

CHAPTER 1

INTRODUCTION

1.1 Research Object Overview

1.1.1 Company Profile



Figure 1. 1 Shopee's Logo

Source: Shopee.co.id

Shopee was first launched in Singapore as a follower of the mobile-centric marketplace social. After that, Shopee, based in Singapore, expanded to ASEAN countries, including Taiwan, Malaysia, Thailand, the Philippines, and Indonesia. In Indonesia alone, Shopee entered at the end of May and began operating in June 2015. Shopee was founded by Forrest Li., a CEO and founder of SEA Ltd, known as the Garena Group, based in Singapore, Indonesia. Chris Feng is an essential figure behind the history of the founding of Shoppe and CEO, who is the best graduate of a university in Singapore.

Shopee entered Indonesia in December 2015. Shopee Indonesia has two head offices in Pacific Century Place Tower SCBD, South Jakarta City, and Sahid J-Walk, Sleman Regency, Special Region of Yogyakarta. Since its launch, Shopee Indonesia has experienced very rapid development; even until October 2017 over 43 million users have downloaded the application.

As a company engaged in website and applications e-commerce, Shopee provides a shopping experience online that is easy, secure, and fast through payment and strong fulfillment support for customers. Initially, Shoppe carried a mobile marketplace business, Customer to Customer (C2C) but later switched to a

hybrid model, and currently, Shoppe serves as Business to Customer (B2C). Shoppe believes that shopping online must be accessible, easy, and fun and can be accessed via a smartphone, either using an application or visiting the Shoppe website.

The Shoppe marketplace has various features and services, including:

a. Free shipping

The free shipping feature allows users to use this service to purchase product delivery services for free. For sellers, this feature can increase consumer purchasing power because this feature is attractive to buyers who want goods sent free of charge. Sellers can easily register their shop with the free shipping feature on Shoppe. It takes a few days to activate this free shipping feature, and if it has been approved, the free shipping logo will appear on the product post. The Shoppe delivery service selection system will update automatically, and you can choose the best service. The selection will be adjusted to the estimated delivery time and capacity so that users can receive orders more quickly and get cheaper shipping costs. Shoppe users can still choose the delivery service they want within one hour after the order is “Plated” and before the seller processes it.



Figure 1. 2 Delivery Services at Shoppe

Source: seller.shopee.co.id

b. Payment Method

Not only providing a low-cost online shopping experience, Shopee also offers the convenience of payment with ShopeePay, which is fast and secure so that the consumer's online shopping experience will be easier and more comfortable. Regarding payment for goods, Shopee offers various payment features: Shopee Pay, Shopee Pay Letter, SeaBank, Bank, COD (Cash on delivery), direct payment by Indomaret, and Alfamart.



Figure 1. 3 Payment Methods at Shopee

Source: seller.shopee.co.id

c. Cashback And Voucher

Cashback and Voucher are future that give a discount when purchasing goods. Cashback at Shopee There are two types: in the form of Shopee Pay or the state of Shopee Coins. Both can be used for further spending cuts. To get this feature, it is enough to claim at the time of the offer, and when checking out, the user enters vouchers before agreeing to payment.

d. Shopee Live

As an online shopping site committed to providing a comfortable, fast, and cheap shopping experience, Shopee in collaboration with

thousands of sellers throughout Indonesia provides various needs at low prices and attractive promo codes. Sellers use Shopee Live to sell their products directly to the audience who are watching them.

e. **Shopee Game**

Various types of games can be played at Shopee, starting from Goyang Shopee, Shopee Cut, Shopee Goyang Finger, Shopee Poli, Shopee Planting, Shopee Candy, Shopee Throw, and the latest Shopee Candy and Shopee Link. Shopee Games give many rewards. These range from Shopee coins and various vouchers to attractive prizes such as Smartphones for users who have reached the target set by Shopee.

f. **Shopee Pinjam**

One of Shopee's new features in 2020 is Shopee Borrow. This feature provides a credit limit for cash loans that can be used for specific purposes. The size of the credit limit will depend on the assessment or credit scoring and customer due diligence made by the lender.

1.1.2 Vision and Mission

1. **Shopee Vision**

"Become mobile marketplace number 1 in Indonesia"

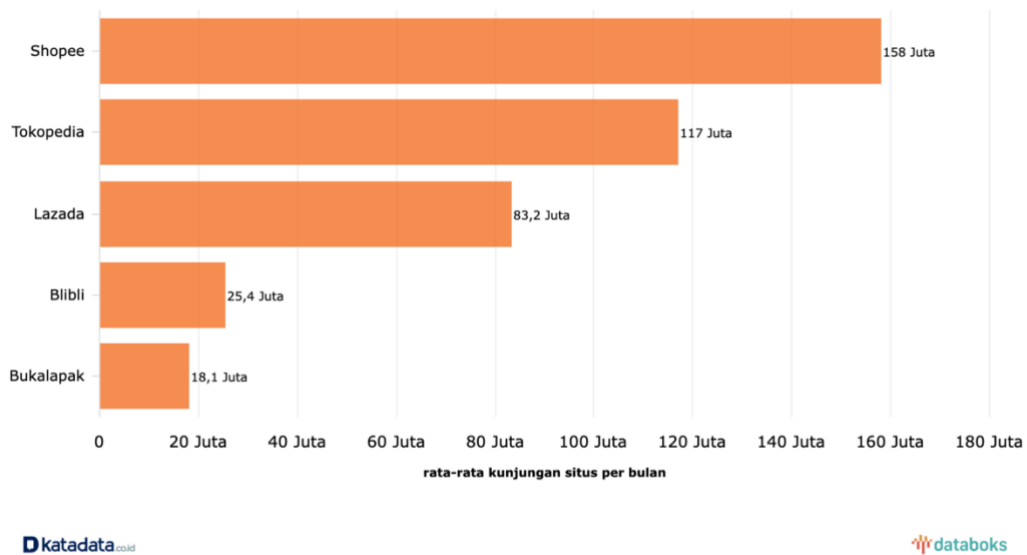
2. **Shopee Mission**

"Developing an entrepreneurial spirit for sellers in Indonesia"

1.2 Background of Study

The development of technology and information in the form of media online is currently proliferating. This can be seen in Indonesia's increasing number of internet users ranging from children, teenagers, students, and parents (adults) Schrum and Levin (2013). Everything can be obtained from media online, including information that supports activities in the world of commerce which is often also called e-marketplace. The trend has become a new phenomenon in the shopping paradigm in Indonesian society today Sari, Utama, and Zairina (2021). People prefer

shopping online to visiting the store directly to buy the goods they want. Moreover, communicating products and services through online shops is now done mainly by marketers. The trend of shopping online gives rise to many marketplaces emerging in Indonesia Teofilus, Sutrisno, HONGDIYANTO, and WANANDA (2020), including Shopee, Lazada, Tokopedia, Bukalapak, Blibli, Zalora, JD ID and so on. One of the marketplaces that is quite popular today in Indonesia is Shopee. Shopee is a marketplace that sells goods through an application that must be connected to the Internet.



Sumber : Similarweb, April 2023

Figure 1. 4 Five E-commerce with the Most Visitors in the First Quarter of 2023

Source: Databoks 2023

Based on Similar Web data, Shopee is the e-commerce site with the highest website visits in Indonesia in the quarter I 2023. During January-March this year, the Shopee website achieved an average of 157.9 million monthly visits, far surpassing its competitors. During the same period, the Tokopedia site received an average of 117 million visits, the Lazada site 83.2 million visits, the BliBli site 25.4 million visits, and the Bukalapak site

18.1 million visits per month. (Read: Early 2023, Indonesian E-Commerce Visitors Decreasing) If you look at the monthly trend, visits to the 5 e-commerce sites tend to decrease in January-February 2023. However, in March 2023 the trend rose again along with the arrival of Ramadan 1444 Hijri. Throughout March 2023, visitors to the Shopee website increased by around 10% compared to the previous month (month-on-month/mom). Visits to the site Tokopedia also increased by around 6% (mom), Lazada site visitors increased by 13% (mom), and Blibli website visitors grew by 5%. (mom). Different trends only occur in Bukalapak. In March 2023 visits to the Bukalapak site are still the same as the month previously. The Chairman of the Board of Trustees of the Indonesian E-Commerce Association, Rudiantara, thinks that e-commerce is still a problem support for the domestic digital economy in 2023. "More than half of the digital economy comes from e-commerce. Even this year it is estimated that e-commerce (transactions) can reach IDR 600 trillion to IDR 700 trillion for all types of e-commerce; said Rudiantara, reported by Antara, Monday (23/1/2023). (Read: Once Down, E-Commerce Visitors Rise Again during Ramadan)

As we already know, with the development of technology and information, many online shops are now popping up in various circles, from teenagers to adults. The goods offered differ, from food to household appliances, lifestyle, electronic products, etc. All these products are sold online through websites, social media, and online stores in various marketplaces.

According to Astuti and Amanda (2020) Marketing is the main key to a business or business that can run well and market its products well too. A company needs to pay attention to the marketing aspects and the level of customer satisfaction, or the company will be able to run well. According to Kotler (2016) Purchase decision is the act of consumers buying or not buying a product/service. From various factors that influence the consumer in purchasing a product or service, consumers usually consider the public

already knows the quality, price, and product. Another statement regarding purchase decisions, according to Schiffman and Kanuk (2016). The purchase decision is selecting an option from two or the alternative. Based on the definition above, it was concluded that purchase decisions are consumers' actions to purchase a product. Therefore, consumer purchase decision-making selects one of several alternatives to solve the problem by real actions. After that, consumers can evaluate options and then determine the decision to be taken.

In consumers' minds, purchase decisions for a product do not just happen but require a process. The decision-making process to buy a product starts with problem recognition, information search, and evaluation of several alternatives, which will create a purchasing decision and the formation of post-purchase behavior Kotler and Keller (2016) Brand plays an important role in marketing. There is a big difference between products and brands. Product is only something produced by the factory, whereas according to Aaker (2018) brand is something consumers buy. If competitors can easily copy a product, the brand always has a uniqueness that is relatively difficult to trace Tjiptono (2008). The brand is a seller's promise to consistently provide the buyer with certain features, benefits, and services. The best brands provide quality assurance Rangkuti (2006). Brand awareness is the ability of consumers to identify a brand in different conditions, which can be done with brand recognition and recall of a particular brand. Brand awareness is enhanced by increasing brand familiarity through repeated exposure to familiarize consumers with the brand Huang, Yen, Liu, and Chang (2014).

In making a purchase decision, consumers also pay attention to a brand's image. Brand image is an association or perception of consumers based on their memories of a product. Brand image is not contained in the features, technology, or product type itself; the image arises because of advertising, promotion, or users. Through brand image, consumers can recognize products, evaluate quality, reduce purchasing risks, gain certain

experiences, and get a certain satisfaction from a product Lin (2007). Each customer might have a different response to the company or brand image. Brand image is the public perception of the company or its products. The image is influenced by many factors that are outside the company's control. An effective image will affect three things: strengthening the character of the product and the proposed value, conveying the character differently so it is not confused with the character of competitors, and providing emotional strength that is more than just a mental image. To function the image must be conveyed through every available means of communication and brand contact Kotler and Keller (2016).

One of Shopee's problems is that as a marketplace platform user, you expect fast assistance from related parties when there are problems, but customer support from Shopee itself still needs to be improved. it took a while to get a reply. sometimes, some cases of reply customers don't help, so problems that should be resolved quickly take a long time to complete. to create good brand awareness and influence their repurchase intention. customer service problems and some products need to be resolved and are important things that must be improved so that the perceived quality is maintained to create a sense of comfort. Therefore, this research will discuss **“The Influence of Brand Awareness on Repurchase Intention with Perceived Quality as Mediation Variable on Shopee Indonesia.”**

Based on the background and formulation of the problem, the formulation of the problem in this study includes:

1. Does Shopee's Marketplace Brand Awareness Affect Product Repurchase Intentions?
2. Does Shopee's Marketplace Brand Awareness Affect the Perceived Quality?
3. Does Shopee's Marketplace Perceived Quality Affect the Repurchase Intention?

1.3 Research Objectives

1. To analyze the effect of Shopee Marketplace Brand Awareness on Repurchase Intention.
2. To analyze the effect of Shopee Marketplace Brand Awareness on Perceived Quality.
3. To analyze the effect of Shopee marketplace Perceived Quality on Repurchase Intention.

1.4 The Benefit of Research

1.4.1 Academic

The resources show to add information and reference reading to increase developmental knowledge of marketing management science studies, especially regarding brand awareness.

1.4.2 Practical

The resources shown to be useful as an evaluation for Shopee Indonesia companies in establishing marketing policies, especially on brand awareness.

1.5 The Systematics of Final Project Writing

Contains systematics and brief explanations of research reports consisting of Chapters I to V in the research report.

a. CHAPTER I INTRODUCTION

This chapter is a general, concise, and concise explanation that accurately describes the content of the research. The contents of this chapter include an overview of the research object, research background, problem formulation, research objectives, research benefits, and final project writing systematics.

b. CHAPTER II LITERATURE REVIEW

This chapter contains theories from general to specific, accompanied by previous research and followed by a research framework ending with hypotheses if needed.

c. CHAPTER III RESEARCH METHODS

This chapter outlines the approaches, methods, and techniques used to collect and analyse findings that can answer the research problem. This chapter includes a description of:

d. CHAPTER IV RESEARCH RESULTS AND DISCUSSION

The results of the research and discussion are systematically described in accordance with the formulation of the problem and research objectives and are presented in separate sub-headings. This chapter contains two parts: the first part presents the research results and the second part presents a discussion or analysis of the research results. Each aspect of the discussion should start from the results of data analysis, then be interpreted and then followed by drawing conclusions. In the discussion, it should be compared with previous studies or relevant theoretical foundations.

e. CHAPTER V CONCLUSIONS AND SUGGESTIONS

Conclusions are answers to research questions, then become suggestions related to the benefits of research.