

THE INFLUENCE OF SHOPEE BRAND LEADERSHIP ON CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS INTERVENING VARIABLE

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ABSTRACT

This study aims to explain how Shopee's brand leadership is and how customers feel in terms of satisfaction and loyalty to the Shopee application. Additionally, it seeks to understand how brand leadership affects satisfaction and loyalty and how satisfaction variables mediate this effect. This study uses quantitative methods with causal and descriptive analysis. Data was collected using a questionnaire distributed to Shopee users in Indonesia. 275 samples were collected and analyzed using SmartPLS 3.0, also used descriptive analysis. Based on descriptive analysis findings, the brand leadership dimensions, satisfaction, and loyalty are in good category. PLS-SEM results show brand leadership has a positive and significant effect on satisfaction. The variables of quality, value, and satisfaction have a positive and significant effect on loyalty, whereas innovativeness and popularity not. Additionally, satisfaction acts as a mediator in the relationship between brand leadership and loyalty.

Keywords : Brand Leadership; Customer Satisfaction; Customer Loyalty

ABSTRAK

Penelitian ini ditujukan untuk menjelaskan bagaimana brand leadership Shopee dan bagaimana tingkat kepuasan konsumen dan loyalitas pelanggan melalui aplikasi Shopee. Dan juga bertujuan untuk melihat bagaimana kepuasan dan loyalitas dipengaruhi oleh kepemimpinan merek dan pengaruh kepemimpinan merek terhadap loyalitas yang dimediasi oleh variabel kepuasan. Metodologi penelitian yang dipakai dalam penelitian ini adalah metode kuantitatif dengan analisis kausal dan deskriptif. Data yang didapat untuk penelitian ini dikumpulkan dengan menggunakan kuesioner yang disebar kepada pengguna Shopee di Indonesia. Sebanyak 275 sampel dikumpulkan dan dianalisis menggunakan SmartPLS 3.0, juga menggunakan analisis deskriptif. Berdasarkan hasil analisis deskriptif, dimensi brand leadership, satisfaction, dan loyalty berada pada kategori baik. Hasil PLS-SEM menunjukkan kepemimpinan merek berpengaruh positif dan signifikan terhadap kepuasan. Variabel kualitas, nilai, dan kepuasan berpengaruh positif dan signifikan terhadap loyalitas, sedangkan keinovatifan dan popularitas tidak. Kepuasan juga memediasi hubungan antara kepemimpinan merek dengan loyalitas.

Kata kunci : Kepemimpinan Merek; Kepuasan Konsumen; Loyalitas Konsumen

INTRODUCTION

Along with the times, internet use has become something that cannot be separated from human life around the world, even Indonesian internet users, according to the Association of Indonesian Internet Service Providers (APJII) in the second

quarter of 2019-2020 around 73.7% of the total population (APJII, 2020). This also shows that along with the growth of Indonesia's population, the penetration of internet users has also increased every year. Beside the internet penetration, e-commerce application users have also increased as shown by data from Databoks (2019) the amount of e-commerce users in Indonesia is growing steadily every year. Based on this, more and more e-commerce brands are emerging that compete with each other to show their superiority. But in the end only one brand became the leader among the others. The e-commerce site in Indonesia with the most visitors in 2020 is Shopee, and is also the leader of the e-commerce industry in Southeast Asia according to Databoks (2021). The e-commerce company must have a comprehensive awareness of consumer needs and the aspects that impact their desire to determine and purchase on an e-commerce website as consumers become more tech-savvy (Chiu & Cho, 2019). Consumers may now simply research and evaluate a variety of e-commerce platforms before making a purchase on many of them. Therefore, customers can decide for themselves which type of e-commerce they prefer. With increasing competition in the business e-commerce especially in Indonesia, Shopee should be able to maintain its brand in order to remain a leader in the market by taking into account factors that can make a brand become a leader.

Chang and Ko (2014) developed a conceptual framework which illustrates that brand leadership has dimensional factors which is perceived quality, perceived innovation, perceived value, and perceived popularity. By paying attention to these factors, it is expect that Shopee will be able to serve satisfaction to its consumers so that it can indirectly lead to consumer desires to be loyal and continue to use the Shopee application.

According to Kotler & Keller (2016: 153), customers will feel dissatisfied if the output they perceive falls short of their expectations, and they will feel satisfied if the output they perceive meets or exceeds those expectations. Kotler and Keller also stated that *“if customers feel satisfied, they will have a desire to repurchase or re-subscribe to a distinct product or service, and that is called loyalty”* (Kotler & Keller, 2016, p. 153).

This study discovered that leading brands must be actively establishing approaches to achieve brand leadership objectives and create novel ideas in order to entice in more loyal online customers. Several previous studies that raised the topic of

the influence of brand leadership are still quite limited, and none have discussed using customer loyalty as dependent variable and Shopee application as an object of research. However, the previous research only focused on e-commerce in the form of a website and did not focus on one e-commerce brand. Therefore, this study examined the customers assessment about quality, value, innovativeness, and popularity on the Shopee e-commerce application and analyze how it affects satisfaction and loyalty of customer to Shopee brand.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Brand Leadership

Aaker was the first to develop the theory of brand leadership and Miller and Mills (2012) defining brand leadership as *“a consumer's assessment of a brand's performance, vision, and knowledge of current trends”*. Chang et al.(2016) argued that *“perceived brand leadership is a set of extrinsic suggestion related to, having social power, or being a trendsetter and role model, the degree to which consumers perceive the brand as a leader will likely influence their desire to associate with the brand in order to improve their social status”*. Chang and Ko (2014) also developed a conceptual framework which illustrates that brand leadership has dimensional factors which is perceived quality, perceived innovation, perceived value, and perceived popularity.

Perceived Quality

The first point from dimensional factors regarding brand leadership explained by Chang and Ko (2014) is perceived quality. Zeithaml in Chang and Ko (2014) define perceived quality as *“a consumer's evaluation of a product's overall superiority to a rival”*. According to Aaker in Alhaddad (2015) *“perceived quality adds value to a brand in various ways, , good quality provides a good reason for consumers to buy a brand and helps companies to separate themselves from their competitors”*.

Perceived Value

The second point from dimensional factors regarding brand leadership explained by Chang and Ko (2014) is perceived value. Chang and Ko (2014) define perceived value as a customer's perception of a good's value or the product's quality in proportion to the cost they must pay.

Perceived Innovativeness

The third point from dimensional factors regarding brand leadership explained by Chang and Ko (2014) is perceived innovativeness. In Shams et al. (2015), Eisingerich and Rubera also define perceived brand innovation as the degree to which consumers believe brands are capable of providing novel and useful answers for their requirements.

Perceived Popularity

The last point from dimensional factors regarding brand leadership explained by Chang and Ko (2014) is perceived popularity. Kim state in Chang and Ko (2014) when a brand becomes popular in an industry, this can be a supporting factor for the brand to maintain its leadership position in the industry for a long duration of time.

Customer Satisfaction

Satisfaction defined by Kotler and Keller (2016: 153) is indicates to *“a person's enjoyment or unhappiness as a result of comparing a product or service's perception of quality to expectations”*. According to Kim (2012) customer satisfaction is *“a post-purchase perspective developed by comparing the mental product and service quality that customers expect from a return with the level of product and service quality that customers expect from the transaction”*. Customer satisfaction according to ECT or expectation-confirmation theory *“arises from customer comparisons of post-purchase assessment of a product or service with pre-purchase expectations”* (Kim, 2012).

Customer Loyalty

Customer loyalty as stated by Kuo et al. (2012) is *“a promise to buy a specific product or service again in the future”*. Customer loyalty is described by Tuu et al. (2011) as a complex form that includes the act of consuming or action loyalty, as well as the expectation of future consumption or repurchase. Customer loyalty also has several indicators that have been stated by Kotler and Keller in Wahyono and Nurjanah (2020) such as, repeat purchase, reject others, and referrals. Repeat purchase means that customers who make repeated and continuous purchases, reject others means that they will not change to other brand, and referrals means that customers will say something positive about the brand. Based on the description described above, the research framework in this study can be seen in Figure 1.

Hypothesis Development

Perceived quality has been identified as a critical business attribute and a major indicator of customer satisfaction (Joung et al., 2016). Based on the outcome of researches from Chiu and Cho (2019), Ha & Park (2012), Joung et al. (2016), and Zhou & Zhang (2019) found that consumer satisfaction is significantly affected by perceived quality. Based on this background, authors has formulated the first hypothesis, as follow:

H₁: Perceived quality has a positive significant influence on customer satisfaction.

Customers are more satisfied with a store when they think they have received more value from utilizing the product provided by the seller (El-Adly, 2019). Several studies found that perceived value has a positive significant relationship with customer satisfaction (Chiu & Cho, 2019; Dinni et al., 2020; El-Adly, 2019; El-Adly & Eid, 2016). Based on this background, the authors has formulated the second hypothesis, as follow:

H₂: Perceived value has a positive significant influence on customer satisfaction.

When the innovative aspects of the service or product are perceived as being outstanding, the consumer can be satisfied (Chiu & Cho, 2019). In a study conducted by Chiu and Cho (2019) and Shams et al. (2015), noticed that innovation has a significant effect on satisfaction. Based on this background, the authors has formulated the third hypothesis, as follow:

H₃: Perceived innovativeness has a positive significant influence on customer satisfaction.

Chiu and Cho (2019) stated that the popularity of leading brands can potentially deviate consumers from their true values and influence them on other factors such as self-esteem, and individual satisfaction. Some studies found that perception of the popularity of brand leadership has a positive and significant impact on consumer satisfaction (Chiu & Cho, 2019; Dinni et al., 2020; Wang et al., 2018). Based on this background, the authors has formulated the forth hypothesis, as follow:

H₄: Perceived popularity has a positive significant influence on customer satisfaction.

The first time a product was purchased is when brand loyalty initially started, which is frequently motivated by the perceived excellence of that product (Shanahan et al., 2019). Several previous studies stated that there is a significant relationship between perceived quality and customer loyalty (Frank et al., 2014; H. Ha et al., 2011;

Marakanon & Panjakajornsak, 2017; Shanahan et al., 2019). Based on this background, the authors has formulated the fifth hypothesis, as follow:

H₅: Perceived quality has a positive significant influence on customer loyalty.

According to Naumann in Keshavarz and Jamshidi (2018), retention is one sign of customer loyalty, and strong customer value generates high retention rates. Many studies have looked at the relationship between customer perceived value and customer loyalty, and they show that customer perceived value has a significant and positive impact on customer loyalty (Anggoro Wilis et al., 2021; El-Adly & Eid, 2016; Jiang et al., 2015; Keshavarz & Jamshidi, 2018; Kuo et al., 2012). Based on this background, the authors has formulated the sixth hypothesis, as follow:

H₆: Perceived value has a positive significant influence on customer loyalty.

“Consumer’s brand loyalty may be influenced directly by innovativeness because consumers perceive innovative brands to be better capable of meeting their requirements, and they react by being more dedicated to such brands” (Pappu & Quester, 2016). Kim et al., (2021) and Pappu & Quester (2016) found that perceived innovativeness has a positive significant relationship with customer loyalty. Based on this background, the authors has formulated the seventh hypothesis, as follow:

H₇: Perceived innovativeness has a positive significant influence on customer loyalty.

Brand loyalty decreases as the popularity of the brand gets lower as it becomes less popular among consumers which can lead to thoughts of switching to a more popular brand (Filieri & Lin, 2017). Chiu & Cho (2019) and Filieri & Lin (2017) found that perceived popularity has a positive significant relationship with customer loyalty. Based on this background, the authors has formulated the eighth hypothesis, as follow:

H₈: Perceived popularity has a positive significant influence on customer loyalty.

Customer satisfaction is the result of good customer relationship management, which leads to satisfied consumers remaining loyal and recommending the brand and its products to others (Kotler & Armstrong, 2017, p. 44). Many researches that have been found that there is a significant association between consumer satisfaction and loyalty (Amoroso & Lim, 2015; El-Adly & Eid, 2016; Ha & Park, 2012; Nurwulandari & Maharani, 2021). Based on this background, the authors has formulated the ninth hypothesis, as follow:

H₉: Customer satisfaction has a positive significant influence on customer loyalty.

Based on the research framework in Figure 1, this research has intervening variables, so the hypothesis for the independent relationship to the dependent mediated by the intervening is as follows.

H₁₀: Customer satisfaction will mediate the relationship between perceived quality and customer loyalty.

H₁₁: Customer satisfaction will mediate the relationship between perceived value and customer loyalty.

H₁₂: Customer satisfaction will mediate the relationship between perceived innovativeness and customer loyalty.

H₁₃: Customer satisfaction will mediate the relationship between perceived popularity and customer loyalty.

RESEARCH METHOD

This study employs quantitative approach methodology along with descriptive and causal research. Purposive sampling is the method employed in this research. According to Indrawati (2015: 170) purposive sampling is selecting certain sample members intentionally by researchers, because only those samples meet the criteria and can provide information to answer research problems. Because the number of population is unknown, the author use the Cochran formula to determine the number of samples in this investigation with a 95% confidence level and the Z value will be equal to 1.65 because in this study one tailed test was used. The formula is:

$$n = \frac{Z^2 p \cdot q}{e^2} \quad (1)$$

$$n = \frac{(1.65)^2 (0.5) \cdot (0.5)}{[(0.05)]^2} \quad (2)$$

$$n = 272.25 \approx 275 \quad (3)$$

Based on calculations, it was determined that the sample required in this study is 275 respondents.

In this study, the authors used a questionnaire to collect data. The questionnaire items used in this study adopted and have been modified from several previous studies written by Chiu & Cho (2019), Hsu et al. (2014), Sullivan & Kim (2018), Shams et al. (2015), Filieri & Lin (2017), El-Adly & Eid (2016), Jiang et al. (2015), Silva &

Gonçalves (2016), Joung et al. (2016), and Mandhachitara & Poolthong (2011). The operational variable can be seen in Table 1.

A multivariate method was applied in this research. Because in this study there were several independent variables, the authors decided to use structural equation modeling. In this study, variance based metric structural equation modeling (VB-SEM) was used and the statistical analysis used was partial least squares (PLS). SEM-PLS validity was used which measured the research instrument based on convergent validity and discriminant validity. To measure convergent validity, correlation coefficients between items, loading factors and average variance extracted (AVE) can be used.

To establish that an item in a factor has convergent validity, the loading factor value must be at least 0.5, (Indrawati, 2015, p. 151). Indrawati (2015: 154) also explain that *“to achieve the discriminant validity criterion, the AVE square root value of each construct or variable must be larger than the correlation between variable constructs”*. Then the data that has a reliability composite above 0.7 is said to have high reliability (Indrawati, 2017). To demonstrate that the questionnaire is fairly reliable, the Alpha-Cronbach coefficient must be at least 0.7 (Indrawati, 2015, p. 155). Structural model testing is the second stage of testing in PLS. This test is done by *“looking at the path coefficient to see whether the effect is significant or not and seen from the value of t”* (Indrawati, 2017, p. 70).

The aim of the descriptive analysis in this study is to examine the influence of Shopee's brand leadership (quality, value, innovativeness, and popularity) on customer loyalty with customer satisfaction as intervening variable. It is also analyze how is the rate of satisfaction that felt by Shopee's customer. In this study, authors use a Likert scale so that there is a questionnaire with five answer options that can be chosen by respondents. From each respondent's answer, assessment criteria were then compiled for each statement.

RESULT AND DISCUSSION

Descriptive Analysis Result

Descriptive analysis aims to describe the customer's view of each variable in this study such as perceived quality, perceived value, perceived innovativeness, perceived popularity, customer satisfaction, and customer loyalty. The result is represented by the continuum line in Figure 2.

The perceived quality is categorized as good, it means that Shopee has been able to provide good quality in the context of applications for its users. Perceived value also in a good category based on this continuum line. So it can be conclude that Shopee has been able to provide value commensurate with the money spent by its users. So that users feel that what they sacrifice is worth the value that Shopee provides. Perceived innovativeness is also in a good category, then it can be concluded that Shopee has been able to provide good innovation for the development of its application so that it can provide a good shopping experience to its users. Then perceived popularity is in a good category, it means that Shopee has been able to maintain its popularity and existence well so that it can be remembered and recognized well by its users and many people. Customer satisfaction is in a good category also, it can be describe as Shopee has been able to provide good service so that users feel satisfied when the experience uses the application, both before purchase, during purchase, and after purchase. And last, customer loyalty is in a good category, so it can be conclude that Shopee has been able to maintain its performance quite well so that its users feel loyal enough to always use the application and feel Shopee is their first choice when they want to buy goods online.

SEM-PLS Analysis

Assessment of Measurement Model

This assessment of measurement model is important to measure how far the item can explain the latent variable (Indrawati, 2017, p. 69). Indrawati (2017: 69) also added that *“the outer model testing or assessment of measurement model is needed to determine the validity and reliability of the research questionnaire”*. Figure 3 shows the processed results from the measurement model using the SmartPLS application.

1. Convergent Validity

“This validity indicator is measured by the value of the factor loading, if the factor loading value is greater than 0.7 then the measured item is considered valid” (Indrawati, 2017, p. 69). In this research all of the items are valid. AVE value must exceed 0.5 in order to show that the items in a variable have sufficient convergent validity (Indrawati, 2015, p. 153). In this study, all constructs had an AVE of more than 0.5. The result of convergent validity by using factor loading and AVE can be seen in Table 3.

2. Discriminant Validity

Discriminant validity according to Indrawati (2015: 153) is “*a measuring instrument can be said to meet the criteria of discriminant validity if the variables that are constructively predicted are not highly correlated, the measurement results must show that these variables are not highly correlated*”. The result of correlation value between variable construct can be seen in Table 4.

Cross loading value shows how big the correlation between each variable with items and items from other constructs (Indrawati, 2017, p. 70). This shows that this research questionnaire meets the criteria of discriminant validity. The result of correlation value for cross loading can be seen in Table 5.

3. Reliability Test

Reliability aims to measure how much the indicator variable increases when the latent variable increases (Indrawati, 2017, p. 70). According to Indrawati (2017: 70) “*the criterion commonly used to measure reliability is Cronbach's Alpha (CA), or another alternative is Composite Reliability (CR) and the values that are declared reliable are at least 0.7 or more*”. The result of Cronbach's Alpha and Composite Reliability can be seen in Table 6. Cronbach Alpha and Composite Reliability values in this study all exceed 0.7, which means that this research questionnaire meets the reliability criteria. This study can move on to the second step, which is testing the structural model.

Assessment of Structural Model

This assessment is done by “*looking at the path coefficient to see whether the effect is significant or not and seen from the t-value, then the t-value can be obtained by using the bootstrapping process*” (Indrawati, 2017, p. 70). Figure 4 shows the processed results from the measurement model using the SmartPLS application. And the Table 7 shows the calculation result of the path coefficient, t-value, along with the conclusion.

This study uses a significant level of 0.05 and a t-value of 1.65, if the t-value of each relationship between variables exceeds 1.65, it can be said that the variable has a positive and significant impact on the other variable. Then apart from being seen from the path coefficient and the t-value, the assessment of structural model also seen from the percentage of variance explained, namely R^2 for the dependent latent variable that is influenced by the independent latent variable (Indrawati, 2017, p. 71). The result for R^2 value of 0.67; 0.33; and 0.19 indicated that the model is “good”, “moderate”, and

“weak” respectively (Indrawati, 2017, p. 71). The Table 8 shows the R^2 result of this research. The result shows that customer loyalty can be explained by perceived quality, perceived value, perceived innovativeness, perceived popularity and customer satisfaction of 65%. Customer satisfaction has an R^2 value of 0.575, this shows that customer satisfaction can be explained by the variables perceived quality, perceived value, perceived innovativeness, perceived popularity of 57.5%.

Discussion of Research Result

Based on the results that have been discussed, the findings of the research hypothesis can be summarized as follows. Perceived quality has a positive and significant effect on the customer satisfaction where the t-value is 4.005 and the path coefficient is 0.289. This result is in line with the findings from Chiu and Cho (2019), Ha & Park (2012), Joung et al. (2016), and Zhou & Zhang (2019). Then, perceived value has a positive and significant effect on the customer satisfaction where the t-value is 4.281 and the path coefficient is 0.278. This result is in line with the findings from Chiu & Cho (2019), Dinni et al. (2020), El-Adly (2019), El-Adly & Eid (2016).

Perceived innovativeness has a positive and significant effect on the customer satisfaction where the t-value 2.272 is and the path coefficient is 0.174. This result is in line with the findings from Chiu and Cho (2019) and Shams et al. (2015). Perceived popularity has a positive and significant effect on the customer satisfaction where the t-value is 1.995 and the path coefficient is 0.131. This result is in line with the findings from Chiu & Cho (2019), Dinni et al. (2020), and Wang et al. (2018).

Perceived quality has a positive and significant effect on the customer loyalty where the t-value 4.125 is and the path coefficient is 0.289. This result is in line with the findings from Frank et al. (2014), Ha et al. (2011), Marakanon & Panjakajornsak (2017), and Shanahan et al. (2019). Perceived value has a positive and significant effect on the customer loyalty where the t-value 2.405 is and the path coefficient is 0.170. This result is in line with the findings from El-Adly & Eid (2016), Jiang et al. (2015), Keshavarz & Jamshidi (2018), Anggoro Wilis et al. (2021), and Kuo et al. (2012).

Perceived innovativeness does not have a positive and significant effect on the customer loyalty where the t-value 0.213 is and the path coefficient is -0.014. This result is not in line with the previous research. As well as perceived popularity also does

not have a positive and significant effect on the customer loyalty where the t-value 0.004 is and the path coefficient is 0.000. Then based on the result, customer satisfaction has a positive and significant effect on the customer loyalty where the t-value 6.727 is and the path coefficient is 0.461. This result is in line with the findings from Amoroso & Lim (2015), El-Adly & Eid (2016), Nurwulandari & Maharani (2021), and Ha & Park (2012).

There is also the indirect influence of perceived quality has a t-value of 3.785 and the path coefficient is 0.133. Authors can draw the conclusion that the relationship between perceived quality and customer loyalty is mediated by customer satisfaction. This result is in line with the findings from Agiesta et al. (2021). The indirect influence of perceived value has a t-value of 3.486 and the path coefficient is 0.128. Authors can draw the conclusion that the relationship between perceived value and customer loyalty is mediated by customer satisfaction.

The indirect influence of perceived innovativeness has a t-value of 1.663 and the path coefficient is 0.080. Authors can draw the conclusion that the relationship between perceived innovativeness and customer loyalty is mediated by customer satisfaction. Then, the indirect influence of perceived popularity has a t-value of 2.046 and the path coefficient is 0.060. Authors can draw the conclusion that the relationship between perceived popularity and customer loyalty is mediated by customer satisfaction.

CONCLUSION

Based on the results of SEM-PLS analysis that have been carried out, the conclusion of this study are as follow. All of the brand leadership dimensions (quality, value, innovativeness, and popularity) are positively and significantly influence customer satisfaction. Then only quality and value positively and significantly influence customer loyalty, while innovativeness and popularity not. In addition, the indirect relationship between the dimensions of brand leadership (quality, value, innovativeness, and popularity) on consumer loyalty mediated by customer satisfaction all has a positive and significant effect. If the direct relationship between innovativeness and consumer loyalty does not have a positive and significant effect, then a mediating variable of consumer satisfaction is needed to make it positive and significant. Likewise for the relationship between popularity and customer loyalty.

This study only examines the influence of brand leadership which has dimensions of perceived quality, perceived value, perceived innovativeness, and perceived popularity on customer loyalty with customer satisfaction as an intervening variable, so for further researchers the authors suggest the following:

1. Further researchers can conduct research using the same variables but in other e-commerce companies or also in companies engaged in other fields so that they get results to be used as comparisons, and also can providing a thorough understanding of perceived brand leadership.
2. Conduct research by adding moderating variables such as gender, age, or others that might strengthen the effect of the independent variable with the dependent variable
3. Even though this research offers some conclusions, they might not be applicable to customers from other nations or locations because this research was conducted on Shopee application users in Indonesia. Therefore, future research may consider other countries or regions to obtain more comprehensive results.

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FIGURES AND TABLES

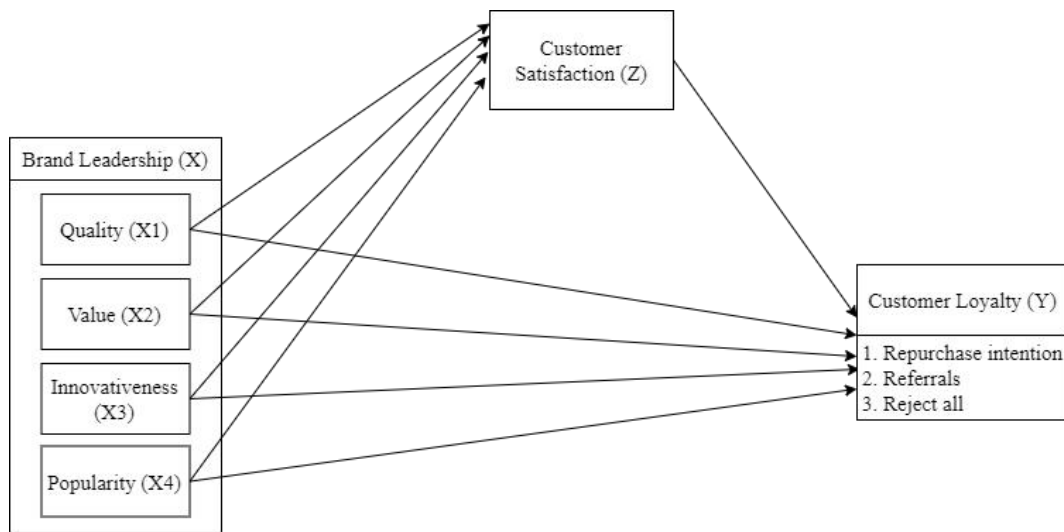


Figure 1. Research Framework
 Source: Modified from Chiu and Cho (2019)

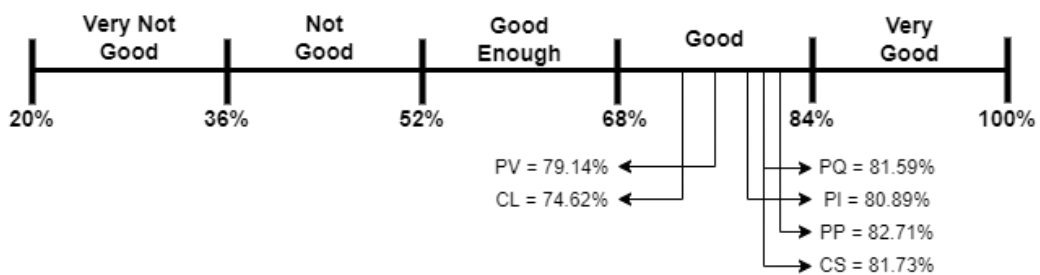


Figure 2: Continuum Line
 Source: Processed Data (2022)

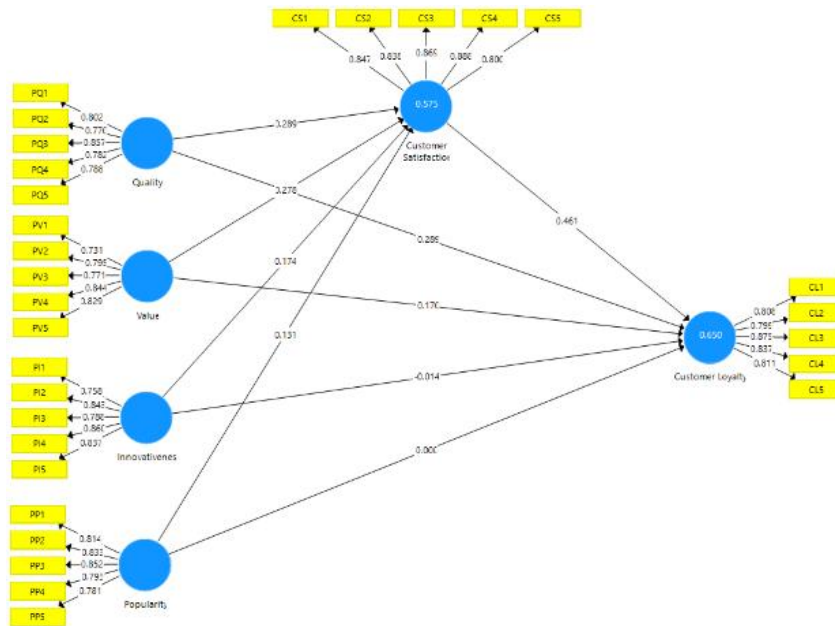


Figure 3: Measurement Model
 Source: Processed Data (2022)

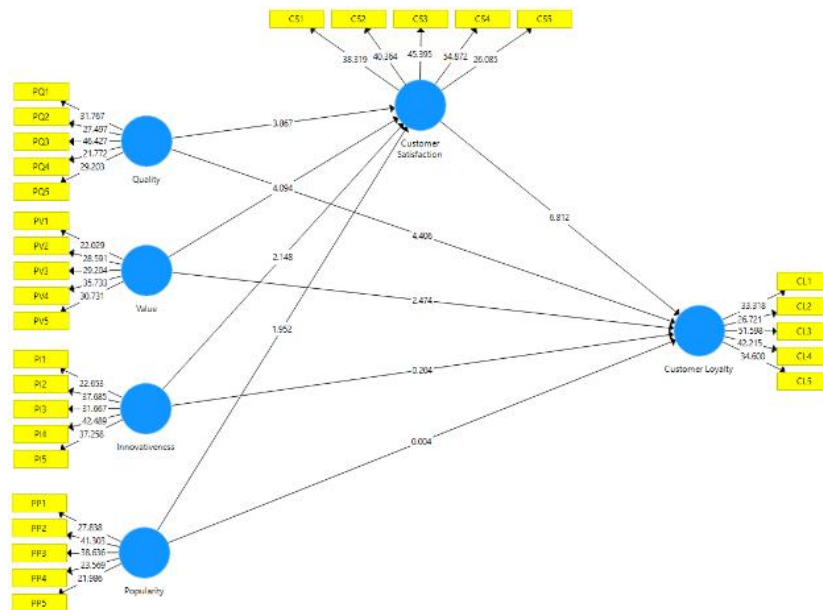


Figure 4: Structural Model
 Source: Processed Data (2022)

Table 1. Operational Variable

Variable	Items on This Research	Item Code
Perceived Quality (PQ)	In my opinion Shopee has higher application quality standards.	PQ1
	In my opinion the quality of Shopee application is better than their major competitors.	PQ2
	In my opinion Shopee offers higher quality features.	PQ3
	In my opinion Shopee application is easy to use.	PQ4
	In my opinion Shopee application is user-friendly.	PQ5
Perceived Value	In my opinion the products that sell at Shopee are	PV1

(PV)	reasonably priced.	
	In my opinion, Shopee provides more free services compared to other e-commerce.	PV2
	In my opinion the product I bought on Shopee application was very good value for the money.	PV3
	In my opinion Shopee provides a good deal as compared to other e-commerce.	PV4
	In my opinion the products that sell at Shopee have better benefits.	PV5
Perceived Innovativeness (PI)	In my opinion Shopee is improving at a rapid rate.	PI1
	In my opinion Shopee is more creative in selling the products.	PI2
	In my opinion Shopee is more of a trendsetter.	PI3
	In my opinion Shopee is an innovative brand when it comes to e-commerce.	PI4
	With regard to e-commerce, Shopee constantly generates new ideas.	PI5
Perceived Popularity (PP)	In my opinion Shopee is more popular than the other e-commerce.	PP1
	In my opinion Shopee is more recognized than the other e-commerce.	PP2
	In my opinion Shopee is better known than the other e-commerce.	PP3
	In my opinion Shopee is one of the most popular e-commerce sites in Indonesia.	PP4
	Most of my friends have the Shopee application on their smartphones.	PP5
Customer Satisfaction (CS)	Based on my experience using Shopee, I feel satisfied.	CS1
	I think I did the right thing when I decided to use Shopee.	CS2
	I feel satisfied with the pre-purchase experience using the Shopee application	CS3
	I feel satisfied with the purchase experience using the Shopee application	CS4
	I feel satisfied with the post-purchase experience using the Shopee application.	CS5
Customer Loyalty (CL)	I will continue doing shopping at Shopee in the future.	CL1
	I will not switch Shopee to the other e-commerce.	CL2
	I would be willing to recommend Shopee to my friends.	CL3
	I say positive things about Shopee to other people.	CL4
	I always consider Shopee as my first choice when it comes to e-commerce.	CL5

Source: Processed Data (2022)

Table 2. Respondent Characteristic

Characteristic	Respondents	Percentage
Gender		
Male	86	31.27%
Female	189	68.73%
Total	275	100%
Age		
16 - 25	149	54.18%
26 - 35	68	24.73%

36 - 45	25	9.09%
46 - 55	23	8.36%
56 - 64	10	3.64%
Total	275	100%
Educational Background		
Elementary School	1	0.36%
Junior High School	8	2.91%
Senior High School	109	39.64%
Diploma	20	7.27%
Bachelor Degree	117	42.55%
Master Degree	20	7.27%
Doctoral Degree	0	0%
Total	275	100%
Occupation		
Government Employees	65	23.64%
Entrepreneur	9	3.27%
Private Sector Employee	38	13.82%
Freelancer	13	4.73%
Students	127	46.18%
Teacher	12	4.36%
Housewife	8	2.91%
Lecturer	1	0.36%
Retired	2	0.73%
Total	275	100%
Income Range		
< Rp. 1.000.000	93	33.82%
Rp. 1.000.000 – Rp. 2.000.000	32	11.64%
Rp. 2.000.000 – Rp. 3.000.000	34	12.36%
Rp. 3.000.000 – Rp. 4.000.000	24	8.73%
> Rp. 4.000.000	92	33.45%
Total	275	100%
Intensity of Using Shopee		
Less than once a week	103	37.45%
once a week	60	21.82%
one to five times a week	74	26.91%
More than five times a week	38	13.82%
Total	275	100%

Source: Processed Data (2022)

Table 3. Convergent Validity by Using Factor Loading and AVE

Latent Variable	Item	Factor Loading	AVE	Conclusion
Perceived Quality (PQ)	PQ1	0.082	0.640	Valid
	PQ2	0.770		Valid
	PQ3	0.857		Valid
	PQ4	0.782		Valid
	PQ5	0.788		Valid
Perceived Value (PV)	PV1	0.731	0.632	Valid
	PV2	0.795		Valid

	PV3	0.771		Valid
	PV4	0.844		Valid
	PV5	0.829		Valid
Perceived Innovativeness (PI)	PI1	0.758	0.670	Valid
	PI2	0.843		Valid
	PI3	0.788		Valid
	PI4	0.860		Valid
	PI5	0.837		Valid
Perceived Popularity (PP)	PP1	0.814	0.664	Valid
	PP2	0.833		Valid
	PP3	0.852		Valid
	PP4	0.793		Valid
	PP5	0.781		Valid
Customer Satisfaction (CS)	CS1	0.847	0.721	Valid
	CS2	0.838		Valid
	CS3	0.869		Valid
	CS4	0.888		Valid
	CS5	0.800		Valid
Customer Loyalty (CL)	CL1	0.808	0.683	Valid
	CL2	0.799		Valid
	CL3	0.875		Valid
	CL4	0.837		Valid
	CL5	0.811		Valid

Source: Processed Data (2022)

Table 4. Correlation Value Between Variable Construct

	CL	CS	PI	PP	PQ	PV
CL	0.826					
CS	0.757	0.849				
PI	0.602	0.655	0.818			
PP	0.587	0.633	0.713	0.815		
PQ	0.693	0.669	0.690	0.668	0.800	
PV	0.645	0.662	0.678	0.663	0.621	0.795

Source: Processed Data (2022)

Table 5. Correlation Value for Cross Loading

	CL	CS	PI	PP	PQ	PV
CL1	0.808	0.667	0.496	0.475	0.560	0.531
CL2	0.799	0.519	0.488	0.446	0.515	0.490
CL3	0.875	0.656	0.523	0.506	0.605	0.560
CL4	0.837	0.664	0.525	0.495	0.578	0.540
CL5	0.811	0.608	0.454	0.500	0.598	0.537
CS1	0.628	0.847	0.518	0.541	0.591	0.583
CS2	0.669	0.838	0.551	0.554	0.577	0.578
CS3	0.659	0.869	0.536	0.489	0.555	0.543
CS4	0.646	0.888	0.553	0.569	0.594	0.555
CS5	0.609	0.800	0.626	0.530	0.521	0.550
PI1	0.447	0.568	0.758	0.533	0.581	0.536
PI2	0.524	0.541	0.843	0.565	0.588	0.590
PI3	0.490	0.509	0.788	0.608	0.549	0.541
PI4	0.475	0.533	0.860	0.629	0.519	0.557
PI5	0.523	0.528	0.837	0.580	0.581	0.545

PP1	0.525	0.515	0.619	0.814	0.579	0.545
PP2	0.547	0.548	0.640	0.833	0.619	0.620
PP3	0.516	0.559	0.604	0.852	0.590	0.523
PP4	0.395	0.480	0.523	0.793	0.452	0.516
PP5	0.378	0.464	0.496	0.781	0.453	0.484
PQ1	0.552	0.510	0.570	0.520	0.802	0.496
PQ2	0.566	0.438	0.536	0.552	0.770	0.527
PQ3	0.559	0.543	0.633	0.584	0.857	0.533
PQ4	0.529	0.551	0.480	0.490	0.782	0.445
PQ5	0.564	0.620	0.539	0.528	0.788	0.484
PV1	0.444	0.480	0.411	0.442	0.348	0.731
PV2	0.530	0.532	0.504	0.488	0.475	0.795
PV3	0.542	0.615	0.583	0.587	0.527	0.771
PV4	0.536	0.496	0.580	0.540	0.560	0.844

Source: Processed Data (2022)

Table 6. Cronbach Alpha and Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability
Customer Loyalty	0.884	0.915
Customer Satisfaction	0.903	0.928
Innovativeness	0.876	0.910
Popularity	0.874	0.908
Quality	0.859	0.899
Value	0.854	0.895

Source: Processed Data (2022)

Table 7. Path Coefficient and T Value

Path Diagram	Path			Conclusion
	Coefficient	t-value	p-value	
PQ -> CS	0.289	4.005	0.000	H ₁ accepted
PV -> CS	0.278	4.281	0.000	H ₁ accepted
PI -> CS	0.174	2.272	0.012	H ₁ accepted
PP -> CS	0.131	1.995	0.023	H ₁ accepted
PQ -> CL	0.289	4.125	0.000	H ₁ accepted
PV -> CL	0.170	2.405	0.008	H ₁ accepted
PI -> CL	-0.014	0.213	0.416	H ₁ rejected
PP -> CL	0.000	0.004	0.498	H ₁ rejected
CS -> CL	0.461	6.727	0.000	H ₁ accepted
PQ -> CS -> CL	0.133	3.785	0.000	H ₁ accepted
PV -> CS -> CL	0.128	3.486	0.000	H ₁ accepted
PI -> CS -> CL	0.080	1.663	0.048	H ₁ accepted
PP -> CS -> CL	0.060	2.046	0.021	H ₁ accepted

Source: Processed Data (2022)

Table 8. R² Result

Variable	R ²	Conclusion
Customer Loyalty	0.650	Moderate
Customer Satisfaction	0.575	Moderate

Source: Processed Data (2022)