

ABSTRACT

The internet becomes an important part of people's daily lives. Especially in terms of fulfilling shopping needs carried out through e-commerce applications. With the increasing interest of the community, many e-commerce companies offer a wide range of products with varying prices. So this causes high competition between one e-commerce business and another. OLX application which in 2016 became the first rank to penetrate 31 trillion rupiah and a total of more than 100 million visitors. However, in 2023 OLX ranked 107th with a decline in total monthly online visitors which was low compared to domestic and foreign e-commerce. The decline in OLX visitors indicates a problem related to loyalty. The purpose of this study was to determine the effect of service quality on customer complaints and customer loyalty on the OLX e-commerce site.

Quantitative research with a causality approach was the type of research that used in this study. The sampling method used is non-probability sampling with a sample size of 274 respondents. The sample size is determined by calculating using the Bernoulli formula. The primary data source in this study was data from the distribution of Google Forms questionnaires on social media and analyzing the results using SmartPLS 3.2.9. This research data was also tested for validity and reliability using SPSS 25.0 to prove that the survey instrument was valid and reliable. The results of the validity and reliability tests on the nine variables used in the study provided valid results.

This Research using Smart-PLS 3.2.9 software with a valid sample size of 274 respondents out of 283 respondents conveyed the results that service quality has a positive and significant influence on customer satisfaction. Then customer satisfaction also has a positive and significant influence on customer complaints and customer loyalty. In terms of e-commerce, the greater the level of customer satisfaction with the existing service quality, the lower the level of customer complaints, and the higher the level of customer loyalty to the platform.

Further research is expected to be an addition to useful information for improving service quality, which also affects customer loyalty in e-commerce businesses. The advice given is to always improve the quality of service so that the business can continue to grow and be in line with the needs of today's society.

Keyword: Customer Complaints, Customer Loyalty, Customer Satisfaction, E-Commerce, OLX, Service Quality, SmartPLS