

# Assessing the Shopee Consumer Decision Model

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## Abstract

This study seeks to determine the impact of brand awareness, brand loyalty, brand association, and perceived quality, on purchasing decisions made by Shoppes Jawa Barat customers. The non-probability sample method uses purposive sampling, which is based on the criteria of West Java Shopee users and those who make purchases through the website or mobile application (Android). The research sample is 92 respondents. Analysis using multiple linear regression. The results showed that brand awareness, brand loyalty, brand association, and perceived quality have the greatest influence on customer purchasing decisions. These results indicate that the higher the level of brand awareness, brand association, and perceived quality held by Shopee customers in West Java, the more likely they are to make a purchase decision. However, a unique finding is that perceived quality does not play an important role in efforts to increase purchasing decisions for Shoopee products in West Java. In other words, these variables have an important contribution in shaping customer preferences and purchasing decisions.

**Keywords:** Brand Awareness, Brand Association, Brand Loyalty, Perceived Quality, Purchasing Decision

## Introduction

The purpose of the fulfillment business line which includes warehouse storage, goods management, packaging and delivery services is to make it easier for sellers to connect with more customers throughout Indonesia. With this service, sellers can store their stock in the warehouse, manage goods more efficiently, carry out neat packaging, and deliver products to customers quickly and accurately (Nguyen et al., 2022; Yatminiwati et al., 2021). One of the main objectives of this fulfillment business line is to make it easy for the public to use Shopee anytime and anywhere through smartphone technology (Djatkiko & Pradana, 2016; Wahyuni & Sutrismi, 2022). With the Shopee mobile application, customers can easily access the Shopee platform and make purchase transactions online. This app is designed to provide users with a convenient and fast shopping experience (Yo et al., 2021).

Shopee also provides a wide selection of payment methods to meet customer needs and preferences. Available payment methods include credit cards, debit cards, bank transfers, Indomaret, Gopay, Gopay Nanti, virtual accounts, BRI Ceria, BCA Klikpay, Mandiri Clickpay, Linkaja, BRImo and Jenius Pay. With these various payment options, customers can choose the method that best suits their needs and convenience. Apart from that, Shopee also offers a payment method known as COD (cash on delivery). This method allows customers to pay in cash when they receive the products they have ordered. COD is becoming a popular choice for customers who prefer to pay directly upon receipt of goods. With a variety of payment options and flexible shipping methods, Shopee strives to make it easier for customers to transact and use their platform, as well as increase accessibility and convenience for users throughout Indonesia (Supiyandi et al., 2022).

Perceived quality is described as the consumer's assessment of an exceptional good or service (Hussein et al., 2018; Vancasavio & Indriani, 2017; Vuong & Khanh Giao, 2019). By making an attempt to identify quality dimensions that are significant, a positive quality perspective is developed. Performance, features, dependability, and serviceability are all indicators of quality dimension brand (Chahal & Kumari, 2020; Guru & Paulssen, 2020; Vitolla et al., 2019). According to study findings from international market research firms, Shopee is the industry leader in terms of delivery service and

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product quality in Indonesia. The study was based on a survey of 1,051 Indonesian respondents. Most customers believe that e-commerce Shopee's products are of a higher caliber than those of its rivals.

Up to 73% of respondents said Shopee's product quality was good. As a result, OLX 41%, Bukalapak 49%, Shopee 62%, Lazada 63%, and. Ipsos claims that consumers' decisions to choose e-commerce are influenced by the delivery service. The length of delivery, the selection of delivery providers, and the delivery tracking function are things to think about. Based on delivery time, a sizable portion of respondents (52% in total) believe that Shopee offers the e-commerce with the fastest delivery service. followed by OLX 40%, Bukalapak 30%, Shopee 45%, Lazada 43%, and Lazada.

In terms of e-commerce applications, Shopee has more daily active users (also known as DAUs) than Shopee in Indonesia, according to data from SimilarWeb for App Performance (2022). Shopee achieved 33.27 million daily active users in December 2021, whilst Shopee only reached 8.82 million. This demonstrates a level of client loyalty that is higher than Shopee and Shopee. Truth be told, loyal customers are difficult to come by, so it takes time to establish Shopee as the top e-commerce site. Therefore, in an era of fiercer competition, client happiness and loyalty are crucial.

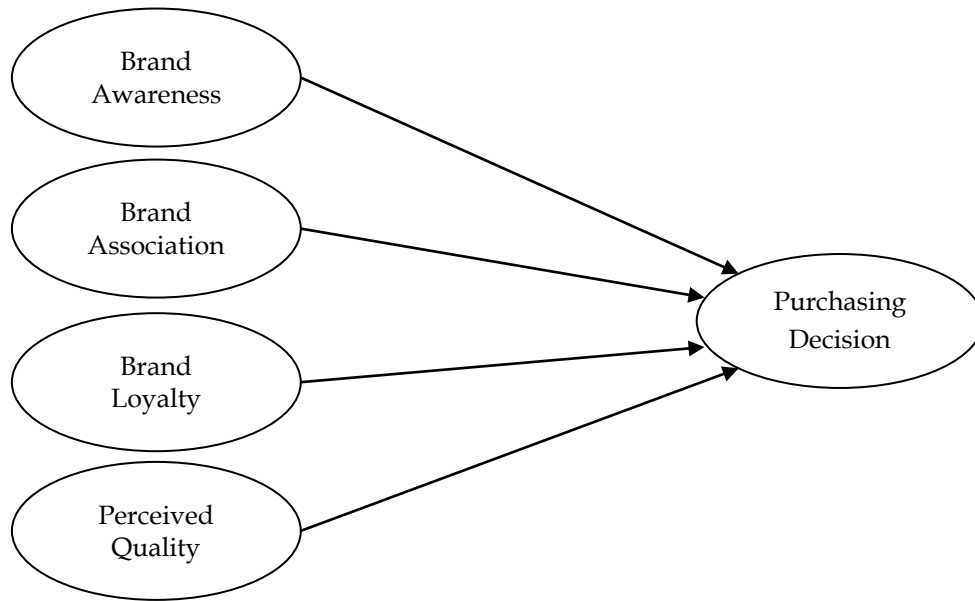
Research on Shopee in West Java has several interests that can provide valuable insights for sellers, consumers and related stakeholders (Rahadi & Wardiman, 2022). By conducting Shopee research in West Java, sellers can gain valuable insights to optimize their business operations, meet consumer needs, and face. Here are some reasons why Shopee's research in West Java is important, namely 1) It will provide an in-depth understanding of consumer behavior, preferences and needs in the region. West Java has unique market characteristics, including different demographic factors, culture and consumer habits. This research can help sellers to better adapt their marketing strategies, product offerings and services, according to local preferences. 2) Research can help identify market opportunities that exist in West Java. By understanding the needs and preferences of consumers in these regions, sellers can identify potential market segments, products of interest and developing buying trends. This can help them adjust their marketing strategy, product stock, and business development to optimize existing market opportunities. 3) Through research, sellers can understand the effectiveness of their marketing strategy in West Java. They can evaluate the performance of advertising campaigns, promotions or other strategies, and gain insights on how to increase brand appeal, brand awareness and perceived quality in the region. This research can help sellers to optimize resource allocation and create more effective marketing strategies. 4) Shopee's research in West Java can also help in understanding customer experience in this region. Research can reveal strengths and weaknesses in customer service, product delivery, or other aspects of the shopping experience on Shopee. With a better understanding of customer needs, sellers can take steps to improve the customer experience and maintain consumer loyalty. 5) Research can provide necessary insights for sellers to develop their long-term business strategy in West Java. This research can help them understand market trends, competition and other factors that affect the success of their business in this area. With a better understanding of the market and consumers, sellers can plan and implement more effective and sustainable business strategies.

## Methods

Study This study examines the impact and perceived quality of shopping decisions in West Java. This kind of research analyzes causal linkages quantitatively. Primary data was obtained from a sample of respondents in a survey. Information documentation that was obtained online through a system from sites that can be held responsible, as well as secondary data from studies of literature-related issues, website traffic, and other sources. The population of this study is Shopee users in West Java.

This research was conducted in West Java, Indonesia. The sampling technique (Abdussamad, 2021) uses a non-probability sampling method. In the non-probability sampling method, the selection of samples is not done randomly, but by using certain criteria that are relevant to the research objectives (Sugiyono, 2016). In this case, the criteria for users who access Shopee through the website or mobile application (Android) and have made purchases before are used as the criteria for selecting respondents. The sample size for this study was 92 respondents. The sample size used in research can vary depending on the consideration of the researcher, research objectives, and available resources. To obtain data, the technique used is to submit a list of questions from a questionnaire to respondents online via the Google Form. The data analysis process in this study includes several stages, namely

validity and reliability testing, linear regression analysis, classical assumption testing, and hypothesis testing. The conceptual model in this study is as follows:



**Figure 1.** Conceptual Model

Source: Development of previous research results (2023)

The hypothesis developed in this study is as follows:

H1: Brand awareness has an effect on purchasing decisions

H2: Brand association influences purchasing decision

H3: Brand loyalty has an effect on purchasing decisions

H4: Perceived quality affects purchasing decisions

## Results and Discussion

To ascertain the impact of brand equity, which includes brand awareness, perceived quality, brand association, brand loyalty, and perceived quality, on purchasing decisions using Shopee, multiple regression analysis is used. The regression equation is derived as follows from Table 1.

**Table 1.** Multiple Linier Regression Analysis

Model	B	t	Sig
Constant	1.582	-	-
Brand awareness -> purchasing decisions	0.317	2.421	0.003
Brand association -> purchasing decisions	0.263	2,556	0.001
Brand loyalty -> purchasing decisions	0.198	0.893	0.257
Perceived quality -> purchasing decisions	0.421	5.221	0.000

Source: Data Processed (2023)

Based on table 1, the results of multiple linear regression analysis are obtained as follows:

$$Y = 1.582 + 0.317BAW + 0.263BAS + 0.198BLO + 0.421PQU$$

From the formula above, it shows that the constant value is 1,582 which means that there is a purchasing decision even without brand awareness, brand association, brand loyalty, and perception quality. The brand awareness coefficient of 0.317 indicates that an increase or decrease in brand awareness will cause an increase or decrease in purchasing decisions of 0.317. The brand association coefficient of 0.263 indicates that an increase or decrease in brand association will cause an increase or decrease in purchasing decision of 0.263. The brand loyalty coefficient of 0.198 indicates that an increase or decrease in brand loyalty will cause an increase or decrease in purchasing decision of 0.198. The perception quality coefficient of 0.421 indicates that an increase or decrease in perception quality will cause an increase or decrease in purchasing decision by 0.421.

The results of hypothesis testing show that the partial influence of brand awareness, brand association, and perception quality on purchasing decisions is accepted. These results provide evidence of the important role of brand awareness, brand association, and perception of quality in efforts to increase purchasing decisions. Meanwhile, the influence of brand loyalty on purchasing decisions is rejected. These results provide evidence that brand loyalty does not have an important role in efforts to increase purchasing decisions.

## **Discussion**

### **The effect of brand awareness on purchasing decisions**

Brand awareness is an important factor in efforts to increase purchasing decisions for Shopee products in West Java, as well as in the overall marketing strategy. This research is proven by several reasons, namely 1) In a competitive business environment such as the e-commerce industry, brand awareness helps Shopee differentiate itself from competitors. By having a high level of brand awareness among consumers, Shopee can stand out and attract the attention of potential buyers, differentiating itself from competitors who may offer similar products or services. 2) Strong brand awareness can build consumer trust. When consumers are familiar with the Shopee brand and have positive experiences with the platform, they are more likely to feel confident about purchasing products through Shopee. This trust is especially important in an online environment where consumers cannot directly see or feel a product before purchasing it. 3) Strong brand awareness can influence consumer purchasing decisions. When consumers have high awareness of the Shopee brand, they may be more likely to choose Shopee as their choice when shopping online. Strong brand awareness can provide consumers with a sense of familiarity, trust and confidence, which can influence their decision to choose and buy products from Shopee. 4) High brand awareness also contributes to the formation of customer loyalty. When consumers have a strong awareness of the Shopee brand and have positive experiences with the platform, they are more likely to return to purchase products through Shopee in the future. This can create long-term relationships with customers, which can increase customer retention and drive business growth.

In an effort to increase purchasing decisions of Shopee products, it is important to build and maintain strong brand awareness. This can be done through effective marketing strategies, including promotion, advertising, use of social media, collaboration with influencers, and positive customer experiences. By increasing brand awareness, Shopee can expand market share, build consumer trust, influence purchasing decisions, and strengthen customer relationships.

### **The effect of brand association on purchasing decisions**

Brand associations play an important role in efforts to increase purchasing decisions for Shopee products in West Java. The research findings show that 1) Brand association can help build a strong brand identity and influence consumer perceptions of the brand. Through positive brand associations, such as a modern, innovative, reliable or affordable brand image, Shopee can gain a special place in consumers' minds and become a more attractive choice. 2) Positive brand associations can help build consumer confidence in the quality of Shopee products. When the Shopee brand is perceived as having a good reputation, consumers are more likely to feel confident and comfortable buying products from Shopee. Strong brand associations with good quality can provide assurance to consumers that they will get quality products when shopping at Shopee. 3) Brand associations can also create an emotional impact on consumers. If the Shopee brand is able to build positive associations with emotions such as joy, satisfaction, or confidence, consumers may be more motivated to choose Shopee as their choice when shopping online. This emotional influence can influence purchase decisions by creating an emotional bond between the consumer and the Shopee brand. 4) Strong brand associations can also contribute to the formation and maintenance of customer loyalty. When consumers have positive experiences with the Shopee brand, they are more likely to develop affinity and loyalty towards the brand. Strong and positive brand associations can increase customer retention, strengthen long-term customer relationships, and encourage customers to choose Shopee consistently.

In an effort to increase purchasing decisions for Shopee products, it is important to build strong and positive brand associations. This can be done through the right marketing strategy, including the use of messages, images, and customer experiences related to the positive associations you want to build. Consistent brand communication, implementing loyalty programs, working with influencers or celebrities, and positive interactions with consumers can also help build strong brand associations.

### **The effect of brand loyalty on purchasing decisions**

Brand loyalty does not play an important role in efforts to increase purchasing decisions for Shopee products in West Java. These findings indicate that despite high efforts to increase brand loyalty, product purchasing decisions at Shopee will remain unaffected. Many consumers visit or buy products because they are cheap or because of other factors, not because they are loyal to the brands they buy. Many consumers perceive that the brands they buy are not authentic.

### **The effect of perceived quality on purchasing decisions**

Perceived quality plays an important role in increasing purchase decisions for Shopee products in West Java. Perceived product quality influences the way consumers assess the value and superiority of a product. The findings show that 1) Consumers tend to choose products with higher quality perceptions. When consumers perceive Shopee products to be of good quality, they tend to be more motivated to buy and choose Shopee as their first choice when shopping online. A positive perception of quality helps build consumer trust and confidence in Shopee products. 2) A strong perception of quality can be a significant differentiating factor between Shopee and its competitors. If consumers perceive Shopee's products to be of higher quality than competitors, that can be a compelling reason for them to choose Shopee over other alternatives. In the fierce competition environment in the e-commerce industry, perceived quality can be a determining factor in winning the competition. 3) The positive perception of quality can affect the reputation of the Shopee brand. If consumers have a good quality perception of Shopee's products, Shopee's brand reputation can improve. A good brand reputation builds consumer trust and loyalty, and helps Shopee attract new customers. 4) Perceived quality is also related to repeat purchases. If consumers are satisfied with the quality of the Shopee products they have purchased, they are more likely to purchase Shopee products again in the future. Positive quality perceptions can form long-term relationships with customers and encourage them to make repeat purchases, increasing customer retention and long-term revenue.

In the context of Shopee, efforts to improve perceived quality include providing clear product descriptions, positive user reviews, attractive product photos and satisfying customer experiences. By paying attention to and improving quality perceptions, Shopee can improve consumer purchasing decisions and strengthen their brand position in the e-commerce market.

## **Conclusion**

The conclusion from the results of this study is that brand awareness, brand association, and perceived quality have an important role in increasing purchasing decisions for Shopee products in West Java. However, a unique finding is that perceived quality does not play an important role in efforts to increase purchasing decisions for Shopee products in West Java. This is important for Shopee product sellers in West Java to continue to improve these three factors. It is suggested that for selling Shopee products in the Java region in an effort to increase brand awareness, brand association and quality perception, sellers in West Java can use various marketing strategies such as online promotion, effective advertising, use of social media, and collaboration with influencers or local communities. Providing a good customer experience and paying attention to customer feedback are also important factors in building positive brand awareness and increasing quality perceptions. By focusing on this, sellers can strengthen their brand presence in West Java and improve consumer purchasing decisions. Suggestions for further research are to identify other factors in an effort to increase purchasing decisions for Shopee products.

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