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THE EFFECT OF PROMOTION AND BRAND AWARENESS ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN E-COMMERCE SHOPEE

Novi Fitria Hermiati¹, Afifah Nur Rimadhani², Surya Bintarti³, Daspar⁴

¹²³⁴Management, Faculty of Economics and Business, Pelita Bangsa University, Jl. Inspeksi Kalimalang No.9, Cibatu, Cikarang Sel., Kabupaten Bekasi, Jawa Barat, 17530, Indonesia

ARTICLEINFO

ABSTRACT

Keywords:

Brand Awareness Customer Loyalty Customer Satisfaction This study aims to examine the effect of promotion on customer satisfaction and customer lovalty, and also to examine the effect of brand awareness on customer satisfaction and customer loyalty, as well as test customer satisfaction on customer loyalty on e-commerce shopee. The sampling method used in this research is probability sampling with purposive sampling technique. The number of samples used was 100 respondents. The population used in this study were students of Pelita Bangsa University Management Study Program class of 2018 who used ecommerce ShopeeThe data obtained was processed using smartPLS (Partial Least Square) software. The tests used are the first outer model analysis inner model analysis, and hypothesis testing. Findings from the structural model there are 4 proven hypotheses and 1 unproven hypothesis. The results of this study prove that the promotion variable has an effect on customer satisfaction, brand awareness has an effect on customer satisfaction, brand awareness has an effect on customer loyalty, and customer satisfaction has an effect on customer loyalty. However, promotion has no effect on customer loyalty.

E-mail: upb.pbisnis@gmail.com

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1. Introduction

Chris Feng founded an e-commerce platform called Shopee in 2015 in Singapore. Shopee company has now expanded its reach in many countries, namely Indonesia, Singapore, Malaysia, Taiwan, Vietnam, Thailand, the Philippines, and also Brazil. From the vision and mission, as well as the existence of a creative marketing team, Shopee company can grow very rapidly compared to Lazada, Tokopedia, Blibli, Bukalapak, JD.ID, and other e-commerce, thus making this marketplace the most widely used in Indonesia. (riniisparwati.com, 2021). Shopee is here to make it easier for its users to sell and shop online for various kinds of products such as fashion, electronics, sports equipment, beauty and others. Shopee also provides facilities for sellers to market their products and provide very safe and easy payment facilities for its users (kredibel.co.id, 2021). Shopee has intensified the Indonesian market since 2015. If the difference between Shopee e-commerce and other marketplaces such as Bukalapak, Tokopedia, Lazada, Blibli and so on, Shopee is among the youngest e-commerce and lacks experience. However, Shopee continues to aggressively promote so that it is able to stand on an equal footing with other e-commerce competitors.

Based on Top Brand Award data in phase 2 2020, there are 3 TOP e-commerce, namely Lazada occupying the first position with a percentage of TBI 2020 of 31.9%, Second Shopee of 20.0%, and third position by Tokopdia of 15.8%. However, in phase 2 of 2021, Shopee now occupies the first position with a percentage of TBI 2021 of 41.8%, followed by Tokopedia at 16.7%, and Lazada at

15.2%. From this data, we can see that in 2021, Shopee is superior to Tokopedia, Lazada, Bukalapak, and Blibli.

Jakpat conducted research on the level of customer satisfaction based on an assessment of 5 criteria, namely promotion, app experience, trusted, assortment and delivery. From these criteria, there were 1,000 respondents in the period 19-25 November 2021. The results of the research stated that out of 837 respondents, Shopee had a customer satisfaction level of 4.47 out of 7 likert scale points. The results of the survey that has been carried out, we can find out that the level of customer satisfaction on Shopee e-commerce is quite high and many Shopee users feel satisfied and happy when shopping online using the Shopee application.

Based on the report obtained from the results of the Jakpat Special Report e-commerce First Semester of 2021 survey using the Net Promoter Score (NPS) parameter used to measure consumer loyalty in e-commerce, Shopee has a high level of loyalty during the first semester of 2021 with an NPS figure of 42%. In order to maintain consumer loyalty, competition on e-commerce platforms has now become very fierce. E-commerce companies must constantly compete for the hearts of consumers.

Loyalty is the customer's willingness to always consume or use products from the company for a long time and use them specifically and then give recommendations of the goods to their relatives or closest people (Lovelock et al., 2016).

Consumer satisfaction is a sense of joy or disappointment possessed by someone who has assessed the performance of a good and service as desired. If the desired performance is not as desired, the result makes a person feel dissatisfied. Vice versa, if it meets expectations, then consumers will feel happy (Kotler & Keller, 2016).

Promotion is an activity to market a good or service with the aim of influencing consumers or potential consumers so that consumers or potential consumers want to buy and use the services offered (Belch, G. E., & Belch, 2017). Promotion is a form of communication that informs about a good or service offered to influence potential consumers to use the item (Alma, 2018).

Brand Awareness is a general goal in marketing communication, by having a large level of brand awareness needed whenever there is a need, the desired brand of goods will reappear through memory or awareness then make a consideration with various alternatives or other choices in making decisions (Firmansyah, 2019). From this explanation, we can know that brand awareness can form a memory in the minds of consumers. When consumers want to buy a product or service, they will definitely remember the brand or brands they are familiar with. Therefore, Brand Awareness was created to optimize marketing strategies to increase business growth.

With the use of Promotion and Brand Awareness in e-commerce Shopee continues to be developed to create a competitive advantage in the e-commerce industry. This can make consumers to choose Shopee as an e-commerce site that they want to use to buy a needed goods or services and make Shopee e-commerce one of the largest marketplaces in Southeast Asia and also Indonesia.

2. Research Methods

The research method used is quantitative which is associative. The research instrument was carried out using observation, interviews, and documentation. The informants are determined and determined based on the number needed, but based on consideration of the function and role of information according to the focus of the research problem. So that the informants in the research were 100 people who were students of Pelita Bangsa University and users of Shopee. While the data analysis technique used is SEM-PLS analysis.

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3. Results and Discussion

The following hypothesis testing results values from the bootstrapping method significant test are presented in the following table.

TABEL 1
RESULT HYPOTHESIS TEST PATH COEFFICIENTS

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	Original Sampling	Sample Mean	Standard Deviation	T Statistics	P Values	Information
	(0)	(M)	(STDEV)	(10/31064)	values	
X1 ® Y	0.272	0.283	0.119	2.287	0.023	Accepted
X1 ® Z	0.061	0.060	0.115	0.535	0.593	Rejected
X2 ® Y	0.522	0.504	0.085	6.128	0.000	Accepted
X2 ® Z	0.431	0.432	0.114	3.778	0.000	Accepted
Y ® Z	0.368	0.369	0.095	3.851	0.000	Accepted

Based on the results of the hypothesis test in the table above, it can be seen that the first hypothesis is the effect of Promotion (X1) on Customer Satisfaction (Y). The p-values value of less than 0.05, namely Promotion (X1) have a positive and significant effect on Purchase Satisfaction (Y) with a p-value of 0.023 with a t-statistic of more than 1.96, namely 2.28. This means that the hypothesis proposed by the researcher is accepted, namely that there is a significant influence between promotions on Shopee customer satisfaction.

The second hypothesis is the influence of Brand Awareness (X2) on Customer Satisfaction (Y). The p-values value of the variable has a value of less than 0.05 which states Brand Awareness (X2) has a positive and significant influence on Purchase Satisfaction (Y) with a t-statistical value of more than 1.96 which is 6.12. This means that the hypothesis proposed by the researcher is accepted, namely that there is a significant influence between brand awareness on Shopee customer satisfaction.

The third hypothesis is the effect of Promotion (X1) on Customer Loyalty (Z). The p-values value of more than 0.05 which states the Promotion (X1) has a positive but insignificant influence on Customer Loyalty (Z) with a p-value of 0.593 with a t-statistical value of less than 1.96 which is 0.535. This means that there is no significant influence between promotions and Shopee customer loyalty.

The fourth hypothesis is the influence of Brand Awareness (X2) on Customer Loyalty (Z). The p-values value of the variable has a value of less than 0.05 which states Brand Awareness (X2) has a positive and significant influence on Customer Loyalty (Z) with a t-statistical value of more than 1.96 which is 3.77. This means that the hypothesis proposed by the researchers is accepted, namely that there is a significant influence between brand awareness and Shopee customer loyalty.

The fifth hypothesis is the effect of Customer Satisfaction (Y) on Customer Loyalty (Z). The p-values of the variable have a value of less than 0.05 which states Customer Satisfaction (Y) has a positive and significant influence on Customer Loyalty (Z) with a t-statistical value of more than 1.96 which is 3.77. This means that the hypothesis proposed by the researchers is accepted, namely that there is a significant influence between customer satisfaction and Shopee customer loyalty.

3.1 The Effect of Promotion (X1) on Customer Satisfaction (Y)

Based on the results of this study through SmartPLS states that promotions have a positive and significant influence on customer satisfaction. The results of this study are relevant to the findings of previous researchers, namely Furi Indriyani & Helling, (2018) who examined Promotion towards Tokopedia Customer Satisfaction which stated that promotion has a positive and significant effect on customer satisfaction. The results of this study are also relevant to the findings of researchers Pramesti et al., (2021) who examined E-commerce Promotions against Shopee Consumer Library which stated that promotion has a positive effect on Shopee consumer satisfaction.

In this research, the promotion variable to customer satisfaction had a p-value of less than 0.05, which was 0.023 with a t-statistic of more than 1.96, namely 2.287. This shows that the promotional impact on customer satisfaction is significant and has a positive influence which can be seen from the

original sampling path coefficients value which is above 0.272. It can be concluded that the better the promotion carried out by Shopee, the more satisfied customers will be using Shopee.

From the results of the effect size test in this study, the magnitude of the influence of promotion on customer satisfaction is relatively small. This means that marketing activities through promotions carried out by Shopee have little effect on making customers satisfied shopping at Shopee. Promotion is one of the important variables for a company to do to market its products and services. Promotional activities are carried out by Shopee by providing various kinds of free shipping vouchers and extra cashback, Shopee also provides easy payment tools such as shopeepay and shopeepaylater, as well as advertising its products and services through social media so that it can make it easier for consumers to buy the products they want, but this still does not attract the attention of consumers. Although in this study the promotion variables have a small influence, it does not rule out the possibility of making consumers have satisfaction when using Shopee.

3.2 The Effect of Brand Awareness (X2) on Customer Satisfaction (Y)

Based on the results of this study through SmartPLS, it is stated that brand awareness has a significant influence on customer satisfaction. The results of this study are relevant to the findings of previous researchers, namely Stepahanus Ariowibowo et al., (2018) who examined Brand Awareness towards Customer Satisfaction and stated that brand awareness partially has a positive and significant effect on customer satisfaction. The results of this study are also relevant to the findings of researchers Fani Novita Putri & Darmawan, (2019) who examined Brand Awareness of Customer Satisfaction which states that brand awareness has a positive effect on customer satisfaction the body shop in Jakarta.

In this research, the brand awareness variable for customer satisfaction had a p-value of less than 0.05, which was 0.000 with a t-statistic of more than 1.96, namely 6.128. This shows that brand awareness of customer satisfaction has a significant effect and has a positive influence which can be seen from the original sampling path coefficients value which is above 0, which is 0.522. It can be concluded that the better the brand awareness created or created by Shopee, the more satisfied customers will be using Shopee.

From the results of the effect size test in this study, the magnitude of the influence of brand awareness on customer satisfaction is classified as medium. This means that brand awareness created by Shopee has enough influence to make customers satisfied shopping at Shopee where consumers have brand awareness in their minds to always remember Shopee.

3.3 Promotion (X1) Against Customer Loyalty (Z)

Based on the results of this study through SmartPLS states that promotions have an insignificant influence on customer loyalty. The results of this study are irrelevant to the findings of previous researchers, namely Noor Alisya Septiana & Nosita, (2020) who researched promotions on Marketplace Customer Loyalty and stated that promotion has a significant effect on Marketplace customer loyalty. The results of this study are also irrelevant to the findings of researchers Salman Farisi & Siregar, (2020) who examined the Promotion of Customer Loyalty of Online Transportation Service Users in Medan City which stated that promotion has a significant influence on customer loyalty.

In this research, the promotion variable for customer loyalty had a p-value of more than 0.05, which was 0.593 with a t-statistic of less than 1.96, namely 0.535. This shows that the promotional impact on customer loyalty is insignificant but has a positive influence which can be seen from the original sampling path coefficients value which is above 0.061. It can be concluded that the promotion carried out by Shopee is still unable to make customers loyal to the brand.

From the results of the effect size test in this study, the magnitude of the influence of promotion on customer loyalty has no influence. This means that the promotion carried out by Shopee is still not successful, judging from the results of the tests that have been carried out in this study, promotions

have no influence on making customers loyal to Shopee e-commerce. This means that Shopee has not succeeded in making consumer confidence so that consumers are loyal to Shopee. To make customers loyal to Shopee, companies must be able to carry out promotions that can attract consumers and can compete with other e-commerce.

3.4 Brand Awareness (X2) Towards Customer Loyalty (Z)

Based on the results of this study through SmartPLS, it is stated that brand awareness has a significant influence on customer loyalty. The results of this study are relevant to the findings of previous researchers, namely Desak Made Febri Purnama Sari, (2018) who examined Brand Awareness of Smartphone Product Customer Loyalty which stated that Brand Awareness has a positive and significant effect on Customer Loyalty. The results of this study are also relevant to the findings of researcher Amelia, (2018) who examined Brand Awareness towards Customer Loyalty which stated that there is a significant influence between brand awareness on customer loyalty of Kangaroo spring bed products at Toko Prioritas, Pekanbaru.

In this study, the brand awareness variable for customer loyalty had a p-values of less than 0.05, which was 0.000 with a t-statistic of more than 1.96, namely 3.778. This shows that brand awareness of customer loyalty has a significant effect and has a positive influence which can be seen from the original sampling path coefficients value which is above 0,0.431. It can be concluded that the better the brand awareness created or created by Shopee, the more loyal customers will be to shop using Shopee e-commerce.

From the results of the effect size test in this study, the magnitude of the influence of brand awareness on customer loyalty is classified as medium. This means that the brand awareness created by Shopee has enough influence to make loyal customers shop at Shopee where consumers have brand awareness in their minds to always remember and use Shopee.

3.5 Customer Satisfaction (Y) Towards Customer Loyalty (Z)

Based on the results of this study through SmartPLS states that customer satisfaction has a significant influence on customer loyalty. The results of this study are relevant to the findings of previous researchers, namely Iis Kartini, (2021) who examined consumers' impact on loyalty in online shopping at Shopee which stated that there is a positive influence on consumer satisfaction on consumer loyalty in shopping online at Shopee. The results of this study are also relevant to the findings of researcher Soni Suntani, (2018) who examined the Effect of Customer Satisfaction and Its Impact on Customer Loyalty which states that there is a significant influence on customer satisfaction on hotel customer loyalty.

In this research, the variable of customer satisfaction with customer loyalty had a p-value of less than 0.05, which was 0.000 with a t-statistic of more than 1.96, namely 3.851. This shows that the impact of customer satisfaction with customer loyalty has a significant effect and has a positive influence which can be seen from the original sampling path coefficients value which is above 0.368. It can be concluded that the better the customer satisfaction created by Shopee, the more it makes customers loyal and feel satisfied to shop using Shopee e-commerce.

From the results of the effect size test in this study, the magnitude of the influence of brand awareness on customer loyalty is classified as medium. This means that customer satisfaction created by Shopee has enough influence to make loyal customers shop at Shopee where consumers have a sense of satisfaction and are happy to shop using Shopee e-commerce.

4. Conclusions

Based on the results and discussions in the study, it can be concluded that promotion has a positive and significant influence on customer satisfaction, brand awareness has a positive and significant influence on customer satisfaction, promotion does not have a significant influence on customer

loyalty, brand awareness has a significant influence on customer loyalty and customer satisfaction has a significant influence on customer loyalty.

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