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Analysis of Social Media Marketing and Electronic Service Quality in Enhancing Customer Retention and It's Impact on Company Image (Survey on Indonesian E-Commerce Users)

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Abstract: The rapid growth of technology has resulted in digital transformation at practically every level of society. According to Hootsuite (We are Social) data from the Digital 2022Global Overview Report, over 4.95 billion people worldwide will access the internet in 2022, with more than 4.62 billion using social media. This has presented new opportunities and problems for individuals, corporations, and society as a whole. The goal of this study is to investigate the impact of Social Media Marketing and E-Service Quality via Customer Retention on Corporate Image in E-Commerce (Tokopedia, Shopee, Bukalapak, and Lazada). This study employs descriptive and verification research methodologies on a sample of 210 respondents, with Chou and Bentler's theory serving as the analytical framework. Structural Equation Modeling (SEM) is used to analyze the data. The results demonstrate that in the context of E-Commerce, Social Media Marketing, E-Service Quality, Customer Retention, and company image are all regarded as positive. Both Social Media Marketing and the caliber of E-Services affect Customer Retention. E-Service Quality and Social Media Marketing combine to increase client retention. Additionally, Social Media and E-Service Quality also affect a company's image in E-Commerce. The image of the business is impacted by Customer Retention. The company's image is shaped by the combined effects of Social Media Marketing and E-Service Quality on Customer Retention.

Keywords: Social Media Marketing, E-Service Quality, Customer Retention and Company Image, Company Image

INTRODUCTION

One of the impacts of digital transformation is that buying and selling activities are increasingly turning to e-commerce. The value of international e-commerce transactions hit 5.7 trillion US dollars in 2022, according to Statista statistics, and is expected to keep rising. The presence of e-commerce makes it very easy for people to shop (Loitongbam et al., 2023; Vutri et al., 2023), because it can be done online from anywhere and at any time without having to come to a physical store. Not only that, but business actors are also increasingly expanding their market reach by using e-commerce as a business platform (Puspitasari et al., 2023). With e-commerce, the dissemination of information about a product can be done more quickly and has a very wide scope. E-commerce and the effects of digital transformation extend beyond simple buying and selling (Ma et al., 2023), but have also become part of people's lifestyle (Joshua et al., 2019; Pan, 2024).

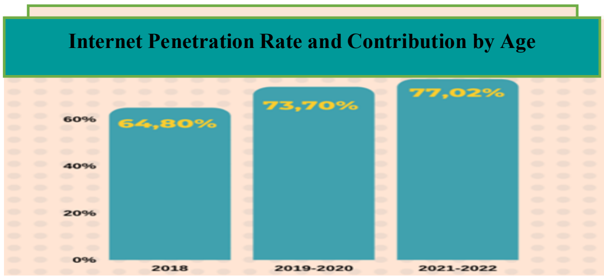

Figure 1
Indonesia Internet Penetration Percentage 2018-2022
Source: APJII Report in 2021-2022 (accessed October 2022)

According to the 2021-2022 report by the Indonesian Internet Service Providers Association (APJII), 210,026,769 of Indonesia's 272,682,600 inhabitants were online in 2021, representing a 77.02% internet penetration rate. This makes Indonesia one of the world's biggest internet marketplaces.

The majority of internet users in Indonesia are in the 19-54 age range, with habits of accessing internet content such as social media, online chatting (Lin et al., 2020; Xie, 2023), and online shopping (Danisewicz & Elard, 2023; Kawa & Wałęsiak, 2019). This shows a huge market potential for online businesses in Indonesia, especially for businesses that want to target consumers in that age range.

Figure 2
Online Shopping Problems
Source: Global Consumer Insights Pulse Survey 2022 (accessed March 2023)

Online shopping is increasingly becoming the choice of consumers (Ibrahim et al., 2020; Ngurah Rangga Wiwesa et al., 2022) due to its convenience in buying products and comparing prices. However, the Global Consumer Insights Pulse Survey (2022), shows that consumers face various obstacles in shopping online(Kumar et al., 2021; Maier & Wieringa, 2021).

These constraints include rising food prices, inability to purchase products due to out-of-stocks, slower-than-promised product delivery, declining product quality, and limited product availability. Therefore, excellent service is the biggest challenge in online shopping (Viswanathan et al., 2021). Online businesses must be able to adjust to changing customer preferences and increasingly complex demands to maintain long-term relationships with customers. In this case, maintaining good service quality and effectively meeting customer needs are important for online businesses to overcome challenges and win the competition in

APJII

Reasons for not transaction online	
1. The app is often buggy	0.03%
2. Address not reachable by courier	0.16%
3. Not interested	0.28%
4. Can't bargain	0.03%
5. Safety of goods is not guaranteed	0.15%
6. Expensive shipping costs	0.08%
7. Goods do not match the picture	0.025%
8. Don't know	10.55%
9. Many scams	0.98%
10. Can't use the app yet	15.26%
11. Relatively long delivery time	13.42%
12. Complicated payment method	22.04%
13. Prefer to shop directly to see the goods	75.16%

Reasons for Online Transactions	
1. Faster and more practical	30.42%
2. Save time	28.97%
3. Easy to compare the items to be purchased	16.40%
4. Shopping can be done anywhere	33.59%
5. Lots of discounts and promotions	56.37%
6. Much cheaper price	49.89%

Monthly value of online transactions	
1. Don't Know	1.42%
2. More than Rp. 3,000,000	0.69%
3. Rp. 1,000,000 to Rp. 3,000,000	4.17%
4. Rp. 500,000 to Rp. 1,000,000	18.89%
5. Less than Rp. 500,000	74.82%

Figure 3
Reasons for Online and Online Transactions
Source: APJII report in 2021-2022 (Processed data)

According to a survey by the Indonesian Internet Service Providers Association (APJII), online transactions are considered more profitable because they often provide discounts and promos, as well as lower prices than buying directly at physical stores. However, most respondents admitted that it is difficult to make payments when transacting online (Pandey et al., 2023; Song et al., 2020). As a result, most e-commerce businesses in Indonesia adopt the cash on delivery (COD) payment method (Utami & Saputri, 2020), allowing buyers to pay in cash at the point of purchase or upon delivery to the courier at the buyer's location, whether it be their home, office, or another specified place. Over half of e-commerce businesses (73.04%) across nearly all sectors rely on this payment method. Among e-commerce companies with 100 or more employees, around one-third prefer COD over other payment options. The second most popular payment method is bank transfer, utilized via ATMs, internet banking, or mobile banking, with a usage rate of 21.20%.

Based on a survey conducted by JAKPAT (Indonesian Consumer Opinion Poll) Indonesia E-commerce Trends 2022, Fashion and Gadgets are the most popular product categories purchased via E-Commerce, while Fresh produce & groceries are preferred to be purchased offline. According to the data obtained, the Fashion category (58%), followed by Gadgets and electronics at 47%. Beauty & body care at 43%, Health & hygiene at 33%, while Fresh produce & groceries and Home & living at 33% and 24% respectively. Baby & kids category is 18%, and the Travel & leisure category is only 10%. Nevertheless, the trend of online shopping continues to increase, and it is expected that more product categories will be purchased online in the future.

Table 1
E-commerce Top Brand Index Tokopedia, Shopee, Bukalapak and Lazada in 2019-2022

Brand	2019	2020	2021	2022
Shopee	15,60	20,00	41,80	43,70
Tokopedia	13,40	15,80	16,70	14,90
Lazada	31,60	31,90	15,20	14,70
Bukalapak	12,70	12,90	9,50	8,10

Source: Top Brand Award (www.topbrand-award.com) (accessed March 2023)

Based on the Top Brand Index in 2022, Shopee showed an extraordinary performance, for the last four years from 2019 to 2022 it has increased significantly from 15.60 in 2019 to 43.70 in 2022. While other E Commerce has decreased. This may be due to the increasingly fierce competition among E Commerce (Cano et al., 2022; Shopova, 2023).

Table 2
Average number of monthly E-commerce website visitors in Q1 2021- Q2 2022

E-Commerce	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Tokopedia	135.076.700	147.790.000	158.136.700	157.443.300	157.233.300	158.346.667
		9,41%	7,00%	-0,44%	-0,13%	0,71%
Shopee	127.400.000	126.996.700	134.383.300	138.776.700	132.776.700	131.296.667
		-0,32%	5,82%	3,27%	-4,32%	-1,11%
Lazada	30.516.700	27.670.000	27.953.300	28.173.300	24.686.700	26.640.000
		-9,33%	1,02%	0,79%	-12,38%	7,91%
Bukalapak	34.170.000	29.460.000	30.126.700	25.760.000	23.096.700	21.303.333
		-13,78%	2,26%	-14,49%	-10,34%	-7,76%

Source : https://iprice.co.id/insights/mapofecommerce/ (accessed march 2023)

Looking at the data on average e-commerce website visitors, the change in the number of visitors has decreased in Q4 2021 Tokopedia 0.44% and Bukalapak 14.49%. Q1 2022 the average visitor to e-commerce websites has decreased. Meanwhile, Q2 2022 the average website visitors who experienced a decrease were Shopee 1.11% and Bukalapak 7.76%.

Customer Retention is defined as a form of loyalty related to product purchasing behavior which is indicated by a high frequency of purchases (Al-Gasawneh & Dalain, 2023; Nitzan & Libai, 2011). Meanwhile, loyalty itself refers more to customer attitudes which are measured based on beliefs, feelings, and willingness to make purchases. According to Zeithaml et al. (2018), companies that can build customer retention will gain long-term success.

Based on a survey conducted by JAKPAT (Indonesian Consumer Opinion Poll) Indonesia E-commerce Trends 2022, e-commerce usage patterns in Indonesia show Shopee as the most widely used platform, followed by Tokopedia in second place (Täuscher & Laudien, 2018). Therefore, Tokopedia needs to pay attention and improve the quality of service and marketing through social media (Praja et al., 2023).

Customer retention has significant benefits for companies, including reduced marketing and advertising costs. Customers who are satisfied with the service can do word-of-mouth communication which can attract new customers organically. Dwyer and Tanner (1999) emphasize that profit is greatly impacted by client retention, particularly retention brought about by positive customer relations. Customer retention can also help companies in dealing with the Covid-19 pandemic. According to a survey by McKinsey & Company (2021), companies that managed to maintain a high level of customer retention during the pandemic performed better than companies that failed to maintain their customer loyalty (Aityassine, 2022; Almohaimmeed, 2019). This shows how important customer retention is for business continuity in any condition.

Researchers carried out a preliminary survey with a sample of respondents (N = 30) to evaluate E-commerce customer retention, using a questionnaire that had been validated for accuracy and reliability. Based on the results, retention of consumers in e-commerce is quite good. The initial survey results are presented in table 2 below.

The findings of the preliminary survey inquiry indicate that the Customer Retention variable which has the largest percentage of total actual score is regarding Overall Satisfaction (47.92%), while the smallest is in the Recommend to Others dimension (44.92%). To find out the level of acquisition of the Customer Retention variable score according to the respondent's assessment, it can be seen from the following continuum diagram.

Lowest total score = 1 x 6 items x 30 respondents = 180

Highest score = 5 x 6 items x 30 respondents = 900

Then the length of the interval to form the Customer Retention criteria in 5 categories can be calculated as follows:

$$\text{Interval Length} = \frac{\text{Sum of highest scores} - \text{Sum of lowest scores}}{\text{Many criteria}}$$

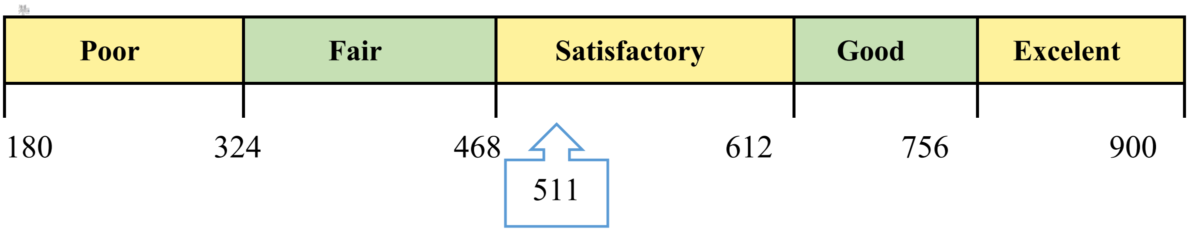

Figure 4
Customer Retention Continuum Diagram

Thus, the minimum total score of the Customer Retention variable is 180 and the maximum is 900, while the total score of the research/actual results of this variable is 511 (46%), so it can be concluded that the level of Customer Retention at E-commerce Tokopedia is included in the assessment with a classification of Satisfactory.

Social media activities on Facebook, Instagram, TikTok, Twitter, and YouTube can all have an impact on how people perceive an e-commerce company and the quality of its services. According to Leggat (2010) in Erdogmus and Cicek (2012), (Daga et al., 2024; Ledi & Ameza–Xemalordzo, 2023) customers view social media sites as service channels for certain brands, where customers can participate in the business in real-time.

Social media also helps business owners increase customer awareness and successful brand creation to attract customers (Yost et al., 2021) (Adiningtyas & Hasanah, 2023; Wu et al., 2020). By building good relationships with customers, companies can provide information about changes in service quality and encourage customers to make further transactions.

Based on a survey conducted by JAKPAT (Indonesian Consumer Opinion Poll) in 2022 in Indonesia E-Commerce Trends 1st Half of 2022, it shows that the promotional programs that consumers are most interested in are free shipping and providing discounts or incentives that can increase consumer purchases. With the increasing use of digital wallets, cashback programs should also be considered as a promotional program through social media (Artha et al., 2022; Chen et al., 2021).

Based on a survey conducted by JAKPAT (Indonesian Consumer Opinion Poll) in 2022 in Indonesia E-Commerce Trends 1st Half of 2022, it shows that YouTube ads and social media are the main channels for getting information about E-Commerce, besides official social media accounts, influencers and friends or family suggestions are used as sources for getting information.

Table 3

Number of E-commerce Social Media Followers

Social Media	Number of Followers			
	Tokopedia	**Shopee**	**Bukalapak**	**Lazada**
Youtube	2,32 million	**2,73 million**	954.000	778.000
Facebook	6.504.549	26.586.039	2.494.686	**32.336.209**
Twitter	**1.082.427**	906.276	249.379	489.033
Instagram	5.321.303	**8.335.373**	2.178.493	3.240.886
Tiktok	11,9 million	**13,3 million**	1,3 million	9,4 million

Source: Each social media processed, (accessed March 2023)

The largest number of Youtube, Instagram and Tiktok followers is Shopee with 2.73 million followers for Youtube, 8.83 million for Instagram and 13.3 million for Tiktok. The largest number of Facebook Followers is Lazada with 32.38 million followers, while the largest number of Twitter Followers is Tokopedia with 1.08 million followers (Fosu et al., 2024).

Tokopedia's use of social media marketing was investigated by researchers using a sample of respondents (N = 30) in an initial survey, utilizing a questionnaire that had been validated for accuracy and reliability. The results of this initial survey are displayed in the following table.

The initial survey results indicate that within the social media marketing variables, the lowest percentage of total actual scores relates to Entertainment and Trendiness (44.16%), while the highest is in the Interaction dimension (48.33%). Refer to the continuum diagram below to determine the degree of social media marketing score acquisition based on respondents' assessments.

The minimum possible score is calculated as 1 x 10 items x 30 respondents = 300, while the maximum possible score is 5 x 10 items x 30 respondents = 1500.

Then the length of the interval to form the Social Media Marketing criteria in 5 categories can be calculated as follows:

$$\text{Interval Length} = \frac{\text{Sum of highest scores} - \text{Sum of lowest scores}}{\text{Many criteria}}$$

$$= \frac{1500 - 200}{5} = 240$$

$$= \frac{1500 - 300}{5} = 240$$

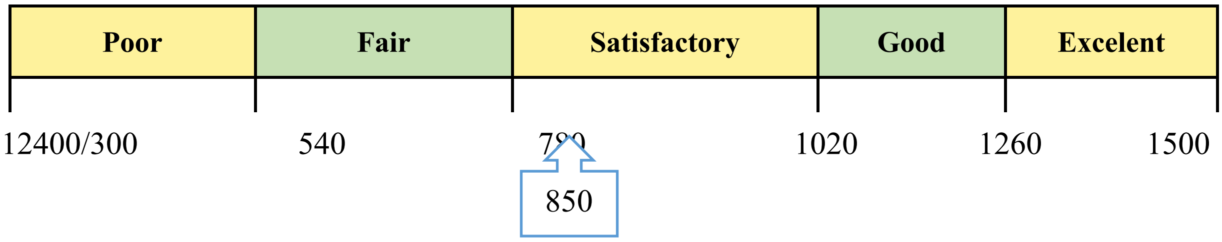

Figure 5
Social Media Marketing Continuum Diagram

Therefore, the Social Media Marketing variable has a minimum total score of 300 and a maximum of 1500. The actual total score from the research is 850 (45.8%), indicating that the application of Social Media Marketing on Tokopedia's E-commerce platform falls within the "Satisfactory" classification.

Based on the 2022 E-Commerce Trends Indonesia census survey, it shows that customer loyalty in using e-commerce platforms is still low. As many as 42% of customers have switched to another online store in the past three months. Some of the main factors causing this switch are better product availability, better value for money, better product quality, better product selection, and better or easier to find product information.

Table 4
Consumer Perceptions of Delivery Service Categories
on E-Commerce Platforms

Service Category	Tokopedia	Shopee	Lazada	Bukalapak
Fastest Delivery Service	52%	45%	43%	30%
Best Delivery Tracking Feature	29%	18%	16%	11%

Source: Ipsos survey processed (accessed March 2023)

The results of a consumer perception survey on e-commerce platforms in Indonesia conducted by Ipsos in March 2023, Tokopedia was seen dominating in the fastest delivery with 52% and the best delivery tracking feature with 29%.

Problems that occur in E Commerce, where customers experience difficulties when submitting product protection and insurance claims. This results in customers feeling that they are not getting their rights as buyers/consumers, as well as a lack of responsibility from E Commerce and insurance providers. In these cases, customers had difficulty contacting E Commerce customer service and received standardized answers, and often communication with the store that sold the product did not resolve the issue. Customers also felt that the 12-month protection insurance they had purchased was useless as it was easily rejected by the insurance on the grounds of design defects (source: mediakonsumen.com, March 2023).

Researchers carried out a preliminary survey with a sample of respondents (N = 30) to evaluate E-service Quality in E-commerce, using a validated and reliable questionnaire. The results show that e-service quality is regarded as satisfactory good in e-commerce. Table 4 below displays the findings from the original survey.

According to the preliminary survey findings, among the E-service Quality variables, the dimension with the lowest percentage of total actual scores is Efficiency and Contact (42.9%), while the highest is found in the Responsiveness dimension (47.9%). All aspects of E-service Quality are grouped together at 45%. To understand the level of E-service Quality variable scores based on respondents' evaluations, please refer to the continuum diagram below.

Then the length of the interval to form the E-service Quality criteria in 5 categories can be calculated as follows:

$$\text{Interval Length} = \frac{\text{Sum of highest scores} - \text{Sum of lowest scores}}{\text{Many criteria}}$$

$$= \frac{1200 - 240}{5} = 192$$

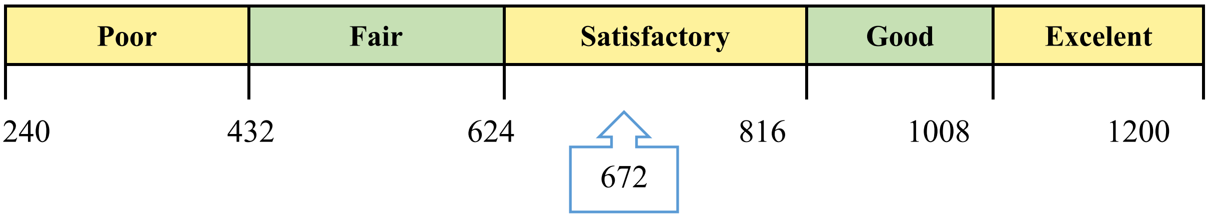

Figure 6
E-Service Quality Continuum Diagram

As a result, the E-Service Quality variable can have a total score of up to 1200 and as low as 240. The research's real overall score of 672 (45%) means that Tokopedia's E-commerce application of E-Service Quality is rated as Satisfactory.

Literature Review

In the journal Akbar, Ario Arzhaq and Djatmiko, Tjahjono, 2016 (Balmer & Podnar, 2021; Song et al., 2020) The results show that customer retention, E-Service Quality, Social Media Marketing, and Company Image fall under the category of satisfactory in E-Commerce. Customer retention is impacted by social media marketing. Customer retention is impacted by the quality of e-services. The effect of E-Service Quality and Social Media Marketing on client retention. In E-commerce, social media affects the company's reputation. The company's reputation in E-commerce is affected by the quality of its E-services. Customer retention has an impact on company image (Mathew, 2021; Negassa & Japee, 2023). Customer retention and business image are impacted by Social Media Marketing and E-Service Quality.

Sofiati, N.A. & Limakrisna, N. (2017) Holistic marketing is successfully utilized in the banking sector of West Java. It has an impact on both trust and banking image. Furthermore, trust determines how managers and customers perceive the banking image. The study's conclusions demonstrate that trust and holistic marketing both affect the perception of banks.

According to Yosephine Angelina Yulia, Cahyani Tunggal Sari (2019) According to research published in the journal "Measurement of Electronic Service Quality in Online Transportation Services: Case Study of Go-Jek Users in Surakarta," customer satisfaction is positively and significantly impacted by the variables of Service Quality and System Quality. Customer satisfaction, on the other hand, is not significantly impacted by the information quality component.

Building on the aforementioned description, research must be done in order to ascertain the extent to which E-Service Quality and social media marketing offered by E-Commerce influence Customer Retention(Evelina, 2022), as well as how these services can enhance the image of E-Commerce in the perception of users. This research aims to provide a foundation for evaluating E-Commerce with the goal of improving service quality, optimizing social media marketing, and enhancing both Customer Retention and the overall image of E-Commerce.

The following theories are put forth in light of the theoretical underpinnings and conceptual framework previously described: (1). Social media marketing, which incorporates trendiness, entertainment, interaction, customization, and word-of-mouth, has not been effectively implemented in e-commerce (Pandey et al., 2023; Song et al., 2020). (2). E-service quality, which encompasses contact, compensation, responsiveness, and efficiency in e-commerce, is not well defined(Mamakou et al., 2024). (3). E-commerce is a scenario in which customer retention occurs (Suthianto & Syah, 2023). (4). E-commerce's company image is currently unfavorable (Kawa & Wałęsiak, 2019). (5). Customer retention in e-commerce is positively impacted by social media marketing deployment (Sfenrianto et al., 2018). (6). Customer retention in e-commerce is positively impacted by the use of e-service quality (Boshoff, 2007; Rachbini et al., 2021). (7) In e-commerce, social media marketing and e-service quality work together to affect client retention. (8). The use of social media marketing affects the company image of e-commerce (Ali et al., 2020; Putri & Sumaryono, 2021). (9). The company image of e-commerce is impacted by the implementation of E-Service Quality (Balmer et al., 2020). (10). Retention of customers affects how E-commerce companies are perceived (Kankam-Kwarteng et al., 2024). (11). Retention of customers and the brand image of E-commerce are both impacted simultaneously by Social Media Marketing and the quality of E-services.

Citation style

Citation system is used for assessment. Please find the following samples for reference:

1. The author's last name and date, with commas, in parentheses: for example, (Ward, 2012);
2. Works with two authors: (Tirdasari & Dhewanto, 2012);
3. Works with more than two authors: (Alias et al., 2016);
4. Works with more than one source cited together: (Ward, 2012; Tirdasari & Dhewanto, 2012);
5. Two or more works by one author: (Common, 2004, 2017a);
6. When the reference list contains more than one author's work published in the same year, the suffixes a, b, etc., follow the date in the quoted text; for example, (Common, 2017a; Common, 2017b);
7. If the author's name is mentioned in the text, it does not need to be repeated in the quote, just enough years in parentheses.
8. Quotations for institutional work should use acronyms or short titles if possible.

METHOD

This study uses a quantitative methodology with procedures that include descriptions and verification. The data used comes from both primary and secondary sources. A questionnaire distributed to E Commerce consumers served as the primary data collection tool. Secondary data sources include literature, journals, magazines, newspapers, the internet, and publications related to the topic.

In order to estimate at least five times the parameters, the sampling methodology uses a method of random sampling with an initial sample size of 210 (Bentler and Chou, 1987). However, the Structural Equation Model is the data analysis technique.

RESULT AND DISCUSSION

The results of this study begin with an analysis of the validity and reliability of each variable used. The validity tests conducted for the variables of Social Media Marketing, E-Service Quality, Customer Retention, and Company Image yielded p-values less than 0.05, indicating that all items for each variable are statistically significant and valid. These findings confirm that the instruments used in the study are suitable for measuring the intended constructs.

In terms of reliability, the results of Cronbach's Alpha for all the variables ranged from 0.70 to 0.90, suggesting a high degree of internal consistency. This indicates that the measurement items used in the study are dependable and consistently measure the constructs they are intended to assess.

Regarding the descriptive analysis, each dimension of the Social Media Marketing variable was classified into the 'good' category. These dimensions include entertainment, interaction, trendiness, customization, and word-of-mouth. Similarly, the dimensions of E-Service Quality such as efficiency, responsiveness, compensation, and contact were also found to be within the 'good' classification.

The Customer Retention variable, which includes expectation to repurchase, recommendation to others, and overall satisfaction, was likewise classified as 'good'. For the Company Image variable, the dimensions of reputation, recognition, affinity, and brand loyalty were also evaluated as 'good', indicating a generally favorable perception of the companies under study.

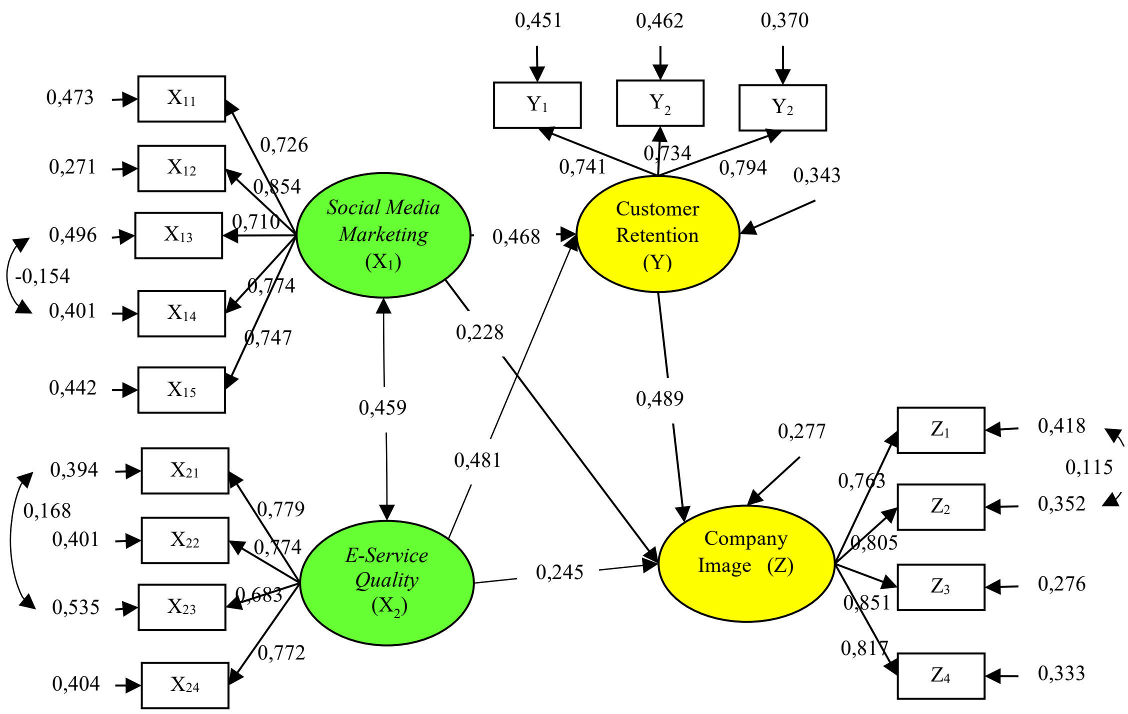

Figure 7
Model of the Influence of Social Media Marketing and E-Service Quality on Customer Retention and its Impact on Company Image

The structural model reveals the influence of Social Media Marketing and E-Service Quality on Customer Retention and Company Image for e-commerce platforms like Tokopedia, Bukalapak, Lazada, and Blibli. The model provides a standardized equation:

Customer Retention (Y) = 0.468 Social Media Marketing (X1) + 0.481 E-Service Quality (X2) + 0.343.

This equation demonstrates that both Social Media Marketing and E-Service Quality have positive effects on Customer Retention, with E-Service Quality contributing slightly more.

For Company Image, the equation is:

Company Image (Z) = 0.228 Social Media Marketing (X1) + 0.245 E-Service Quality (X2) + 0.489 Customer Retention (Y) + 0.277.

This equation indicates that Customer Retention has the strongest influence on Company Image, followed by E-Service Quality and Social Media Marketing.

The findings from the path analysis show that the t-values for all paths exceed 1.96, confirming their statistical significance. Social Media Marketing and E-Service Quality both significantly influence Customer Retention, while all three variables significantly impact Company Image.

The total effect of Social Media Marketing and E-Service Quality on Customer Retention reveals that E-Service Quality has a slightly higher total effect (0.7124) compared to Social Media Marketing (0.687). Meanwhile, the combined and individual effects of Social Media Marketing, E-Service Quality, and Customer Retention on Company Image show that Customer Retention has the largest total effect (0.489), with Social Media Marketing and E-Service Quality contributing 0.3176 and 0.3365 respectively.

The Measurement Model is elaborated further by examining the unidimensional relationships for each latent variable.

The Social Media Marketing measurement model includes sub-variables such as Entertainment (X11), Interaction (X12), Trendiness (X13), Customization (X14), and Word of Mouth (X15). Among these, Interaction (X12) had the highest loading factor (0.854), indicating that it most effectively predicts Social Media Marketing.

For E-Service Quality, the measurement model includes Efficiency (X21), Responsiveness (X22), Compensation (X23), and Contact (X24). Efficiency (X21) had the highest standardized loading factor (0.779), indicating it is the strongest predictor of E-Service Quality.

Customer Retention is measured through Expectation to Repurchase (Y1), Recommend to Others (Y2), and Overall Satisfaction (Y3). The sub-variable Overall Satisfaction (Y3) had the highest factor loading (0.794), making it the best predictor of Customer Retention.

Finally, the Company Image measurement model includes Reputation (Z1), Recognition (Z2), Affinity (Z3), and Brand Loyalty (Z4). Affinity (Z3) had the strongest influence with a loading factor of 0.851, indicating its critical role in shaping the Company's Image.

All sub-variables across the models were statistically significant with t-values greater than 1.96, further supporting the robustness of the measurement instruments used in the study.

Discussion

This study reveals that both Social Media Marketing and E-Service Quality significantly influence Customer Retention and Company Image within e-commerce platforms such as Tokopedia, Bukalapak, Lazada, and Blibli. The analysis indicates that Social Media Marketing contributes 21.90% to Customer Retention, while E-Service Quality accounts for 22.91%. Collectively, these two variables contribute 65.7% to Customer Retention, suggesting that 34.3% of the variance is influenced by other factors not examined in this research.

Despite the valuable insights provided by this research, several limitations must be acknowledged. Firstly, the sample size of 210 respondents may not be sufficiently representative of the entire e-commerce user population in Indonesia. Future research with a larger and more diverse sample could yield more comprehensive results. Secondly, the focus on specific e-commerce platforms limits the generalizability of the findings to other platforms that were not included in the study. Lastly, numerous other factors that could impact

Customer Retention and Company Image, such as pricing, product quality, and user experience, were not explored in this research.

The findings of this study have several practical implications for stakeholders in the e-commerce industry. Companies should enhance their social media marketing strategies by focusing on elements such as entertainment, interaction, and customization to improve customer retention. Additionally, improving the quality of e-service, including efficiency and responsiveness, can help retain customers and enhance the company's image. Furthermore, businesses must pay attention to their brand image on social media and how it influences customer perceptions of their brand.

Future research could take several directions to build upon the findings of this study. Conducting longitudinal studies would provide insights into how the effects of Social Media Marketing and E-Service Quality on Customer Retention and Company Image evolve over time. Additionally, examining the same influences across various e-commerce platforms could offer a broader understanding of market dynamics. Investigating other factors that may affect Customer Retention and Company Image, such as user experience, pricing, and product quality, would provide a more holistic understanding of the e-commerce landscape.

This research highlights the critical role of Social Media Marketing and E-Service Quality in enhancing Customer Retention and Company Image within the e-commerce sector. By recognizing and addressing the limitations of this study, as well as applying the practical implications derived from the findings, companies can better design effective strategies to attract and retain customers. The insights gained from this research can serve as a foundation for future studies aimed at further exploring the intricate relationships between these variables in the ever-evolving e-commerce environment.

As the e-commerce landscape continues to grow and evolve, understanding the factors that influence customer behavior becomes increasingly important. This study contributes to the existing body of knowledge by emphasizing the significance of social media and service quality in fostering customer loyalty and enhancing brand image. By prioritizing these elements, e-commerce businesses can position themselves for long-term success in a competitive market.

CONCLUSION

The results showed that on e-commerce sites like Tokopedia, Bukalapak, Lazada, and Blibli, social media marketing, e-service quality, customer retention, and company image are all in the Good category. The impact of social media marketing on client retention is 21.90%. Customer retention is influenced by e-service quality 22.91% of the time. E-service quality and social media marketing together had a 65.7% impact on customer retention, with variables outside the scope of the study accounting for the remaining 34.3%. In e-commerce, social media has a 5.20 percent impact on a company's image. In e-commerce, e-service quality influences a company's image by 6.00%. The impact of customer retention on company image is 23.9%.

Social media marketing and e-service quality characteristics have a 72.3% impact on customer retention and the company's image, while other factors account for 27.7% of the total.

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