

# Understanding The Influence from Electronic Service Quality of Boarding House Website on Customer Satisfaction and Purchase Intention

Aulya Husna Fajri<sup>1</sup> and Annisa Rahmani Qastharin<sup>2</sup>

<sup>1,2</sup> Bandung Institute of Technology  
aulyahusnafajri@gmail.com

## Keyword

electronic service quality, customer satisfaction, purchase intention, boarding house

## Abstract

In Indonesia, there are various options for temporary housing available to migrating students, including boarding houses, dormitories, rentals, and apartments. However, numerous obstacles are faced in finding such a limited time to look for boarding houses, availability issues, or unmet expectations. Teman Survei is present as a business that provides a boarding house website to overcome the problem. Unfortunately, the quality of service at Teman Survei is not optimal, resulting in customer dissatisfaction and not continuing to pay. The goal of this study is to better understand the factors of electronic services quality that have an influence on consumer satisfaction and purchase intent. This study also tries to determine the factors most influential on customer satisfaction and purchase intention. Partial Least Square-Structural Equation Modeling, a quantitative technique, was utilized to test the study model using data from 237 users of a boarding house website in Bandung. The outcome demonstrates that customer satisfaction and purchase intention are positively influenced by each of the five elements of electronic service quality: website design, reliability, responsiveness, trust, and personalization.

## INTRODUCTION

In Indonesia, students who are migrating have a variety of housing alternatives, including boarding homes, dorms, rentals, and apartments (Maharani, 2022). According to a survey by Indonesia Property Watch (IPW), about 47.4% of millennials in Jakarta favor boarding houses over apartments. (Setiawan, 2018). Living in a boarding house feels more cozy and social than doing so in an apartment, said the one student of the Faculty of Law, Universitas Padjadjaran (Bayu, 2015).

Consideration is required while selecting a boarding house to ensure that the one chosen complies with the wishes. However, there are sometimes many challenges encountered during the search process, including a limited time to look for boarding houses, the desired boarding house being full, the boarding house not meeting expectations, and other factors that make it challenging to find a boarding house in line with the desired preferences (Caesaria, 2022). According to the findings of a quantitative survey administered via a questionnaire to 77 students from different regions in Indonesia who reside in boarding houses, 51.9% of students believe that it is spent lot of time and energy to survey different boarding houses, while 50.6% believe they do not have enough time, and 26% said that conducting direct boarding house surveys would be spending large cost.

Utilizing technological advances in this era can be a solution. This problem is seen as an opportunity to build a technology-based business that can overcome various obstacles faced by students in the process of getting a boarding house. Teman Survei is present as a boarding house search website by offering detailed and complete features of information data, photos, and room tour videos of boarding houses. Since July 2022, the Teman Survei website service has been in operation and has attracted 49 users. However, out of these users, only 11 proceeded to make transactions, resulting in a small sales volume. Data from Teman Survei users revealed that three

users complained about the admin's response, three others canceled due to unsatisfactory services, and two users canceled because the order process was not quick. These instances indicate that the service quality provided by Teman Survei is suboptimal, leading to a significant number of customers choosing not to continue the payment.

Quality directly affects how well products and services perform (Ricardianto et al., 2022). Customers evaluate their needs depending on the quality of the service before selecting goods or services. Customer buying intentions might be influenced by service quality. Purchase intention has been regarded as the driving force behind acquiring a good or service (Palazzo et al., 2021). The Teman Survei service is classified as an electronic service because it is based on an online website. Electronic services are goods or services that are provided online (Al-dweeri et al., 2017). The problems experienced by Teman Survei concern electronic service quality. The ease with which a website makes it possible to browse, purchase, and have goods and services delivered is what determines an electronic service's quality, according to Zeithaml et al in (Ali, 2018). To take into account the online context, (Dhingra et al., 2020) redesigned and changed the components of the service quality model. Website design, reliability, responsiveness, trust, and personalization are the five components of overall electronic service quality that the proposed model identifies. (Mehmood & Shafiq, 2015) claimed that between purchase intent, customer satisfaction, and service quality are positive correlations.

In order to better understand how customer satisfaction and purchase intent are affected by overall electronic service quality on boarding house rental and survey websites, the researcher conducted this study. Additionally, it sought to identify the elements of overall electronic service quality that have the greatest influence.

## RESEARCH METHODS

This study used primary data collected using quantitative data. In quantitative research, statistical and mathematical techniques are used to explore phenomena in a systematic and empirical manner. The development of quantitative valuation indicators is made possible by the quantitative methodology, which also makes it easier to compare data and handle vast amounts of data. The fact that the outcome is numerical and study may not be impacted by personal views or ideas in considering and displaying research and data are just two of the advantages of the quantitative approach (Nikolaos & Yannis, 2018).

Surveys for this research will be collected with questionnaires via online surveys. In accordance with (Malhotra et al., 2017), the survey approach relies on the use of structured questionnaires that are given to a sample of the target group in order to collect information.

Testing without probability will be used in this study. Non Probability sampling is when the likelihood of a specific population member being chosen is unknown. Based on their appraisal of a pertinent sample member attribute, a trained individual selects the sample using the nonprobability sampling technique known as judgment sampling (Zikmund et al., n.d.) The minimum sample size used for marketing studies is 200 respondents (Malhotra et al., 2017).

The measurement items in this study refer to the papers of Lee and Lin (2005), Dhingra et al (2020), Rita et al (2019), Lee et al (2022), and Liao et al (2022). The measurement for the questionnaire will use likert scale. Each statement is given a numerical rating scale 1 to 5 to perform the analysis (Malhotra et al., 2017). With a 1-5 point scale, it is fairly easy for the respondents to read out the full list of items being rated (Dawes, 2008).

The Partial Least Square - Structural Equation Model (PLS-SEM) analysis was used in this research. A causal modeling technique called partial least squares with structural equations aims to increase the explained variance of the dependent latent components. The secondary aim is to assess the quality of data using the properties of the measurement model (Hair et al., 2011). The analysis is concerned with evaluating a theoretical framework from a standpoint of prediction, the structural model is complex with numerous constructs and indicators, and a small population limits the sample size (Hair et al., 2019). Software that is used is SmartPLS because the program that is most frequently utilized (Ali et al., 2018).

## RESULTS AND DISCUSSION

Table 1. Reliability Result

Constructs	Construct Reliability	Items	Mean	Standard Deviation	Outer Loadings
Website Design	0.883	WD1	3.79	0.89	0.840
		WD2	3.98	0.88	0.810
		WD3	3.60	0.95	0.720
		WD4	3.76	0.90	0.860
Reliability	0.898	REL1	3.73	0.90	0.857
		REL2	3.71	0.94	0.900
		REL3	3.68	0.94	0.832
Responsiveness	0.922	RES1	3.70	0.96	0.883
		RES2	3.92	0.91	0.871
		RES3	3.77	0.86	0.923
Trust	0.874	T1	4.11	0.85	0.868
		T2	3.78	0.93	0.796
		T3	4.25	0.82	0.746
		T4	3.92	0.98	0.772
Personalization	0.830	P1	3.61	1.07	0.741
		P2	3.95	0.89	0.869
		P3	4.30	0.78	0.747
Overall E-Service Quality	0.920	SQ1	3.96	0.79	0.892
		SQ2	3.79	0.87	0.894
		SQ3	3.86	0.86	0.887
Customer Satisfaction	0.928	CS1	3.86	0.84	0.905
		CS2	3.78	0.91	0.937
		CS3	3.59	0.93	0.861

Purchase Intention	0.906	PI1	3.78	0.99	0.907
		PI2	3.75	0.97	0.911
		PI3	3.79	1.06	0.799

The researcher used SmartPLS to calculate reliability of the variables. The composite reliability must be higher than 0.708 (Hair, Jr et al., 2014). Based on the result of Table 1, it is shown from outer loadings and construct reliability of all variables are greater than 0.7 which means that all variables are acceptable for further processing.

Table 2. Convergent Validity Result

Variables	Average Variance Extracted (AVE)
Website Design	0.655
Reliability	0.745
Responsiveness	0.797
Trust	0.635
Personalization	0.621
Overall E-Service Quality	0.794
Customer Satisfaction	0.812
Purchase Intention	0.764

To calculate validity, the AVE should be higher than 0.50 (Hair, Jr et al., 2014). Based on the result of Table 2, it shows that the AVE scores of all variables are greater than 0.50, which means valid.

Table 3. Discriminant Validity Result

	CS	SQ	P	PI	REL	RES	T	WD
CS (Customer Satisfaction)	<b>0.901</b>							
SQ (Overall E-Service Quality)	0.769	<b>0.891</b>						
P (Personalization)	0.641	0.745	<b>0.788</b>					
PI (Purchase Intention)	0.699	0.689	0.586	<b>0.874</b>				
REL (Reliability)	0.639	0.701	0.607	0.608	<b>0.863</b>			
RES (Responsiveness)	0.664	0.701	0.641	0.586	0.666	<b>0.893</b>		

T (Trust)	0.64 6	0.74 0	0.71 7	0.68 8	0.60 8	0.71 6	<b>0.79</b> <b>7</b>
WD (Website Design)	0.53 2	0.63 4	0.61 6	0.55 7	0.59 2	0.54 4	<b>0.59</b> <b>2</b>

The loading value for the construct's indicator item is higher than the cross loading value, as indicated by the projected cross loading result in Table 3. Because build indicator blocks perform better than other indicator blocks, it can be said that all construction already has strong discriminant validity.

Table 4. Hypothesis Test Result

Hypothesis	Structural Path	Path Coefficient	T Statistic ( O/STDEV )	P Values	Result
H1	Website Design → Overall E-Service Quality	0.111	2.015	0.044	Accepted
H2	Reliability → Overall E-Service Quality	0.229	3.453	0.001	Accepted
H3	Responsiveness → Overall E-Service Quality	0.143	2.169	0.031	Accepted
H4	Trust → Overall E-Service Quality	0.232	3.787	0.000	Accepted
H5	Personalization → Overall E-Service Quality	0.280	4.596	0.000	Accepted
H6	Overall E-Service Quality → Customer Satisfaction	0.796	23.980	0.000	Accepted
H7	Customer Satisfaction → Purchase Intention	0.699	16.145	0.000	Accepted

Source : Data processed with SmartPLS 3.0

The following provides an explanation of the hypothesis testing findings:

**H1 : Website design has a positive influence on overall electronic service quality**

Hypothesis 1 stated that website design has a positive influence on overall electronic service quality. The t value (2.015) is greater than 1.96 at a significance level of 0.05, and hence the hypothesis is accepted. This means that website design is one of the components that customers see to assess service quality in an online context. As said by Rita et al. (2019) in their research which has the same context, namely online websites with respondents from Indonesia, that customers rate their experience when using the website to assess the overall quality of online services.

**H2 : Reliability has a positive influence on overall electronic service quality**

Hypothesis 2 stated that reliability has a positive influence on overall electronic service quality. The t value (3.453) is greater than 1.96 at a significance level of 0.05, and hence the hypothesis is accepted. This means that customers see reliability such as being able to deliver the promised service accurately as one part of overall electronic service quality. This is supported as

in Lee and Lin (2005) research which confirmed that the reliability dimension is a significant predictor of overall service quality.

### **H3 : Responsiveness has a positive influence on overall electronic service quality**

Hypothesis 3 stated that responsiveness has a positive influence on overall electronic service quality. The t value (2.169) is greater than 1.96 at a significance level of 0.05, and hence the hypothesis is accepted. This indicates that customers see the ability to provide services quickly as one aspect of overall electronic service quality. In previous research, Dhingra et al. (2020) say that several studies show that responsiveness significantly impacts service quality.

### **H4 : Trust has a positive influence on overall electronic service quality**

Hypothesis 4 stated that trust has a positive influence on overall electronic service quality. The t value (3.787) is greater than 1.96 at a significance level of 0.05, and hence the hypothesis is accepted. This indicates that customers see the trust element when assessing the overall quality of electronic services. This is supported by previous research by Lee and Lin (2005) in the context of online websites which found that trust is an element that greatly influences overall service quality.

### **H5 : Personalization has a positive influence on overall electronic service quality**

Hypothesis 5 stated that personalization has a positive influence on overall electronic service quality. The t value (4.596) is greater than 1.96 at a significance level of 0.05, and hence the hypothesis is accepted. This means that customers value personalization or the ability to customize services to meet the specific needs and requests of customers as one part of overall e-service quality. Dhingra et al. (2020) stated that previous studies have examined the impact of personalization on total service quality, taking into account the significance of tailored services in the absence of one-on-one interaction.

### **H6 : Overall electronic service quality has a positive influence on customer satisfaction**

Hypothesis 6 stated that overall electronic service quality has a positive influence on customer satisfaction. The t value (23.980) is greater than 1.96 at a significance level of 0.05, and hence the hypothesis is accepted. This means that the satisfaction felt by customers depends on the overall quality of service provided to them. This is also supported in the research of Rita et al. (2019) with the context of an online website which argues that customer satisfaction is affected by the electronic service quality.

### **H7: Customer satisfaction has a positive influence on purchase intentions**

Hypothesis 7 stated that customer satisfaction has a positive influence on purchase intentions. The t value (16.145) is greater than 1.96 at a significance level of 0.05, and hence the hypothesis is accepted. This means that customer purchase intention is influenced by the satisfaction felt by the customer. Dhingra et al. (2020) in their paper say that many authors have examined the factors that influence purchase intention and found that satisfaction is very importa.

## **CONCLUSION**

The following are the answers to the research question based on the findings:

**Research Question 1: What are the dimensions of overall e-service quality that have an influence on customer satisfaction and purchase intention in a boarding house rental/survey website?**

According to the Partial Least Square - Structural Equation Model (PLS-SEM) result, the dimension from electronic service quality of boarding house rental/survey websites that influence customer satisfaction and purchase intention are website design, reliability, responsiveness, trust, and personalization. The path coefficient and T-value in hypothesis testing



has demonstrated that these parameters have a favorable influence on customer satisfaction and purchase intention.

### **Research Question 2: What are the dimensions that most influence customer satisfaction and purchase intention in a boarding house rental/survey website?**

Based on the Partial Least Square - Structural Equation Model (PLS-SEM) result, the dimensions of electronic service quality that are most influential on customer satisfaction to purchase intention is personalization to overall electronic service quality to customer satisfaction to purchase intention. It can be seen from the specific indirect effects that personalization has the highest value compared to website design, reliability, responsiveness, and trust.

### **BUSINESS IMPLICATION**

The results of this study can be a recommendation for owners of Teman Survei or businesses in the boarding house rental/survey website field to improve online service quality performance in order to make customers feel satisfied and generate purchase intentions. Business owners must be concerned with aspects of e-service quality (website design, reliability, responsiveness, trust, and personalization) in developing websites. To offer the best service, the first must improve the personalization aspect which has the highest influence to overall e-service quality by applying language that is easily understood by customers on the website, send emails with discount information to target customers, and provide services according to customers' preferences. Second, develop a website design with a well-organized user interface. Then the third is related to reliability, the services provided must be able to fulfill its promise to do certain things (meet user expectations by providing functions, features, or content) within a predetermined time frame. Furthermore, the fourth is related to responsiveness, it is important to always be willing to help customers. Finally, business owners must be able to build a good company name and reputation to build trust in customers. It is important too to re-evaluate whether there are other factors that customers need in order to not only feel satisfied with the overall experience of using the website, but also want to make the website their first choice when looking for a boardinghouse.

### **RECOMMENDATION**

This research only focuses on students who live in Bandung. Future studies should consider other larger locations outside of Bandung, it is advised, in order to get viewpoints from different geographical areas. Respondents of this study only focus on college students in general, future research can be more specific such as dividing by gender, levels such as undergraduate or master degree. The dimensions of electronic service quality used for this study is according to Lee and Lin (2005), which includes website design, reliability, responsiveness, trust, and personalization that influence on customer satisfaction and purchase intention. Future research can combine other dimensions that affect electronic service quality.

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