CHAPTER I
INTRODUCTION

1.1 Background

Lazada Indonesia is an online shopping site that offers various types of products, ranging from electronics, books, children's toys and baby equipment, medical devices and beauty products, household appliances, as well as traveling and sports equipment. Lazada Indonesia was founded in March 2012 and is part of the Lazada Group which operates in Southeast Asia. As of 2014, Lazada Group has operated in Singapore, Malaysia, Indonesia, Vietnam, Thailand, and the Philippines with Singapore as their head office location.

Lazada Indonesia focuses more on the type of B2C or business to customer e-commerce because the company's main goal is to absorb individual customers who make transactions on their site. In business to customer, it will be more focused on how the basic mechanism for buyers to access the company is on a web that has been provided by the company. After that how to service the site and the most complicated is how to create the main challenge for sales.

The development of smartphones has been able to change people's lives today. The emergence of various diverse and innovative applications on smartphones has been successful in changing people's behavior in various ways, ranging from economic, social, lifestyle, and even people's shopping style. The shopping style of today's society is no longer traditional, which usually comes to the market to buy an item, but now people can shop online just by pressing their smartphone screen while sitting relaxed at home.

Seeing such behavior, now many application development companies are creating applications based on electronic commerce on smartphone devices to be offered to people around the world. According to the id.wikipedia.org site, ecommerce or electronic commerce is the distribution, purchase, sale, marketing of goods and services through electronic systems such as the internet or television, www, or other computer networks. E-commerce can involve electronic fund

transfers, electronic data exchange, automated inventory management systems, and automated data collection systems.

E-service Quality is defined as the extent to which the website facilitates efficient and effective shopping, purchasing and delivery. virtual world market. So, it can be concluded that e-service quality has a very important role in maintaining the competitive advantage of online-based companies. E-commerce application development companies must always be consistent in maintaining the quality of their online services, so that they can always pamper their users wherever they are.

Electronic customer satisfaction (E-satisfaction) and traditional in general do not differ much. According to Ahmad et al. (2017), e-satisfaction is when products and services exceed customer expectations, the level of buyer satisfaction after comparing the purchase experience and perceived expectations with the post-purchase experience. One of the factors for the emergence of e-satisfaction is through the quality of electronic services or good e-service quality provided by the company, in this case by an e-commerce application development company.

Repurchase Intention or repurchase interest is customer satisfaction which is measured behaviorally by asking whether the customer will shop or use the company's services again Tjiptono, (2014). Repurchase intention is defined as an individual's assessment of the repurchase of services or services from the same company taking into account the current situation and the good mood of the individual. In e-commerce applications, customer repurchase interest will appear after making a purchase accompanied by a feeling of satisfaction in shopping using the application. Satisfaction in using e-commerce applications is called electronic satisfaction or e-satisfaction.

Online shopping is one of the conveniences in today's modern lifestyle. Online shopping is one of the evidences of the development of communication network technology, especially the Internet in Indonesia since the last few years. Various conveniences in shopping through the Internet are felt by users such as making it easier to find products, no need to waste a lot of time and effort and

many more conveniences offered by online shop sites. The following is a list of the top 5 e-commerce applications in Indonesia based on the highest average monthly visits in 2020 which can be seen in Table 1.1 :

Table 1.1 List of Top 5 E-Commerce Applications in Indonesia

No	E-Commerce Application	Average Number of Monthly Visitors
1	Shopee	129.320.800
2	Tokopedia	114.655.600
3	Bukalapak	38.583.100
4	Lazada	36.260.600
5	Blibli	22.413.100

Source : https://iprice.co.id/insights/mapofecommerce, (Q4 2020)

Based on Table 1.1 four e-commerce applications with the status of unicorns are in the top four positions. Shopee ranks first with an average number of monthly visitors of 129,320,800 times. Tokopedia ranks second with an average number of monthly visitors of 114,655,600 times. Bukalapak ranks third with an average number of monthly visitors of 38,583,100 times. Finally, Lazada ranks fourth with an average number of monthly visitors of 36,260,600 times.

Shopee Indonesia has a vision of "Being the number 1 mobile marketplace in Indonesia", and has a mission of "Developing an entrepreneurial spirit for sellers in Indonesia". Founded in 2009 and launched in Singapore in 2015, Shopee first started as a customer to customer C2C marketplace but has shifted to a hybrid C2C and business to customer B2C model since launching Shopee Mall which is an online store platform for distribution of well-known brands. Tokopedia has a vision of "Building an ecosystem where anyone can start and find anything", and has a mission of "Achieving economic equality digitally". February 6, 2009. Bukalapak has a vision of "Being the number 1 online marketplace in Indonesia", and has a mission of "Empowering SMEs throughout Indonesia". January 10, 2010. Lazada has a vision of "Being a trusted online shopping place and providing the best quality in terms of quality and service to consumers", and has a mission "Serving all the needs of buyers from ordering to delivery of goods to their destination". The development of smartphones has been able to change people's lives today.

Based on the previous descriptions, the authors are interested in conducting research with the title **"The Effect of E-Service Quality and E-Satisfaction on Online Repurchase Intention (Study on Lazada Consumers in Bengkalis City)"**.

1.2 Formulation of the Problem

Based on this background, the formulation of the research problem is as follows:

1. How does e-service quality affect online repurchase intentions in using the Lazada e-commerce application in the Bengkalis Community?
2. How does e-satisfaction affect online repurchase intention to use Lazada's e-commerce application in the Bengkalis Community?
3. How does e-service quality and e-satisfaction affect online repurchase intentions using the Lazada e-commerce application in the Bengkalis Community?

1.3 Purpose of the Study

Based on the formulation of the problem above, the objectives to be achieved in this study are:

1. To find out the effect of e-service quality on repurchase intention in using Lazada's e-commerce application in the Bengkalis Community partially.
2. To find out the effect of e-satisfaction on repurchase intention in using the Lazada e-commerce application in the Bengkalis Community partially.
3. This study aims to determine the effect of e-service quality and e-satisfaction on repurchase intention in using the Lazada e-commerce application in the Bengkalis Community simultaneously.

1.4 Significance of the Study

Based on the results of this study, it is hoped that it will provide the following benefits:

1. For lazada e-commerce application development companies.

   This research is expected to provide information and consideration for Lazada application development companies to find out how much influence e-service quality has on e-satisfaction and its impact on repurchase intention in using Lazada e-commerce applications in the Bengkalis Community.

2. For writers.

   This research is expected to add insight and provide opportunities for authors to apply theories and literature from college in the field of marketing, especially for Lazada's e-commerce business.

3. For the next researcher

   The results of this study are expected to be used as comparison and reference material in conducting research with the same object or problem in the future.

1.5 Scope and Limitation of the Problem

Based on the background that has been stated above, so that the discussion is more focused, in writing this research report it is necessary to limit the scope of the discussion, namely:

1. This study only examines the variables of E-Service Quality and E-Satisfaction on Lazada Consumer Online Repurchase Intention.

2. Respondents were only conducted in the Bengkalis community so that the discussion of this study did not deviate from the topic in question.

1.6   Writing System

To facilitate the discussion and elaboration in detail in this research thesis proposal report, the report is prepared with a systematic writing:

CHAPTER 1: INTRODUCTION

This chapter explains the background of the research, the formulation of the problem, the research objectives, the benefits of research and the systematics of writing research reports

CHAPTER 2: LITERATURE REVIEW

In this chapter, the writing describes previous research taken from previous journals, as well as theories that are in accordance with the subject of this research.

CHAPTER 3: METHODOLOGY AND RESEARCH PROCESS

In this chapter, the author explains various research methodologies consisting of the location and time of the study, research objects, types and sources of data, population and samples, sampling techniques, data collection techniques, and measurement scales. data measurement techniques, data analysis techniques, types of research. hypotheses, concept definitions, and operational definitions.

CHAPTER 4: RESULTS AND DISCUSSION

In this chapter the author will explain the results of the research that has been done based on the data obtained from filling out the questionnaire.

CHAPTER 5: CONCLUSION AND SUGGESTION

In this chapter the author will describe the conclusions obtained from the discussion of the fiber suggestions that will be conveyed by the author.