	2.96357

a. Predictors: (Constant), e-service quality, corporate

b. Dependent Variable: perception

Source: Data Processing Results, 2019

## Conclusions

Based on the result of data analysis, it can be concluded that e-service quality has a significant relationship with customer perception as the relationship is relatively strong and unidirectional with a percentage of 62%; corporate image has a significant relationship with customer perception where the relationship is relatively strong and unidirectional with a percentage of 84.1%; e-service quality and corporate image simultaneously has a significant relationship on customer perception with a percentage of 84.2%; and corporate image has the most significant influence on customer perception compared to e-service quality.

## Further Research

The authors suggest that further research be carried out by expanding the scope of research such as in different industries, comparing whether there are differences in outcomes if the non-service industry with the service industry, involving moderation variables such as organisational culture, expanding the number of respondents.

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