

ABSTRACT

The presence of the internet has changed the pattern of business transaction behavior made many business people are engaged in e-commerce industry. One of e-commerce unicorns in Indonesia is Lazada. The decrease in customer satisfaction affects the decline in Lazada sales with symptoms of increasing customer complaints.

The purpose of this research is to examine the factors that determine the desire of customers' continuance intention on Lazada with research construct in the form of service quality, expectation-confirmation theory, perceived usability, and perceived security.

Data collection was carried out by distributing questionnaires to 400 Lazada customers with incidental sampling techniques. The assessment used to analyze the Structural Equation Modeling is Partial Least Square with two main frameworks, namely the inner model and outer model.

The results of this research indicate that Confirmation has a significant impact toward customer Satisfaction, Service Quality does not have significant impact towards customer Satisfaction, customer Satisfaction has a significant impact toward Continuance Intention, Confirmation has a significant impact toward Perceived Usefulness, Enjoyment, and User Interface, Confirmation has a significant impact toward Perceived Security, Perceived Usefulness and User Interface does not have a significant impact toward customer Satisfaction, but Enjoyment has a significant impact toward customer Satisfaction, Perceived Usefulness does not have a significant impact toward Continuance Intention, but Enjoyment has a significant impact toward Continuance Intention, Perceived Security has a significant impact toward customer Satisfaction.

The results of this research are expected to be used as a comparison with previous research, both supporting and refuting so as to provide a research gap regarding the determinants that affect the customer's continuance intention and for Lazada to make decisions about the determinants of the customer's continuance intention.

Keywords: expectation-confirmation theory, service quality, perceived security, and perceived usability.