

Effect of Customer-Based Brand Equity on Customer Satisfaction in Shopee Indonesia

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Abstract:- Shopee is e-commerce in Indonesia. Shopee currently occupies the first position as the most visited e-commerce and gets the highest reviews for the online market category on the App Store and Playstore in Indonesia. This study aims to decide the influence of brand equity on customer satisfaction at Shopee Indonesia. This study uses analytic research, conducted to find an explanation why a symptom occurs that proves the relationship is influenced by influence and cause and effect. Questionnaires were submitted by 49 respondents. This questionnaire consisted of 16 statement items which were described based on several variables to be examined, namely the influence of Brand Awareness (X1), Quality Perception (X2), Brand Association (X3), and Brand Loyalty (X4) on Customer Satisfaction (Y). The results of the hypothesis analysis conducted, Brand Awareness, and Brand loyalty do not significantly affect customer satisfaction. Meanwhile, perceived quality and brand association have a significant influence on customer satisfaction. Simultaneous Hypothesis Testing and Coefficient Determination Results, X1 (Brand Awareness), X2 (Perception Quality), X3 (Brand Association) and X4 (Brand Loyalty) have a simultaneous effect (together) on customer satisfaction (Y).

Keywords:- Brand Equity, Customer Satisfaction, E-Commerce.

I. INTRODUCTION

Online business is snowballing, this indicates the increasing use of information technology that is driving the growth of technology and the digital economy. Buying and selling online is a business choice because of the ease of accessing information about a product or service sought and coupled with the promotion of e-commerce companies in offering goods or services with a variety of conveniences for the public. One of the leading e-commerce in Indonesia is Shopee.

Shopee is e-commerce that was present in 2015 in Indonesia, which is known to offer a promotional campaign in the form of free shipping for each order. Creating a brand to be recognized is not easy, especially if there are already many players in the industry whose names are already well known. Shopee currently occupies the first position as the most visited e-commerce and gets the highest review for the online marketplace category on the App Store and Playstore in Indonesia in the 4th quarter of 2019. Surely this achievement is supported by brand equity

formed by Shopee, which includes brand awareness, perceived quality, brand association, and brand loyalty so far.

In addition to targeting its brands to be more widely known and used by people in Indonesia, of course, all must coincide with the quality of service to create excellent customer satisfaction. According to Richard Oliver (Barnes, 2003), satisfaction is the customer's response to the fulfillment of his needs. That indicates a particular form of goods or services or goods/services itself, provides a level of comfort associated with meeting a need. To find out how strong the influence of brand equity in influencing customer satisfaction, research must be conducted to analyze the effect of brand equity on customer satisfaction in shopping and enjoying the features available at Shopee.

II. LITERATURE REVIEW

➤ Brand Equity

Referring to the importance of brand equity in the company, here is the understanding of brand equity delivered by Kotler and Keller (2009), brand equity is an added value given by a brand to a product and service, reflected in the way a customer thinks, thinks, feels and act well for a brand. Furthermore, Clow and Baack (2007) argue that brand equity is a set of characteristics of a unique brand that companies can set higher prices and maintain an increase in market share. Furthermore, Aaker (1996) expressed his opinion that brand equity is a collection of assets and liabilities of the brand associated with the brand, name, and symbol that can add value provided by a product or service to the company or the company's customers.

➤ Customer-Based Brand Equity

Customer-Based Brand Equity is taken from the perspective of the consumer. The definition of a customer-based brand equity is a form of brand difference over brand knowledge over the results of brand consumer experience. According to Aaker (1991), the basic concept of brand equity can be assembled into some categories. It is:

- Brand Awareness: According to Aaker (1996), brand awareness is as a potential buyer for remembering a brand is part of a particular product category.
- Perceived Quality: Understanding the impression of quality, according to Aaker (1996), is the customer's perception of the overall quality or excellence of a product or service that is related to the agreed intention.
- Brand Associations: According to Aaker (1996), is everything related to brand memory. Association not only has but also has a level of strength.

- Brand Loyalty Brand loyalty is a measure of consumer loyalty to a brand. Brand loyalty is the core of brand equity, which is the main idea in marketing because this is a measure of customer relations with the brand.

➤ *Customer Satisfaction*

The company needs to achieve, fulfil, and meet customer needs well, is a strategy for every company. Customer satisfaction has become a central concept in business discourse. According to Kotler (2002), customer satisfaction is someone's happy or disappointed feelings that arise after comparing perceptions or impressions below expectations; customers are not satisfied. However, if the performance exceeds expectations, the customer is happy and happy. If the performance received is below expectations, the customer will be satisfied, if the performance meets the customer's expectations, the customer will feel satisfied, if the performance increases expectations, the customer will feel happy. This satisfaction is certainly felt after customers who consume these products.

➤ *Research Method*

This type of research uses explanatory research. Research is conducted to find an explanation of a fact that is proven to prove a relationship with cause and cause. Taking into account quantitative, this study explains

influence between variables X1 (Brand Awareness), X2 (Perception Quality), X3 (Brand Association) and X4 (Brand Equality) on customer satisfaction (Y). Send Questions to 49 Shopee Users at Mercu Buana University. Analysis of the data used:

➤ *Descriptive Analysis*

Has the aim to provide a description of a data so that the data presented becomes easy to read and informative for readers who read.

➤ *Multiple Linear Regression Analysis*

Multiple regression analysis is used for predicting the value of two or more independent variables with one dependent variable.

➤ *T Test Analysis (Partial Test)*

Trial to test the significance of each independent variable (X1, X2, X3, and X4) partially to determine relationship between Brand Awareness, Perception Quality, Brand Association, and Brand Loyalty variables to customer satisfaction variables.

➤ *F Test Analysis (Simultant Test)*

F test is used to test significant or not simultaneously or influential together between independent variables to the dependent variable.

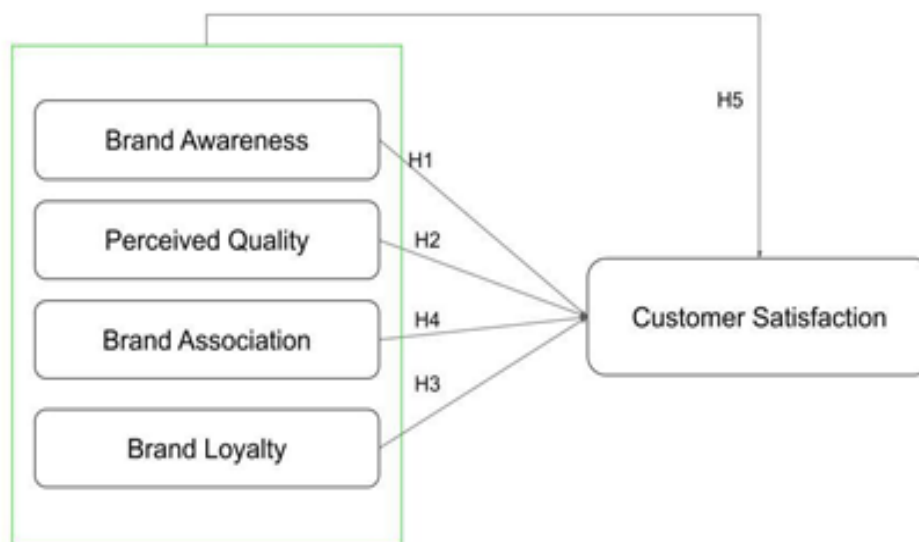


Fig 1:- Framework

➤ *Hypothesis*

- H_1 : Brand Awareness influences customer satisfaction
 H_2 : Perceived Quality influences customer satisfaction
 H_3 : Brand Association influences customer satisfaction.
 H_4 : Brand Loyalty influences customer satisfaction
 H_5 : Brand Awareness, Perceived Quality, Brand Association, Brand Loyalty influences customer satisfaction

III. DISCUSSION

Results were obtained from distributing questionnaires to respondents as primary data sources, namely Shopee users at Mercu Buana University. Questionnaires were distributed to 49 respondents. This questionnaire consists of 16 items on several variables to be discussed, namely Brand Awareness (X1), Perception Quality (X2), Brand Associations (X3), and Brand Loyalty (X4) to Customer Satisfaction (Y).

| Decription | Type | Amount |
|-----------------------------------|---------------------------------|--------|
| Gender | Woman | 35 |
| | Man | 14 |
| Age | 20-25 Years | 14 |
| | 26-30 Years | 22 |
| | >31 Years | 12 |
| Income | <Rp. 4.999.999 | 11 |
| | Rp. 5.000.000 – Rp. 10.000.000 | 29 |
| | Rp. 10.000.001 – Rp. 20.000.000 | 6 |
| | >Rp. 20.000.000 | 3 |
| Buying intensity at Shopee | 1 time per month | 16 |
| | 2-3 times per month | 19 |
| | >4 times per month | 14 |

Table 1:- Responden’s Profile

➤ *Analysis of Research Results*

To test whether the measuring instrument is used meets the requirements, to produce data by what is measured, before analyzing the data based on the results of the collected data, the data is tested through the validity and reliability of the data.

➤ *Validity and Reliability Test*

• *Validity test*

Validity testing was done by correlating the scores of each item. If the agreed item revision coefficient is more significant than r table 0.282, it can be concluded that the item resolution is a valid construction. The results of the questionnaire validity tests of the three variables are presented in the table.

| Questions | R _{count} | r _{Table} | Result |
|------------------------------|--------------------|--------------------|--------|
| Question 1 (X ₁) | 0,847 | 0,282 | Valid |
| Question 2 (X ₁) | 0,882 | 0,282 | Valid |
| Question 3 (X ₁) | 0,863 | 0,282 | Valid |
| Question 1 (X ₂) | 0,916 | 0,282 | Valid |
| Question 2 (X ₂) | 0,911 | 0,282 | Valid |
| Question 3 (X ₂) | 0,879 | 0,282 | Valid |
| Question 1 (X ₃) | 0,924 | 0,282 | Valid |
| Question 2 (X ₃) | 0,968 | 0,282 | Valid |
| Question 3 (X ₃) | 0,954 | 0,282 | Valid |
| Question 1 (X ₄) | 0,898 | 0,282 | Valid |
| Question 2 (X ₄) | 0,890 | 0,282 | Valid |
| Question 3 (X ₄) | 0,919 | 0,282 | Valid |

Table 2:- Recapitulation of Test Results of Variable Brand awareness (X₁), Perceived Quality (X₂), Brand Association (X₃), Brand Loyalty (X₄)

Source: 2020 Data Processing Results

Based on Table 2 above it can be seen that all items for the brand awareness (X₁), perceived quality (X₂), brand association (X₃) and brand loyalty (X₄) variables are valid used as a measurement of research and can be used for further analysis.

| Questions | R _{count} | r _{Table} | Note |
|------------|--------------------|--------------------|-------|
| Question 1 | 0,841 | 0,282 | Valid |
| Question 2 | 0,900 | 0,282 | Valid |
| Question 3 | 0,918 | 0,282 | Valid |
| Question 4 | 0,861 | 0,282 | Valid |
| Question 5 | 0,870 | 0,282 | Valid |
| Question 6 | 0,820 | 0,282 | Valid |
| Question 7 | 0,831 | 0,282 | Valid |

Table 3:- Recapitulation of the Test Results of Variable Customer Satisfaction Validity (Y)
Source: Data Processing Results 2020

From table 3 above, it can be seen that the value of the validity coefficient of each statement item is higher than the value of r table 0.282. The results of this test indicate that all items of statements for customer satisfaction variables are eligible to be used (valid) as a measurement of research and can be used for further analysis.

• *Reliability Test*

The questionnaire is said to be reliable if the reliability coefficient is positive and is higher than 0.60. The results of the reliability test based on the alpha Cronbach formula obtained the following results: The questionnaire is reliable if the reliability coefficient is higher than 0.60. The reliability test results obtained the following results:

| Variable | Reability Coefficient | Critical Point | Notes |
|-------------------------------------|-----------------------|----------------|----------|
| Brand Awareness (X ₁) | 0,821 | 0,6 | Reliable |
| Perceived Quality (X ₂) | 0,885 | 0,6 | Reliable |
| Brand Association (X ₃) | 0,943 | 0,6 | Reliable |
| Brand Loyalty (X ₄) | 0,883 | 0,6 | Reliable |
| Customer Satisfaction (Y) | 0,942 | 0,6 | Reliable |

Table 4:- Research Questionnaire Reliability Test Results
Source : Data Processing Results 2020

Based on table 4, the reliability value of statement items on the questionnaire for each variable studied was more significant than 0.60, thevalue of brand awareness (X₁) was 0.821, perceived quality (X₂) was 0.885, brand association (X₃) was 0.943, brand loyalty (X₄) of 0.883 and the reliability value of customer satisfaction (Y) of 0.942. These results indicate that statement items on the questionnaire can be trusted to measure.

➤ *Hypothesis Testing Analysis*

Multiple linear regression analysis is used to determine the magnitude of the relationship and influence, which includes: the effect of brand awareness, perceived quality, brand association, and brand loyalty on customer satisfaction.

| Coefficients ^a | | | | | | |
|---------------------------|-----------------------------|------------|---------------------------|------|-------|------|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | -,298 | 2,058 | | -,145 | ,885 |
| | Brand Awareness | ,064 | ,267 | ,024 | ,238 | ,813 |
| | Perceived Quality | 1,457 | ,278 | ,587 | 5,236 | ,000 |
| | Brand Association | ,506 | ,198 | ,244 | 2,560 | ,014 |
| | Brand Loyalty | ,261 | ,176 | ,145 | 1,484 | ,145 |

a. Dependent Variable: Customer Satisfaction

Table 5:- Regression Coefficient Results

From Table 5 above, it is known that the constant values and regression coefficients so that the multiple linear regression equation can be formed as follows:

$$Y = -0.298 + 0.064X_1 + 1.457 X_2 + 0.506X_3 + 0.261X_4$$

➤ *Partial Hypothesis Testing (t-Test)*

By using the SPSS program, the following outputs are obtained:

| Coefficients ^a | | | | | | |
|---------------------------|-----------------------------|------------|---------------------------|------|-------|------|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | -,298 | 2,058 | | -,145 | ,885 |
| | Brand Awareness | ,064 | ,267 | ,024 | ,238 | ,813 |
| | Perceived Quality | 1,457 | ,278 | ,587 | 5,236 | ,000 |
| | Brand Association | ,506 | ,198 | ,244 | 2,560 | ,014 |
| | Brand Loyalty | ,261 | ,176 | ,145 | 1,484 | ,145 |

a. Dependent Variable: Customer Satisfaction

Table 6:- Partial Hypothesis Testing

Testing the hypothesis of the variable X_1 (Brand Awareness) From Table 6 above, the t_{count} for X_1 of 0.238 and t_{table} of 2.015 and p-value (sig.) Of 0.813 were obtained. Because $t_{count} < t_{table}$ and p-value (sig.) $> (A = 0.05)$ H_0 is accepted, and H_a is rejected, meaning that brand awareness has no significant effect on customer satisfaction. Brand Awareness relates to how much Shopee is known by potential buyers, during 2018 to 2020, Shopee intensively carried out brand recognition by selecting Brand Ambassadors from figures already known to the public such as Syahrini and Christiano Ronaldo. Other than that. Through social media Instagram, Shopee strengthens its brand recognition by creating accounts that aim to reach the segment it wants to go to, such as @Shopeeauty_id for the cosmetics lover segment, @shopeemoms_id for the housewife segment and @shopeeformen_id for the male segment.

Hypothesis testing variable X_2 (Perceived Quality) obtained t_{count} for X_2 of 5.236 and t_{table} 2.015 and p-value (sig.) 0.000. Because $t_{count} > t_{table}$ p-value (sig.) $< (A = 0.05)$, H_0 is rejected and H_a is accepted, meaning that perceived quality has a significant effect on customer satisfaction. Perceived quality is related to prestige and appreciation of a brand. One of the excellent features of the Shopee application is the Shopee Guarantee, which aims to improve quality. This feature allows new funds to be

released to the seller after the new product is received by the buyer, giving rise to the perceived safe feeling of the buyer. Along with the security of buyers' funds, Shopee also ensures to provide the best service through qualified customer service through reports from telephone, email, live chat, and social media.

Hypothesis testing of variable X_3 (Brand Association) From Table 6 above, the t_{count} value for X_3 of 2,560 and t_{table} of 2,015 and p-value (sig.) Of 0.014. Because $t_{count} > t_{table}$ p-value (sig.) $< (A = 0.05)$, H_0 is rejected and H_a is accepted, meaning that brand association has a significant effect on customer satisfaction. Brand Association is everything inherent in the memory of a brand. Shopee is known for its logo and color that is easy to remember, namely orange plus its musical jingles such as the Baby Shark song advertised on social media and television that are very attached to prospective buyers and affect customer satisfaction.

Testing the hypothesis of the variable X_4 (Brand Loyalty) From Table 6 above, the t_{count} for X_4 of 1,484 and t_{table} of 2,015 and p-value (sig.) Of 0,145 were obtained. Because $t_{count} < t_{table}$ and p-value (sig.) $> (A = 0.05)$, H_0 is accepted, and H_a is rejected, meaning brand loyalty has no significant effect on customer satisfaction. Brand Loyalty is the level of consumer loyalty to a brand.

In order to increase customer loyalty, Shopee created the Shopee Loyalty feature that allows Buyers with the most monthly purchases to get a platinum status with special line benefits for customer complaint services and attractive vouchers. The goal is to maintain and provide the best

service for loyal users who have chosen Shopee. The strategy is expected to increase customer loyalty to a brand, also avoid the threat and attack of competing for brand products.

Table 7
Simultaneous Hypothesis Testing
ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 1477,758 | 4 | 369,439 | 71,232 | ,000 ^b |
| | Residual | 228,201 | 44 | 5,186 | | |
| | Total | 1705,959 | 48 | | | |

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Brand Loyalty, Brand Awareness, Brand Association, Perceived Quality

Table 7:- Simultaneous Hypothesis Testing (F-Test)

Based on Table 7 above that the brand awareness, perceived quality, brand association, and brand loyalty variables simultaneously (simultaneously) have a significant effect on customer satisfaction.

➤ *Analysis of the Coefficient of Determination*

After knowing the value of R (Correlation) of 0.931, the coefficient of determination can be calculated using the following formula:

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | ,931 ^a | ,866 | ,854 | 2,27737 |

a. Predictors: (Constant), Brand Loyalty, Brand Awareness, Brand Association, Perceived Quality

Table 8:- The Coefficient of Determination results

Based on Table 8 above, it is known that the Fcount value is 99.405 with a p-value (sig) of 0.000. With $\alpha = 0.05$ and degrees of freedom $v1 = 44$ ($n - (k + 1)$) and $v2 = 4$, we get $F_{table} 2.584$. Due to the value of $F_{count} > F_{table}$ ($99.405 > 2.584$), it means that the brand awareness, perceived quality, brand association, and brand loyalty variables simultaneously (simultaneously) have a significant effect on customer satisfaction.

$$\begin{aligned}
 KD &= R^2 \times 100\% \\
 &= (0,931)^2 \times 100\% \\
 &= 86,6\%
 \end{aligned}$$

Thus, a KD value of 86.6% was obtained, indicating that X1 (Brand Awareness), X2 (Perceived Quality), X3 (Brand Association) and X4 (Brand Loyalty) had a simultaneous influence of 86, 6% of customer satisfaction (Y) while the remaining 13.4% is influenced by other factors not examined in this study.

IV. CONCLUSION

X₁ (Brand Awareness), X₂ (Perceived Quality), X₃ (Brand Association) and X₄ (Brand Loyalty) give a simultaneous influence of 86.6 % of customer satisfaction (Y). In comparison, the remaining 13.4% is influenced by other factors not examined in this study.

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