

CHAPTER II

OVERVIEW OF RESEARCH AND RESPONDENT

This chapter will explain the general description about Shopee marketplace. In addition, this chapter also explain the respondent's identification that comprise age, gender, income, purchase frequency on Shopee, initial use of Shopee, last purchase on Shopee, and average purchase value on Shopee from the respondents.

2.1 Overview of Shopee Company

Shopee is an e-commerce company established by the Sea Group, an internet company in Southeast Asia. Shopee existed in Singapore for the first time in 2015 which then spreads its wings to many countries, including Malaysia, Philipines, Taiwan, Thailand, Vietnam, and Indonesia. As one of the largest e-commerce in Southeast Asia, Shopee always provide attractive offers such as discount and free shipping for its users, buyers, and sellers (Nusantara, n.d.) Shopee has a goal to drive change for the better by providing a platform to connect buyers and sellers in one community. Shopee always provide a comprehensive online shopping experience with a wide selection of products to meet your needs its customers seamlessly. Shopee instills the principle of simple, happy, and together in every form of communication. Simple means that Shopee believes in simplicity and integrity as well as honesty and what is is. Happy means that Shopee provides a fun and energetic attitude to its users, and Together means that Shopee provides the best service and quality that reflects family. Shopee launched for the first

time as a consumer-to-consumer marketplace only (C2C). But, along with its growth and development, in 2017 Shopee is shifting to a hybrid C2C and business to consumer (B2C) model with launched the Shopee Mall Feature which is an online shop platform for famous brands. Shopee also launched another feature, namely Shopee Mart which sells various products for daily needs. In April 2020, Shopee officialy promotes its newest product, namely Shopee Food which provides delivery service platform for selling ready-to-eat food and succeed received a high level of public attention.

Shopee has many advantages that make it successful in many awards including in 2017 Shopee received “The Indonesian Netizen Brand Choice Award 2017” for the online shopping category by Warta Ekonomi and “Bright Awards Indonesia 2017” for the most advertising category impressive, In 2020 Shopee was named first in the ranking category Top Buzz Rankings by YouGov Brand Index which is London based market research company. In 2021 Shopee is successful brought victory as “Best E-commerce” in the award prestigious The 18th Award 2021. Shopee is famous for its massive promo campaigns that are considered profitable for users. This event is usually held every month coinciding on twin dates, including 9.9 Super Shopping Day, 10.10 Brands Festival, 11.11 Big Sale, and 12.12 Birthday Sale. Every event that carried out by providing promotional offers in the form of vouchers, discounts, cashback, and attractive and diverse fashion sales, thus encouraging consumers to make purchases and do not be surprised if the event is always eagerly awaited.

2.2 Company Vision and Mission

Vision and mission have become an inseparable unit and are also important things for a company that will lead it towards clear and objective goals. In this case, Shopee has a company vision, namely “To become the number 1 mobile marketplace in Indonesia”. To realize this vision, Shopee sets a mission as a step towards achieving the company’s vision. Shopee’s mission is “Developing the soul entrepreneurship for sellers in Indonesia”.

2.3 Value

1. *We Serve*, means that Shopee always puts customers first in providing value to each of its products and strives to meet consumer needs.
2. *We Adapt*, meaning that Shopee always tries to be in tune and adapt to existing changes.
3. *We Run*, means that shopee moves better, faster and more precisely everyday.
4. *We Commit*, means Shopee has a commitment to do everything that is possible.
5. *We Stay Humble*, means Shopee maintain humility over developments and achieve that have been obtained.

2.4 Logo

A logo is a presentation, look or visual display that represents identity company. A good logo is a logo that is able to describe, interesting attention and give the simple impression, to easily recognize and remember. This is the following logo from Shopee Marketplace :

Figure 2.1 Shopee Logo























Source : Shopee, 2022

The Shopee logo is dominated by orange color, which means a warm color and symbolizes happiness. The use of orange in Shopee's logo is expected to be able to provide more attractiveness for consumers and increase the buying interest of its users. The Shopee logo is also represented by a basket shape where there is a letter "S" in the middle, this symbolizes that various types of goods are available at Shopee, and contains the message "Buy All at Shopee".

2.5 Types of Products

Shopee offers a variety of products tailored to the needs and lifestyle of its consumers. The products that sell are quite complete, including clothing, electronics, home appliances, beauty, health, fashion accessories, sports, food, automotive, and so on.

Figure 2.2 Shopee's Product Category

KATEGORI				
 Elektronik	 Komputer & Aksesoris	 Handphone & Aksesoris	 Pakaian Pria	 Sepatu Pria
 Makanan & Minuman	 Perawatan & Kecantikan	 Perlengkapan Rumah	 Pakaian Wanita	 Fashion Muslim
 Tas Pria	 Aksesoris Fashion	 Jam Tangan	 Kesehatan	 Hobi & Koleksi
 Fashion Bayi & Anak	 Ibu & Bayi	 Sepatu Wanita	 Tas Wanita	 Otomotif

Sources : Shopee.co.id, 2023

The types of products at Shopee are further divided into several categories. The product category is also quite complete because all the goods that consumers need are available and have been adjusted according to gender and age. Examples, different categories as Shopee include Apparel products which are divided into Women's, Men's, and Children's Clothing, as well as Electronic Products which are divided into Computers, Cellphones, and Photography.

2.6 Types of Sales Promotion

Shopee is famous for their many sales promotion offers, thus making its users feel at a disadvantage. Here are some forms of sales promotions provided by Shopee :

1. *Vouchers*, incentive tools that have a certain value and are usually valid in a certain place and period of time. Shopee offers various types of vouchers for its users. To use it, Shopee users can claim the available vouchers and make sure they meet the requirements and applicable provision. Vouchers that are always in demand by Shopee Users is a Free Shipping vouchers.

Figure 2.3 Shopee's Voucher



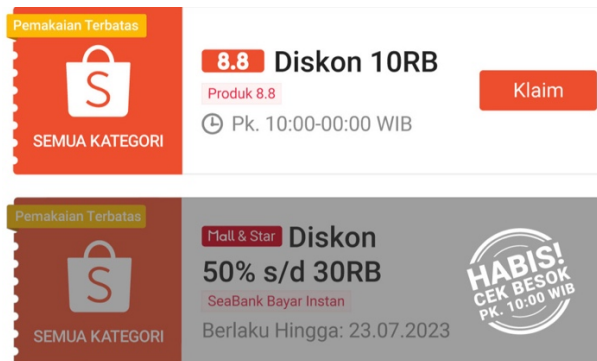
Voucher penjual (voucher toko)

Voucher penjual (Voucher produk)

Sources : *Shopee.co.id*, 2022

2. *Discount*, is a price reduction given by the seller to the buyer when purchasing a product. To get a discount, Shopee users can claim the available discount vouchers which are then applied to the checkout process, so that the total purchases will be automatically deducted according to the amount of the discount.

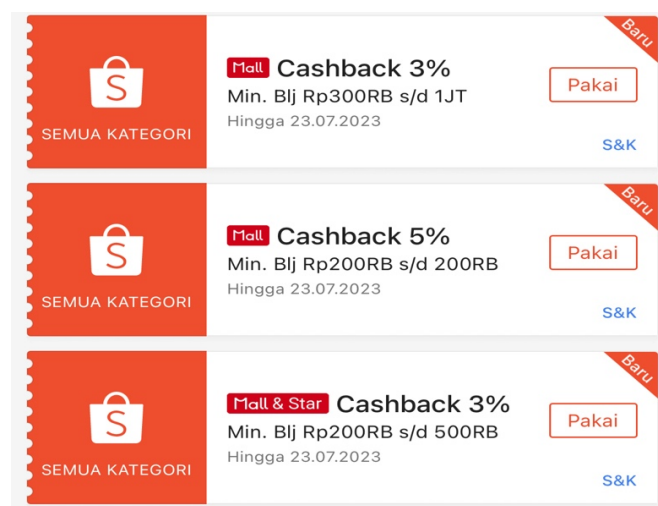
Figure 2.4 Shopee's Discount Figure



Sources : *Shopee.co.id, 2023*

3. *Cashback*, is a form of promotional offer offered by the seller and later the buyers will get a refund on the purchase of a product. To get cashback, users must claim the available cashback vouchers and must fulfill the applicable terms and conditions. Shopee will provide cashback in the form of Shopee coins which can then be reused by its users in the next purchase.

Figure 2.5 Shopee's Cashback Figure



Sources : *Shopee.co.id, 2023*

4. *Flashsale*, is a promotional concept where products are offered at a very low price but in a short and limited time. Flashsale product price listed are only valid during the offer period. To get flashsale products, consumers are generally only allowed to buy one product per item.

Figure 2.6 Shopee's Flashsale Figure



Sources : *Shopee.co.id*, 2023

5. *Free Shipping*, is a promotional concept from sellers to buyers with the aim of increasing promotion and sales. In short, free shipping means freeing up shipping costs so that consumers do not bear the cost or free. Free shipping offers can certainly make consumers happy, because usually in shipping, there must be costs that are considered quite expensive. One of the goals of free shipping is to get new customers and sell out products quickly.

Figure 2.7 Shopee's Free Shipping Figure

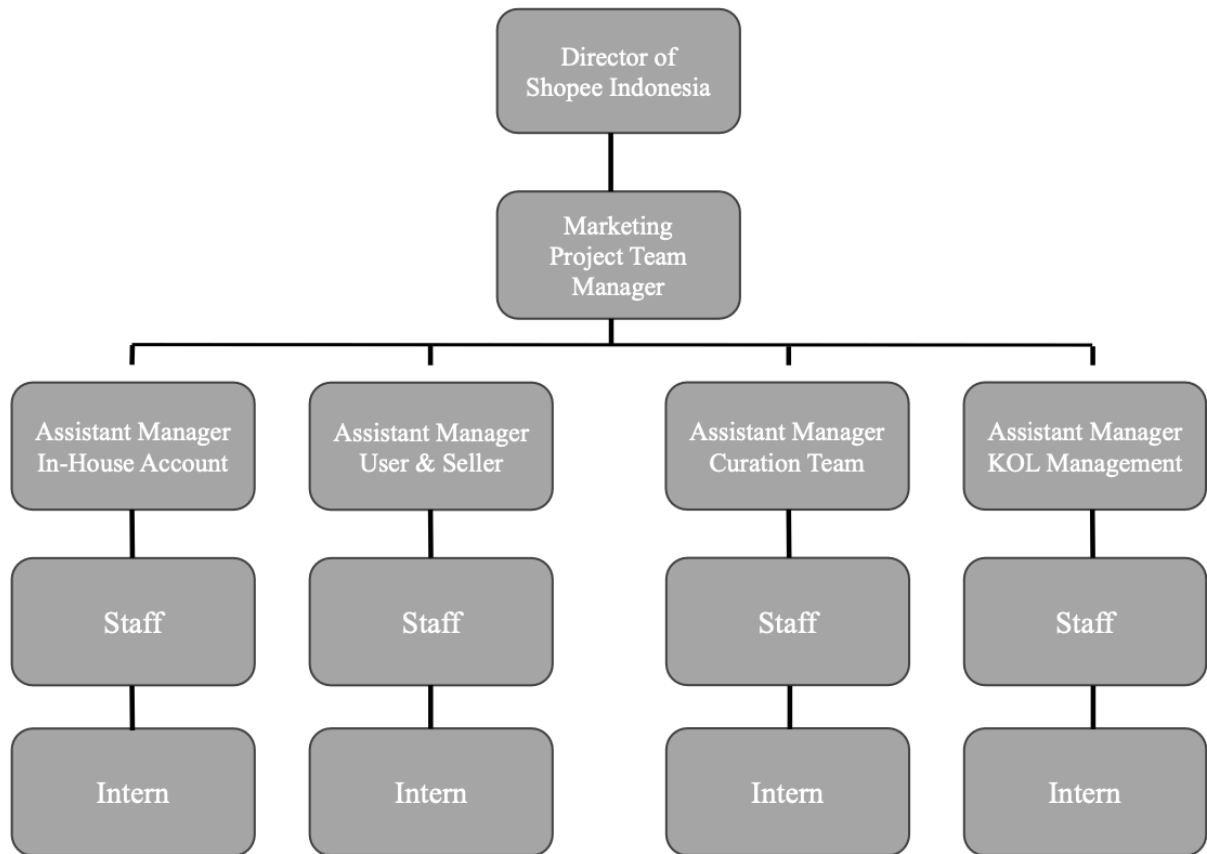


Sources : Shopee.co.id, 2023

2.7 Organizational Structure

Organizational structure is an important factor to the sustainability of the company in grouping the types of work that exist into the same work coordination. The organizational structure is a system or network of work consisting of tasks, reporting and communication that are interconnected together with individual work in groups. A good organizational structure can create harmony of work and provide clarity regarding job descriptions, so that it can facilitate the company in carrying out operational activities. This is Shopee's organizational structure as follows :

Figure 2.8 Shopee's Organizational Structure



Sources : *PT Shopee International Indonesia, 2022*

Shopee's organizational structure Job Description as follows :

1. *Director of Shopee Indonesia*, monitor and control the running and obstacles in the company
2. *Marketing Project Team Manager*, plan, direct, and coordinate marketing policies and programs, including looking at demand for products and services offered by the company and its competitors and identifying potential customers, as well as control the 4 sub-divisions under Shopee Indonesia

3. *Assistant Manager In-House Account*, managing In-House content accounts including in Shopee Feed such as Shopee ID, Shopee Fashion, Shopee For Men, Shopee Kpop, Shopee Beauty, and so on.
4. *Assistant Manager User & Seller*, educating new and old sellers for easier to sell and promote their products, and also create strategies such as competition for sellers and users to increase the use of Shopee Feed and also improve participation in several campaigns created by the Marketing Project.
5. *Assistant Manager Curation Team*, organizing and managing the display (Front End) on the Shopee Feed tab to get the increased interaction and engagement from Shopee users. So, with increased interaction and engagement it is hoped that the user will spend more time in the application which will eventually end with in-app purchases. Shopee Feed Front End display or the final display seen when the user opens the Shopee application, which has several tabs or categorizations, namely Timeline, Explore, Fashion, Beauty, Gadgets, Vouchers, and Promos. Then the curation team also responsible for planning the Front End display.
6. *Assistant Manager KOL Management*, educate and activate users and pre Shopee users through KOLs or key opinion leaders. They also always look after you and maintaining good company relations with KOLs by doing several things such as gatherings.
7. *Staff*, people who works in some division to help the manager or the leader achieve the company goals.

8. *Intern*, people who are willing to try working in a company offered by the company for a certain period of time.

2.8 Characteristics of Respondent

The respondent's identity is described to identify the background of the respondent as the sample under study. Based on the results of the respondents' answers to the research questionnaire, the data is presented in the form of a distribution table as follows :

2.8.1 Characteristics of Respondent Based on Age

In order to demonstrate that each respondent who completes the questionnaire accurately represents the population of respondents at their age, the age category used to determine the respondent is used. Age of respondents is shown in table 2.1 as follows :

Table 2.1 Characteristics of Respondents Based on Age

Age	Frequency	Percentage (%)
<20 Years	4	4%
20 - 29 Years	83	83%
30 - 39 Years	9	9%
≥ 40 Years	4	4%
Total	100	100,0%

Source : Primary Data Processed, 2023

Based on the table above, it shows that the largest respondents in this study were aged between 20 - 29 years, which is 83 people or (83%), followed by respondents aged between 30 – 39 years, which is 9 people (9%) and followed by respondents at age <20 years and ≥ 40 years, which is each ages as much as 4 people 4% . This shows that consumers who make purchase at Shopee are mostly done by teenagers or millennials.

2.8.2 Characteristics of Respondent Based on Gender

Male and Female were separated into separate categories for the sake of this study's gender classifications. This category is broken down based on the total number of respondents as indicated in table 2.2 as follows :

Table 2.2 Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage (%)
Male	28	28%
Female	72	72%
Total	100	100,0%

Source : Primary Data Processed, 2023

Based on the table above, it shows that the largest respondents are women, which is 72 people or 72% and the remaining male respondents are 28 people 28% . This shows that women tend to be more consumptive than men in terms of shopping.

2.8.3 Characteristics of Respondent Based on Income

Income is one of the factors that influence a person to do shopping activities. The characteristics of respondent based on income as indicated in table 2.3 are as follows :

Table 2.3 Characteristics of Respondents Based on Income

Income	Frequency	Percentage (%)
< Rp1.000.000	11	11%
Rp1.000.000 - Rp3.500.000	26	26%
> Rp3.500.000 - Rp5.000.000	38	38%
> Rp5.000.000	25	25%
Total	100	100,0%

Source : Primary Data Processed, 2023

Based on the table above, it is known that the majority of respondents have an income of >Rp3.500.000 – Rp5.000.000 , totaling 38 people with a percentage of 38%, followed by respondents with income of Rp1.000.000 – Rp3.500.000 totaling 26 people with a percentage of 26%. Respondents with income of >Rp25.000.000 in total are 25 people with a percentage of 25%, and least is respondents with income of <Rp1.000.000 in total 11 people with a percentage of 11%. The higher level of income owned by consumers can encourage a high level of consumer purchasing decisions.

2.8.4 Characteristics of Respondents Based on Purchase Frequency at Shopee

In order to find out the number of respondents' frequency of purchases at Shopee marketplace during the last three months, the following data as indicated in table 2.4 as follows :

Table 2.4 Characteristics of Respondents Based on Purchase Frequency

Purchase Frequency	Frequency	Percentage (%)
1-3x	33	33%
4-6x	46	46%
> 6x	21	21%
Total	100	100,0%

Source : Primary Data Processed, 2023

Based on the table above, it is known that most respondents purchased products in Shopee marketplace in the last three months is 4-6x, which is 46 people or 46%, followed by respondents who purchased products in Shopee marketplace in the last three months 1-3x, which is 33 people or 33%, and least are respondents who purchased in Shopee marketplace >6x, which is 21 people or 21%. The high frequency of purchases can indicate that consumers feel suitable or appropriate by making purchases at Shopee.

2.8.5 Characteristics of Respondents Based on Initial Use of Shopee

In order to find out how long people use Shopee as their online shopping marketplace, the following data as indicated in table 2.5 as follows :

Table 2.5 Characteristics of Respondents Based on Initial Use of Shopee

Initial Use of Shopee	Frequency	Percentage(%)
2016	1	1%
2017	4	4%
2018	7	7%
2019	7	7%
2020	74	74%
2021	5	5%
2022	1	1%
2023	1	1%
Total	100	100,0%

Source : Primary Data Processed, 2023

Based on the table above, it shows that most of the respondents started using Shopee in 2020, which is 74 people or 74%. This shows that consumers started using Shopee at the beginning of around 3 years or at the pandemic that hit the world which caused many people to make online transactions to reduce face-to-face such as shopping through Shopee marketplace.

2.8.6 Characteristics of Respondents Based on Last Purchase at Shopee

In order to find out the purchase period of the Shopee's consumer based on their last purchase at Shopee. The following data is indicated in table 2.6 as follows :

Table 2.6 Characteristics of Respondents Based on Last Purchase

Last Purchase	Frequency	Percentage (%)
1 Day Ago	71	71%
1-2 Weeks Ago	14	14%
3 - 4 Weeks Ago	8	8%
>1 Month Ago	7	7%
Total	100	100,0%

Source : Primary Data Processed, 2023

Based on the table above, it is known that most of the respondents last time in buying products through Shopee was 1 day ago, totaling 71 people with a percentage of 71%. Furthermore, followed by respondents with the last time buying a product through Shopee was 1 – 2 weeks ago as many as 14 people or 14%, respondents with the last time buying a product through Shopee was 3 – 4 weeks ago as many as 8 people or 8%, and respondents with the last time buying a product through Shopee was > 1 month ago as many as 7 people or 7%.

2.8.7 Characteristics of Respondents Based on Average Purchase Value

In order to find out how much Shopee consumer spend on their purchased in Shopee. The following data is indicated in table 2.7 as follows :

Table 2.7 Characteristics of Respondents Based on Average Purchase Value

Average Purchase Value	Frequency	Percentage(%)
< Rp. 100.000	4	4%
Rp. 100.000 - Rp. 199.000	88	88%
Rp. 200.000 - Rp. 299.000	3	3%
Rp. 300.000 – Rp399.000	5	5%
Total	100	100,0%

Source : Primary Data Processed, 2023

Based on the table above, it is known that most respondents have an average purchase value in each purchase at Shopee of Rp100.000 – Rp199.000, totaling 88 people with a percentage of 88%. Followed by the average purchase value at Shopee of Rp300.000 – Rp399.000 in total 5 people or 5%. Next followed by <Rp100.000 in total of 4 people or 4%, and least followed of the average purchase of Rp200.000 – Rp299.000 in total of 3 people or 3%. The high value of purchase transactions can illustrate the high purchasing decisions made by consumers in shopping using Shopee marketplace.