



The Effect of Brand Image on Shopee's Customer Loyalty

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Abstract. This era has entered digitalization, and many services are digital, for example, digital shopping. The service provider is commonly referred to as e-commerce. Many Indonesian digital shoppers use Shopee, the largest e-commerce with a good brand image and many loyal users. Based on the applied theory, this research described that e-commerce's customer loyalty was affected by brand image. As causal research, the authors survey 58 Shopee users as respondents. The data analysis technique is a simple linear regression used SPSS version 26 to find a relation or effect between variables. This research describes that brand image significantly impacts e-commerce customer loyalty.

Keywords: Brand Image · Customer Loyalty · E-Commerce

1 Introduction

Marketing experts believe that customer loyalty is more than just repurchasing behaviors [1]. Loyalty is a commitment that a person holds to keep buying and always support the product or service that they have for a long time, no matter the influence of the situation, and that has the potential to cause customers to switch [2]. According to Cristopher and Lauren, loyalty is a sense of volunteering from the customer to continue subscribing to a store or some brand for a long time with still buying or using a product or service repeatedly and supporting it by recommending the store or a brand that likes to others [3]. Customer loyalty can appear when a customer feels satisfied with the product or service a brand provides, and then there will be a feeling of gratitude to continue subscribing [4]. The concept of industry 4.0 focuses on research and innovation activities, architectural references, standardization, and security network system [5]. This new technology has developed rapidly from year to year until now. It has paved the way for the 4.0 revolution as a long process in economic and industrial development [6]. This 4.0 era brought a radical change in business process management through the internet. The internet is one of the very rapid and revolutionary technological developments, and it is undeniable that the current technological developments are, on average fundamental need for everyone around the world [7]. The internet is a collection of worldwide computer networks that

are interconnected with each other [8]. Utilizing the internet will make the network between worlds united in or can be called one global village [9].

Brand image is an association of all available data or information about the products, services, and related companies of the brand in question [10]. When a brand image can build the product's character and provide a *value proposition*, then convey the nature of the product to its customers uniquely. The brand has given more emotional force than the product's rational power, making customers associate positive things in their minds when thinking about the brand [11]. E-commerce is a digital business carried out online and focuses on individual-based transactions using internet technology to exchange products or services. One of the critical things about e-commerce is how to offer an opportunity so that the market products and services provided can increase the number of potential customers by getting rid of geographical problems or a problem of the distance of the place between the seller and the buyer [12]. Another definition of E-commerce is an application for shopping carried out online or through the internet [13]. Based on this, one example of e-commerce in Indonesia is Shopee, the trading site that has succeeded in dominating the Indonesian market. Shopee made the best e-commerce by occupying the top position in 2020, with a very large number of visitors, reaching 71.53 million. 77% of women shop using Shopee, while 52% of men use it. Whereas in other e-commerce such as Tokopedia, many men use this platform from a percentage of 22%, and for women, only 9%. In terms of age, Shopee users are mainly from some young people group with a range of 19–24 years old, other platforms such as Lazada with the age of under 19 years, then Bukalapak and Tokopedia mainly consist of the 35-year-old group [14]. In addition, in 2022, based on the BUMO indicator results, 54% of respondents chose Shopee, followed by Tokopedia and Lazada, with 30% and 13%. Based on the information obtained, the author made this study entitled "The Effect of Brand Image on Shopee's Customer Loyalty". This study was conducted to 1) Determine the influence of brand image on Shopee customer loyalty and 2) measure how much influence brand image has on Shopee customer loyalty.

1.1 Brand Image

A good brand image will attract consumers to make transactions or purchases of a product; a brand image with a more significant influence will create a good impression or picture on a person's memory of a product or service belonging to a brand. On the other hand, if the price of the product is affordable, it can encourage consumers to make purchases because consumers usually tend to prioritize relatively inexpensive products. Consumers also do not ignore the quality of the product even though the price of a product remains cheap; product quality is a priority for consumers before making a purchase and is no exception in terms of choosing to use the services or products of financial institutions [15]. Brand image is a person's perception of a brand as a reflection that is present in the person's mind [16]. Another definition of brand image is the perception and belief of the many brand associations that come to the consumer's mind. Brand image is an association that arises in the senses or minds of consumers when remembering a particular brand [17].

Brand Image will always ensure attitudes and actions in consumers. Consumers assume that a brand will affect a preference for the brands in front of them. Choosing

a brand that suits your wants and needs is a consumer's goal. A positive perception will be formed from the quality of a brand; if the consumer's perception of a product is negative, it will make the product will not last long [18]. From a consumer point of view, the brand image is undoubtedly used as an indicator when choosing an item. The brand image is an expression given by consumers of the products or services of a brand. Brand image can also be called the public's perception of the company and its products, or an image, similarity of the core impression, outline, or shadow of a person towards something [19]. Brand image is a set of beliefs about a good or service in a brand. Brand image is measured through the indicators, which are: 1) a memorable brand, 2) easy to recognize, 3) trusted brand, 4) popular, and 5) modern. A memorable brand describes that logo should be easy for the public to remember. Easy to recognize means that the public should easily notice it. A trusted brand means it is the brand that consumers can trust. A popular brand means that it is a brand recognized by the public. A modern brand described that it is always on the customer's mind. The results showed that the brand image could influence customer loyalty. In other words, customer loyalty is an antecedent of brand image [20].

1.2 Customer Loyalty

Customer loyalty can be called a commitment of a customer to continue subscribing or repeatedly buy a product or service that is consistent until the future, although with many challenges that may cause a change of mind. Consumer loyalty guarantees competitive quality, growth, profit, and sustainability in the long term for the company [21]. A sense of loyalty can be formed due to a sense of satisfaction and some complaints. Customer loyalty can also be called a strong commitment held by consumers to continue to repeatedly subscribe to the brand or store they like to protect it in the future no matter the obstacles that can change the commitment held. The characteristics of loyal customers could be reflected in 1) repurchasing twice or more, 2) habits, 3) always love, 4) convince, and 5) recommendation [22]. They may have purchased the same product twice or two different products or services on two or more occasions. Habits of consuming products consumers who always buy products regularly. They'll purchase, but we're not sure enough yet. Always love the product, be proud to use the product, and make the relationship mutually beneficial. Convinced that the product is the best to buy whatever the company sells and can use, it has a solid and sustainable relationship making it immune to competitors. Recommending such products to others is encouraging others to buy. Then talk about doing marketing and bringing customers to the company.

Other indicators of customer loyalty are 1) repurchase, 2) retention, and 3) referrals [23]. Repurchase Indicates the loyalty of a consumer who shows loyalty by making repeated purchases of a product or service on the preferred brand. This indicates the existence of a relationship or attachment. Retention is about the resilience of customer loyalty to bad things or bad influences on the preferred brand or store [1]. Customers who have strong endurance will not be easily influenced by the presence of new competitors. Referrals in this situation, a loyal customer can willingly recommend a product of the preferred brand or take it to the closest people.

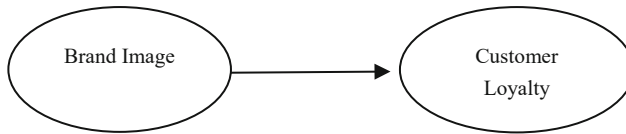


Fig. 1. Research Framework

2 Method

2.1 Hypothesis

The type of research used here is a type of causal research. Causal research is a study that determines independent variables (affecting) and dependent variables (influenced) whether causal attachments will exist [24]. The acquisition of data on this causal research design is by the survey. The survey method in collecting data is to circulate a questionnaire. The questionnaire used is in the form of structured questions. A questionnaire is a written form of a set of questions to obtain the required amount of data [25]. In this study, the measurement scale used was the Likert scale. The Likert scale is one of the measurement methods that are usually used to measure a person's perception, opinion, and attitude, individually or in a group.

This research was conducted to determine the influence of the independent variable, brand image, on the dependent variable, customer loyalty. Based on this description, the effect of brand image on customer loyalty has the frame of mind as shown in Fig. 1.

The development of hypotheses or basic assumptions is a temporary answer to a problem of a presumptive nature since it still has to be proven true. The answer conjectures that the truth is temporary, which will then be tested for validity through data collected through research. The hypothesis of this study

H_0 : Brand image has no significant effect on Shopee's customer loyalty.

H_a : Brand image has a significant effect on Shopee's customer loyalty.

2.2 Sample and Data Collection

The population is a generalized field consisting of an analysis unit with a certain number, and characteristics that the researcher has determined are then examined and decided in conclusion. The target population in this study is users of Shopee platform services that are unknown exactly. A part has the size and characteristics of the population. Purposive sampling is sampling by considering specific criteria [26].

$$N = 50 + 8m$$

$$N = 50 + 8(1)$$

$$N = 58$$

The number of samples used in this study was 58 shopee application users. The criteria for respondents determined in this study were men and women who used the Shopee platform from all ages. This data will be processed using the Statistical Product and Service Solution (SPSS) application.

3 Result and Discussion

3.1 Result

The first analysis is carried out to determine the regression coefficient’s value on brand image and customer loyalty. Table 1 shows a correlation between the brand image and customer loyalty with several 0.684 and a sig value of 0.000. The value is less than 0.005, which is expressed positively and significantly related. This data shows that customer loyalty will increase if the Brand Image is effectively influential. The value of the correlation relationship is 0.684, which indicates a high level of correlation.

For the sake of knowing whether the brand image affects customer loyalty. In this study, the main hypothesis will be tested: H_a : brand image affects Shopee’s customer loyalty. If the signification value is $0.00 < 0.05$, then H_a is accepted and can be widely applied outside the research focus (Table 2).

After analyzing the theory and research results above, the researchers concluded that it affects customer loyalty to brand image, with a total of 46.8%. Customer loyalty will also increase if the brand image has a significant influence (Fig. 2).

The researcher also managed to answer the formulation of the problem as follows: 1) there is an influence of brand image on customer loyalty, and 2) Brand Image affects

Table 1. Correlations

Correlations			
		Consumer Loyalty	Brand Image
Pearson Correlation	Consumer Loyalty	1.000	.684
	Brand Image	.684	1.000
Sig. (1-tailed)	Consumer Loyalty	.	.000
	Brand Image	.000	.
N	Consumer Loyalty	58	58
	Brand Image	58	58

Table 2. ANOVA

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1264.977	1	1264.977	49.349	.000 ^b
	Residual	1435.454	56	25.633		
	Total	2700.431	57			

a. Dependent Variable: Consumer Loyalty

b. Predictors: (Constant), Brand Image

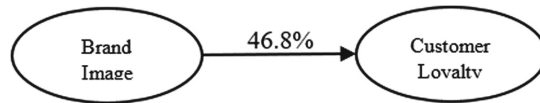


Fig. 2. Research Framework

Customer Loyalty by 46.8%. Furthermore, this result is the same as other research that brand image affects customer loyalty [20].

3.2 Discussion

The brand image that has been investigated is the collection of data taken from Shopee users. The customers were asked about the products or services used in the Shopee application. This brand image was built from the product characteristics or Shopee services that can contribute to the proportion value of Shopee. The criteria of Shopee brand image have been found. Firstly, the shopee application is easily recognizable because of its iconic logo. Based on the questionnaire result, young to adult people answered that Shopee was easy to recognize.

Shopee application is also trusted by the customers regarding the security offered. Shopee application is quite popular because of its good company branding. Shopee has annual and monthly events that are followed by all users of Shopee, such as the 3.3 fashion sale and the Ramadhan sale. One of the most popular features of Shopee is its modern feature. Shopee is a very up-to-date application because it has many features that allow customers to order and make payments easily. Based on the indicators that have been met, as a big and reputable company with a good image and many customers, this brand image significantly influences customer loyalty. The result of the study shows that the correlation value obtained was 0.0684, and the sig value of 0.000 was smaller than that of 0.005. Therefore, it can be said that brand image significantly influences customer loyalty. In other words, the better the brand image that the company has, the more customer loyalty will be.

The term customer loyalty refers to the users of the Shopee application that are highly committed to using the Shopee application. In other words, the customers will be loyal to use and keep shopping online in Shopee. The loyal customers of Shopee will not be interfered with by the obstacles, challenges, or temptations from competitors such as Tokopedia or Lazada. The respondents in this study were Shopee users aged 17 or higher with some criteria. Firstly, they are loyal Shopee customers who are voluntarily using Shopee. These loyal customers feel satisfied with the services that Shopee gives. Secondly, customers keep loyal and committed to using Shopee and are not tempted to use other online shopping platforms. Thirdly, they are customers who are loyal and supportive of Shopee. These customers also recommend Shopee to other people as a good company. Based on the result of this study, customer loyalty can determine the brand image of Shopee because if a company's brand image is relatively high, customer loyalty will also increase. This interpretation refers to the tested hypothesis in this study, H_0 : the brand image influences customer loyalty in Shopee Application Because the sig value obtained was 0.000, which is smaller than that of 0.005, then H_a was accepted, and

this concludes that there is a significant influence on the brand image on customer loyalty, and the value of influence obtained was 46,8%. This value means that the brand image of Shopee company gives an effect on customer loyalty. The result has answered the hypothesis that the big brand image of Shopee positively influenced loyal and committed Shopee customers.

4 Conclusion

This research provides benefits in the development of applied theory, and it was found that customer loyalty to Shopee platform services is influenced by brand image. Due to the magnitude of the influence found at 46.8%, hopefully, the subsequent research can examine dependent variables that are not listed in this research model and conduct an even better analysis.

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