

CHAPTER I

INTRODUCTION

1.1 Background Problem

The rapid development of today's times provides convenience in obtaining information that makes people's views become broader regarding lifestyle trends that are in great demand today. One of them is the trend of online shopping which is in great demand by various groups because of the convenience offered. Information technology is one of the main factors driving changes in shopping culture in Indonesia, namely the transition from traditional shopping to modern e-commerce (Azizah & Aswad., 2022). There are many companies out there competing to create online shopping applications or commonly referred to as marketplaces that provide various kinds of strategic offers and innovations to attract people to shop and subscribe to their marketplace companies. One of the companies that will be discussed is Shopee. The Shopee app was first introduced in 2015 and has since experienced rapid growth, becoming one of the leading online shopping platforms in Southeast Asia. The platform provides a wide range of products, from electronics, fashion, household goods, to food and beverages. Shopee is well known for its various superior features, such as promo discounts, free shipping, and a choice of payment methods that make it easy for its users. Here are the reasons why people choose shopee as their online shopping app in Figure 1.1



Source : Similarweb (2024)

Figure 1.1
Reasons to Choose Shopee Marketplace in Indonesia

Based on Figure 1.1, the SimilarWeb survey shows that Shopee is the e-commerce platform in the marketplace category with the highest number of site visits in Indonesia throughout 2023. During the period of January to December 2023, Shopee's site was recorded to receive around 2.3 billion visits, this figure is much higher than its competitors. In the same period, Tokopedia recorded around 1.2 billion visits, followed by Lazada with 762.4 million visits. BliBli received 337.4 million visits, while Bukalapak recorded 168.2 million visits. In addition to excelling in terms of the number of visits, Shopee also recorded the highest growth in visits. From January to December 2023, visits to the Shopee website increased by 41.39 per cent. In contrast, Tokopedia experienced a 21.08% per cent decrease, Lazada decreased by 46.72% per cent, and Bukalapak decreased by 56.5 per cent.

Sales competition on Shopee is increasing along with the number of businesses joining the platform. This condition encourages some sellers to carry out

fraudulent practices in order to get ahead of competitors, such as by paying or asking others to place fake orders, giving positive reviews, following stores, and giving fake likes to certain stores. To overcome this, Shopee implements a policy by freezing the accounts of sellers who are involved in these fraudulent activities (seller.shopee.co.id, 2021). Apart from considering product ratings, buyers also often pay attention to promotional factors when buying products online. However, the free shipping promo offered by Shopee does not fully provide 100% shipping discounts, but in the form of shipping discounts with minimum purchase requirements that must be understood by prospective buyers (shopee.id, 2021). In addition, according to user reviews of the Shopee application on the Google Play Store there are several complaints regarding Shopee advertisements that are considered annoying or often appear on users' smartphone devices.

An important element related to products is called brand image. The development of this increasingly modern era makes every individual have broader thoughts in giving high standards to the brand image of a product. Brands can increase customer sensitivity to the quality and characteristics of competing products, and also brands can provide confidence to customers and become part of the self-image built by the buyers themselves. Brand image is also a very important reference when consumers intend to buy a product (Febriyantoro, 2020).

Product quality is also partly important to increase purchase intentions in consumers, because the first thing that will be seen and felt by customers is the quality offered. The definition of product quality is a description of the value of a product from the composition of the materials it is made of, the durability of the

product and also the useful function of the product for users (Maurencia et al., 2021). The product will be superior if the product can provide results and performance that meet or exceed consumer expectations. Given that in this day and age it is starting to be difficult to find sellers who honestly say how the quality of the products they sell, as often happens in the sale of skincare products that often lie about what ingredients are contained in the skincare. Of course, things like that must be addressed immediately in order to increase product sales.

Product description is something that is often forgotten by some companies, many of the companies do not include detailed descriptions of their products in the description on their shopee store page so that buyers are less interested in continuing the purchase. Product descriptions are defined as information about products that help consumers ensure that the items they are looking for match their needs and demands. With this description, consumers find it easier to find the details of the desired product (Hasugian et al., 2023). Product descriptions require complete and interesting writing, this is because buyers today are more observant in choosing the products they want. Broadly speaking, an attractive product description that includes complete information will certainly be an additional point in the store's performance.

Influencers who have a great influence on their followers and viewers on social media today are very helpful for various companies and sellers in building a brand. The job of an influencer is to advertise a product by sharing information and experiences when they use the product. People generally like advertisements hosted by their favourite influencers because they are more fun than traditional

advertisements such as banners and others, with the presence of influencers will have an impact on brand recognition and product recognition which will then increase purchase intention in consumers. Using influencers on social media is more efficient than traditional media in delivering information to many followers, so that the information is more easily understood by social media users (Saputra et al., 2020).

As the popularity of the shopee marketplace continues to increase, there are various factors that influence consumer purchase intention on this platform. Four factors that are often of concern are brand image, product quality, product description and social media influencers. Brand image takes a major role in this case, because if a brand has a good brand image in the minds of consumers, consumers will look for products from that brand in order to get a satisfaction in consumers. Brand image is an important factor that is used as a reference by consumers when making a purchase decision (Febriyantoro, 2020). Product quality also remains a crucial factor as customers want products that meet their expectations in terms of functionality and durability. Product descriptions also play an important role, especially in terms of indirectly influencing consumers' psychological state by reading the written descriptions. Meanwhile, influencers on social media also play a role in this regard, as a review from an influencer will influence many of their followers to buy the same product.

1.2 Problem Formulation

Based on the background of the problems that have been described, the main focus of the authors in this study is on several problems that can be formulated into questions as follows:

1. Does brand image have a significant effect on consumer purchase intention on the Shopee Marketplace?
2. Does product quality have a significant effect on consumer purchase intention on the Shopee Marketplace?
3. Does product description have a significant effect on consumer purchase intention on the Shopee Marketplace?
4. Do social media influencers have a significant effect on consumer purchase intentions on the Shopee Marketplace??

1.3 Research Objectives

Based on the formulation of the problem above, the objectives that the author wants to achieve in this study are:

1. Analysing the significance of the effect brand image on consumer purchase intention at Marketplace Shopee
2. Analysing the significance of the effect product quality on consumer purchase intention on the Shopee Marketplace
3. Analysing the significance of the effect product description on consumer purchase intention on the Shopee Marketplace

4. Analysing the significance of the effect social media influencers on consumer purchase intentions on the Shopee Marketplace

1.4 **Research Benefit**

This research is expected to provide benefits to various parties as follows:

- a. Benefits for the Author

As a writer, this research is a good opportunity to apply the theories learned in college and understand the importance of the influence of brand image, product quality, product description, and social media influencers on consumer purchase intentions.

- b. Benefits for Readers

This research is expected to provide readers with a deeper understanding of how consumers make decisions to buy products that meet the criteria, both in terms of trust and quality.

- c. Benefits for Shopee Company

For companies, the results of this study can be used as material for consideration and evaluation to increase company efficiency and productivity related to factors that influence consumer purchasing intentions.

1.5 Writing Systematics

The systematic writing of this research explains the details of the sequence of writing each chapter, which is divided into several parts, as follows :

CHAPTER I

INTRODUCTION

This chapter explains the theoretical basis that forms the basis for hypothesis formulation and research analysis including previous research, and provides an overview of the research data framework.

CHAPTER II

LITERATURE REVIEW

This chapter contains the theoretical basis which is the basis for formulating hypotheses and research analysis including previous research, as well as explaining and describing the framework of research data.

CHAPTER III

RESEARCH METHODS

This chapter explains the research methods that provide an overview of the initial steps of the research to the methods that will be used to conclude the existing problems.

CHAPTER IV

DESCRIPTION OF RESEARCH SUBJECTS AND DATA ANALYSIS

This chapter discusses an overview of the research subject as well as data analysis, which includes descriptive analysis,

measurement model analysis, hypothesis testing, and discussion of the analysed research results.

CHAPTER V

CLOSING

This chapter describes the research conclusions which contain answers to the formulation of problems and proof of hypotheses, research limitations, conclusions and suggestions as related parties and future researchers.