

Are You A Shopaholic? A Case Study of Customer Satisfaction of Shopee

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ABSTRACT

Online shopping or called e-shopping is the place for everyone to purchase goods or services via an application provided or through a web browser over the internet. One of the biggest e-commerce sites in Southeast Asia, Shopee has locations around the globe, including Malaysia, Indonesia, Taiwan, Thailand, Vietnam, and Singapore. It is an online application where everyone can buy and sell goods easily with just one click on their smartphone. This case study examines the significant factors toward customers' satisfaction with using Shopee in Malaysia. In this case study, the researchers use a questionnaire survey to accumulate information from 100 customers of the Shopee application to know deeper about their satisfaction with using Shopee for online purchases in Malaysia. The findings show that promotion strategy, service quality, and product variety affect the customers' satisfaction with Shopee. The results provide new insights into customers satisfaction that can help the company's performance in the future.

Keywords: Customer, E-Commerce, Online Application, Online Shopping, Promotion Strategy, Product Variety, Satisfaction, Service Quality, Shopee

INTRODUCTION

Online shopping methods are currently becoming more popular among customers because of the changing, busier lifestyles. Online shopping is an operation in which users purchase products or services on the medium of the internet (Pi & Sangruang, 2011). Online shopping is preferred as a quick and convenient alternative to standing in line for hours to purchase necessities. Online shopping has gained popularity in today's culture as a result of the increase in internet usage over the previous ten years. Additionally, online shopping has made it possible for customers to purchase goods that aren't just available there and even to purchase limited-edition goods at a discount. Prior to placing an order, customers can also view the products they wish to purchase and compare the prices, brands, and quality so they can get the products that have a low price, good brands, and good quality.

Modern society now views everything as being very simple, quick, and easy because of the growth of phones from landlines to mobile phones to smartphones. The E-Commerce Analysis by Global Data projects that the Malaysian e-commerce market will grow by 24.7% in 2020. Malaysia is one of Southeast Asia's fastest-growing e-commerce markets as a result of increased internet and smartphone use, expanding business convenience innovations, and technological breakthroughs that significantly streamline daily tasks. Shopee reportedly received 54 million clicks in the second quarter of 2021, making it the most popular E-Commerce site in Malaysia. This is a huge number that their competitor can't catch up to. In second place, there is PG Mall, with 22.15 million clicks.

Similar circumstances apply to newly released smartphone applications, such as those for online commerce. Anyone with internet access can conduct virtual business through online business, also known as e-commerce. By providing excellent payment and logistical support, Shopee provides customers and sellers with a straightforward, safe, and speedy online purchasing experience. The collection of different product categories that Shopee offers includes everything from electronics to home and living accessories, health and beauty products, baby products and toys, fashion, and exercise gear. Because there are a lot of categories in Shopee, that factor makes Shopee become very popular, especially in Malaysia. People can find anything that they need in Shopee, and the products that they need will come to their house without them having to make an effort.

Shopee wants to keep developing its platform and take the lead as the preferred online retailer in the area. By offering a platform to unite buyers and sellers in a single community through the use of technology transformation, Shopee also aspires to improve the world. Shopee is a Singaporean e-commerce platform with its headquarters in Sea Group, formerly known as Garena. Forrest Li founded this multinational internet consumer company in 2015. Shopee embarked in Singapore in 2015. Since then, other countries such as Malaysia, Thailand, Indonesia, Vietnam, the Philippines, and Brazil have joined. According to a Pahlevi (2022), Shopee recorded revenues of US \$1.5 Billion in the first quarter of 2022. This revenue increased 64% when compared to the same period last year (year on year/YoY). Many factors influence people to buy products from Shopee. For example, they like the UI, so it feels easy to use and comfortable when shopping in Shopee. If they feel comfortable and are satisfied when shopping in Shopee, they will be loyal to Shopee even if they will promote Shopee to their friends or family.

LITERATURE REVIEW

Product Variety

A product is something that is being sold and can be in the form of services or goods. It may take physical, virtual, or electronic forms. Every product has a cost to produce and a cost to sell. According to the three chambers (basic, intermediate, and peripheral), a company's determination of the breadth and depth of its various product lines is referred to as "variety" (particular options). The basic means different core models and designs during the manufacturing and design stages, while the intermediate is emphasized other technology options depending on core design during the assembly stage (MacDuffie, Sethuraman, & Fisher, 1996). In accordance with Stablein, Holweg, and Miemczyk (2011), the phrase product variety is ambivalence because it is implemented in many different conceptual senses. Prasad (1998) said product variety has reached "optimized value" by increasing customer benefits at a minimal cost. However, the type of product depends on the degree of customization of the product. Every business development can result in different results due to increasing diversification (Agarwal, Shankar, & Tiwari, 2006; Stavroulaki and Davis, 2010). Chang (2011) explored customer preferences and decisions relationship concerning product variety. According to Brusch, Schwarz, and Schmitt (2019), the product portfolio has a significant impact on how satisfied customers are with specialized providers. With all of these data, the following hypothesis may be drawn from the current research:

H1: Product variety has positive effects on customer satisfaction in using Shopee

Service Quality

According to Brady and Cronin (2001), the service quality theory is based on research on consumer satisfaction and product quality. Service quality is represented with the aid of using solutions to predict or distinct from business prediction and analyze circumstances of prediction, whether it is better or worse (Woodside, Frey, & Daly, 1989). According to Blut (2016), the four elements of e-service quality measurement are website design, customer service, e-service security, and law compliance. Website design is concerned with the user experience, including information quality, aesthetics, usability, purchasing procedure, product selection, pricing, website customization, and system availability. Customers rate their experience using the website to assess the overall quality of the online store's service. The flip side of that is customers who are dissatisfied with the information content of the website leave the website without making any purchase (Cyr, 2008). Furthermore, according to Parasuraman, Zeithaml, and Berry (1988), service quality is the base of attaining information regarding customer satisfaction. Given these findings, the hypotheses proposed for the present study are:

H2: Service quality has positive effects on customer satisfaction in using Shopee online application.

Promotion Strategy

Promotion strategy is a critical component of marketing positioning strategy, particularly in online businesses such as Shopee. Sales promotion components are one of the elements of the promotional mix (Genchev & Todorova, 2017). It is a strategy that impacts the customer through human interactions and a set of exchange tools to prompt or boost purchases with a short-term outcome. In addition, Shopee uses a number of worldwide company growth tactics, including public relations marketing (Devita, Nawawi, & Aslami, 2021). Due to online store promotions, the seller offers price discounts, free shipping, as well as a refund guarantee. Customers can easily access online shopping and learn the attributes of all products or prices that suit their monetary budget (Napitupulu & Hidayat, 2020). The Shopee promises guarantees, free and fast shipping, the lowest price guarantee, and a Big Mobile Shopping Day campaign to illustrate the

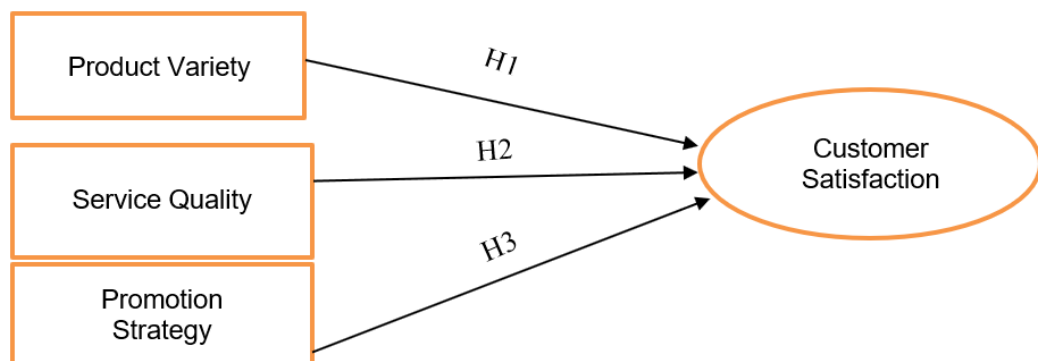
marketing inventiveness for growing its multinational business. These initiatives are viewed as benefits for customer satisfaction.

H3: Promotion strategy has positive effects on customer satisfaction in using Shopee online application.

Customer Satisfaction

Customer satisfaction measures how satisfied customers are with the service. A product or service offered by an organization. By demonstrating how effectively customers receive the products and services, it reflects the health of the business. Customer happiness is crucial because it can foster customer loyalty and improve business success, among other things (Franklin, 2021). Satisfaction can also refer to a person's emotions of joy or disappointment caused by the juxtaposition of the perceived performance of the product or results that meet customer expectations (Kotler & Keller, 2014). However, dissatisfied customers may give the company a bad review and decide to switch brands. Customer feedback from all segments is crucial because it enables businesses to increase the productivity and efficacy of operational processes, including decision-making (Sin, Leong, Lee, Lee, & Lee, 2022). Figure 1 shows the framework of our research.

Figure 1. The Research Framework



RESEARCH METHOD

Primary and secondary were used for this research. We used a questionnaire survey via Google Forms to collect data information about Shopee customers' satisfaction with Shopee. This online survey used simple random sampling, and the targeted respondents were set to 100 respondents from various countries such as Malaysia, India, and Indonesia. We divided the questionnaire into several parts such as Section A; Customer experience toward Shopee online application, Section B; Customer Satisfaction in using Shopee online application towards Promotion Strategy, Section C; Customer Satisfaction in using Shopee online application towards Service quality, Section D; Customer Satisfaction in using Shopee online application towards Product Variety and Section E; Customer satisfaction using Shopee online application. The survey is conducted using a 5-point Likert scale that allows respondents to rate their level of agreement from 1 (strongly disagree) to 5 (strongly agree). Additionally, secondary data from journals, publications, and the internet were gathered to support the study, and IBM SPSS was used to analyze the data gathered through surveys.

RESULTS

Table 1. Summary of Respondent's Profile (N=100)

Response	Frequency	Percentage %)
Gender		
Male	57	57.0
Female	43	43.0
Ethnicity		
Malay	52	52.0
Chinese	7	7.0
Indian	17	17.0
Indonesia	24	24.0
Age		
19-24 years old	82	82.0
25-34 years old	8	8.0
35-44 years old	2	2.0
45 and above	3	3.0
Under 18 years old	5	5.0
How often do you shop on the Shopee platform?		
At least once a month	23	23.0
At least once every six	31	31.0
At least once every two months	34	34.0
Once a week	6	6.0
Several times a week	6	6.0
How many years or months are your experience in using Shopee online application		
Less than a month	10	10.0
1-6 months	12	12.0
7-12 months	6	6.0
1-2 years	27	27.0
3-4 years	31	31.0
Above than 5 years	14	14.0
What types of products did you buy on the Shopee online application?		
Household appliances	33	11.1
Electronics	29	9.7
Clothing and footwear	48	16.1
Accessories	34	11.4
Skincare product	40	13.4
Book	27	9.1
Baby's product	9	3.0
Food	32	10.7
Pet supplies	11	3.7
Health/Medical product	15	5.1
Cooking supplies	20	6.7

Table 1 Summary of the respondents' demography in this research is shown in the above table. The sample consisted of 57 (57%) males and 43 (43%) females. N=150. The majority of respondents (82%) were from Gen Z, the ages between 19-24 years old. At the same time, 8% of the respondents were between 25-34 years old from the millennials category. Then, followed by Gen X was 3%, and under 18 years old was 5%. In terms of ethnicity, there were 52 Malay respondents (52%), which was the highest compared to others. Other than that, 7 respondents were Chinese (7%), and 17 were Indian (17%). Lastly, 24 respondents were from Indonesia (24%). In terms of How often people shop

on the Shopee platform, the survey findings show that 23% respond to shops at least once a month. In comparison, 31% responded that they shop at least every six, followed by 34% shop at least once every two months, 6% shopping at Shopee once a week, and 6% responded shop several times a week. According to the survey results, 10 respondents have used the Shopee online application for less than a month, 12 respondents have used it for between one and six months, 6 respondents have used it for between seven and twelve months, 27 respondents have used it for between one and two years. Meanwhile, the highest percentage (31%) has used it for between three and four years. Not surprisingly, 14 respondents have used Shopee's online applications for more than five years. In terms of What types of products people buy on the Shopee online application, the survey findings show that 33 (11.1%) responded to buying Household appliances on Shopee online application, 29 (9.7%) responded to buying Electronics, 48(16.1%) responded buying clothing and footwear, 34 (11.4%) response buy Accessories, 40 (13.4%) response buy Skincare product, 27 (9.1%) response buy Books, 9 (3%) response buy Baby's products, 32 (10.7%) response buy Food, 11 (3.7%) response buy Pet supplies, 15 (5.1%) response buy Health/Medical product. The last result we get from table 1 is 20 (6.7%) responses buying Cooking supplies on the Shopee online application.

Table 2. Descriptive Statistics, Cronbach's Coefficients Alpha, and Zero-Order Correlations of All Study Variables

Variables	1	2	3	4
Promotion Strategy	0.782			
Product Variety	.643**	0.915		
Service Quality	1.000**	.643**	0.891	
Customer Satisfaction	.664**	.543**	.664**	0.861
Mean	3.925	4.405	4.163	4.210
Standard deviation	1.144	0.853	0.927	0.939
Number of items	4.000	4.000	4.000	2.000

***p < .01 level (2-tailed); N = 100; Diagonal entries in bold indicate Cronbach's coefficient alpha*

The survey comprises 100 Shopee application users related to the factors influencing customer satisfaction. The scale promotion strategy, product variety, and quality service are three elements. Pearson Correlation Analysis is utilized to detect the relationship among the variables. A zero-correlation coefficient shows that two continuous variables have no linear relationship. Displayed in Table 2 is that all factors persevere greater than 0.80 except for the promotion strategy. All variables were tested by Cronbach Alpha which showed internal of 0.782, 0.915, 0.891, and 0.861. The results perfectly indicate that the items for Product variety and Quality service are reliable and considered a high internal consistency, while for promotion strategy are considered a low internal consistency. Results that show an alpha between 0.6 – 0.7 implies acceptable reliability, while an alpha of 0.08 and above indicates excellent reliability. The overall variables exceed the 0.70 cut-off point considered as high reliability. The overall variables have a mean range of 4.00, indicating that the respondents agree (value '4' on the Likert scale) with the survey.

Table 3. Regression Analysis

Hypothesis	Standardized Beta	p-value
Product Variety	.198*	.044
Service Quality	.536***	.000
Promotion Strategy	.302*	.010
F Value	41.948	
R Square	.464	
Adjusted	.453	

Note: N = 100; * $p < .05$, *** $p < .001$

All hypotheses were analyzed consequently by multiple regression analysis. Tabulated in Table 3 are the multiple regression analysis results. The result displayed that all the independent variables are described collectively as R Square of .464, to point out that all the independent variables can be reviewed 46.4% of the variance intentionally to share the variables of product variety, quality service, and promotion strategy. The dependent variable entered is customer satisfaction in this analysis.

According to Table 3, the model comprises product variety, service quality, and promotion strategy influencing customer satisfaction to use the Shopee application. The standardized beta measures the association between how independent variables impact the dependent variable. The p-value of product variety and promotion strategy recorded at 0.044 and 0.010 lower than 0.05 indicates that product variety and promotion strategy can be accepted as providing a positive consequence toward customer satisfaction to use the Shopee. The standardized beta of product variety and promotion strategy are +.198 and +.302, which displays a slight positive relationship between these two hypotheses and the dependent variable. Next, quality service shows a p-value of 0.00 is less than 0.05 is accepted. The standardized beta of service quality is +.536, which displays a positive relationship between perceived security and the dependent variable. We figure out that service quality is the most dominant facet affecting customer satisfaction with the highest beta value.

Finally, the regression analysis stated that product variety, service quality, and promotion strategy are accepted as significant variables. Thus, all hypotheses which are H1, H2, and H3 are accepted as having a relationship positively with customer satisfaction.

DISCUSSION

The findings show product variety has a positive impact on customer satisfaction in using Shopee. As we know, Shopee is a buying and selling platform that is famous for various types of goods sold. Through the Shopee application, we can buy various items of different brands. Therefore, product variety is closely related to Shopee as one of the independent variables that can satisfy customers. Many types of goods are sold in Shopee such as electronics, clothing and footwear, accessories, skincare products, books, and many more. Besides that, as Shopee is the best application for the purchasing of goods and services through online mode in Malaysia and other countries, most of their customers use Shopee for purchasing online goods on a daily basis and monthly basis as well. One of the reasons product varieties have a positive significance toward customer satisfaction is that Shopee fulfills customers' demands, perceptions, and tastes vary by providing a range of items with various sizes, features, colors, and other characteristics.

Furthermore, the result of this research shows us that service quality has a positive relationship positively with customer satisfaction in using Shopee. Shopee gives good service quality, so their customers feel satisfied when they use Shopee for shopping.

Service quality here is about the security of the Shopee application, the response of the seller, the customer service, and the guarantee about the product. Customers feel that Shopee has a good security system, and they don't worry about their privacy. The response of the sellers is fast, so customers don't have to wait a long time if they want to ask anything about the product that they want to buy. The customer service of Shopee is easy to reach, so customers can easily ask something they don't know about Shopee or if they have a problem with the transaction or anything. Customers are assured by Shopee that their purchases will reach them securely and that the company will take responsibility for any issues or flaws that may arise.

According to the study, Shopee promotion initiation and Customer Satisfaction are positively correlated. Shopee has put in place a variety of strategic marketing strategies to expand its business internationally, including the Big Mobile Shopping Day campaign, free shipping, the lowest price guaranteed, and Shopee assurance. Marketing through public relations is incorrect. One of the several international strategies that Shopee uses for business expansion. Public relations marketing aims to reach out to the public, educate them, earn their sympathy, and increase their trust and confidence. For instance, Shoppe mostly uses influencers, influencer marketing, internet sales, TV advertising, and coupons to sell their services.

The way Shopee markets its goods is known to be creative and unexpected. They have also promoted their services through the E-commerce platform, as they offer their services digitally. Through its Shopee Streamer Academy program, Shopee also employs a mix of pull and pass approaches in its public relations marketing applications. Thus, an attraction strategy is implemented, emphasizing the application of consumer-facing advertising and promotional initiatives to increase demand and foster product allegiance. Through internet advertising, businesses use social media platforms (Facebook, YouTube, and Instagram) to market their products and creating a compelling desire in customers to make online purchases. Their commercials, which often include famous celebrities, have all aired, and viewers have responded well to each one.

When it comes to sales like 1.1, 2.2, 3.3, and so on, businesses sometimes offer 50% off. At other times, these e-commerce platforms implement strategies such as currency pooling to increase user sales and provide free shipping to customers. Through daily check-ins on their smartphones, lucky coupons are often given to participating users. Following that, Shopee has also surpassed its competitors in terms of self-auditing its own strengths and faults. Shipping policy is one area where rival businesses are likely to struggle. It's wonderful that the delivery is door-to-door. Shoppe always ensures that every shipment takes only 1 to 3 days to reach the consumer, as almost everyone knows. Customers can request a refund if still not received.

CONCLUSION

As a result, the Shopee platform has experienced substantial development as the majority of Shopee customers in several nations prefer to use the services for purchasing goods and services. From the result, we can conclude that product variety, service quality, and promotion strategy significantly impact the relationship with customer satisfaction in using Shopee. Other than that, client satisfaction is essential. Customers who are satisfied are more likely to shop online again. Furthermore, more sales and discounts from Shopee will increase customer happiness. They can always pay attention to online customer reviews to raise client happiness. Most Shopee consumers are also quite delighted when the product quality is appropriate for the pricing, the courier fee is reasonable, and the Shopee service has a more secure platform. It is impossible to deny

that Shopee services may pique clients' interest since every customer feedback has shown a high level of satisfaction.

LIMITATION

Nevertheless, there are certain restrictions to be aware of, though. First off, the sample size for our interview survey was rather modest when compared to typical survey-only research, which is only 100 respondents from 3 countries, such as Malaysia, India, and Indonesia. Second, because of the use of Google Forms for data collection and the dissemination of information via social media platforms, a constraint is that the majority of respondents are students from Generation Z. So, future research can employ a bigger sample size with different demographics or add respondents from other countries to obtain better results that can be generalized to the entire population.

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DECLARATION OF CONFLICTING INTERESTS

The Author(s) declare(s) that there is no conflict of interest.

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