CHAPTER II
GENERAL DESCRIPTION OF COMPANY AND
RESPONDENT PROFILE

2.1. Overview of PT. Shopee

2.1.1 History of PT. Shopee

Shopee is one of the leading marketplaces, not only in Indonesia but also in several countries such as Singapore, Malaysia, Vietnam, Thailand and the Philippines. Shopee was founded in 2015 in 7 different regions in Asia. The history of Shopee in Indonesia itself began in December 2015. In 2019, Shopee spread its wings to Brazil and made Brazil the first country in South America and outside Asia to be able to access Shopee. Shopee is currently run by the SEA Group, a business owned by Forrest Li. As a consumer-to-consumer (C2C) marketplace, Shopee made its debut. But after creating Shopee Mall, an online shopping platform for well-known companies, they have recently transitioned to a hybrid strategy of business-to-consumer (B2C) and consumer-to-business (C2C).

Shopee was founded to provide a platform that can be used by both sellers and buyers from various parts of Southeast Asia to achieve a better world through the transformative power of Technology. Shopee's goal is also to offer an online shopping and selling experience with a wide selection of products, and easy-to-use fulfillment services from various social communities. In Indonesia itself, Shopee's prestige can compete with other marketplaces in Indonesia. With attractive features, a

free shipping program, and a wide selection of products, many Indonesians feel comfortable selling and shopping at Shopee.

The development of Shopee in Indonesia can be said to be very rapid compared to the development of other marketplaces. This development is of course influenced by the advanced features provided by Shopee. It is because of this feature that Shopee is well known to the people of Indonesia. Shopee might not be labeled as a successful marketplace in Indonesia if it doesn't have attractive features. Shopee's features contribute a lot to its users, both sellers and buyers.

2.1.2 Logo of PT. Shopee

A logo is an image or brand identification that has a specific meaning or significance and serves as a substitute for a name for a company, area, organization, product, country, or other entities that need something quick and simple to remember. The Shopee online market's logo is as follows:

Figure 2.1 Logo of Shopee Marketplace

Source : Shopee (2022)

The orange color of the Shopee logo symbolizes warmth, and can add enthusiasm, attractiveness and happiness. This is shown to attract

consumer repurchase interest. Meanwhile, the shopping cart image on the Shopee logo reflects that Shopee is an online buying and selling place.

2.1.3 Vision and Mission of PT. Shopee

A company that is built certainly has goals and targets to be achieved over a long period. The activities carried out by the company, it should also have limitations so that it remains by the initial goals and can focus on predetermined targets. A company must also have a strong commitment to its vision and mission.

Vision is a series of words that contain dreams, aspirations, values, and the future of an organization, both in an institution and in a company. Vision is also an organizational goal in work. Vision is created from the thoughts of its founders regarding the picture of the future of the organization. Vision can have the function of determining steps forward, inspiring members, and motivating members to make maximum contributions. Therefore, the series of words used in a vision must be concise and clear, generally only one sentence or no more than one paragraph. The mission is how a company can realize its goals in the future. Apart from that, the mission will also answer several questions such as how the company behaves, how it tries to win, to how to measure a process of progress. So, the mission can be summed up as a set of plans or ways that are determined to realize the vision that has been set.

a. Vision of PT. Shopee

Become the number 1 mobile marketplace in Indonesia

b. The mission of PT. Shopee

Developing an entrepreneurial spirit for sellers in Indonesia

2.1.4 Company Profile PT. Shopee

Shopee is an online marketplace that makes it simple and quick to purchase and sell products. Shopee is available as a mobile application and website to make online buying simpler for its consumers. Chris Feng, a distinguished alumnus of Singapore's National University, was the organization's founder. Shopee is now renowned as an online retailer that not only succeeded in gaining control of gadget applications but also rose to the top spot among shopping apps on the visiting data platform in 2021. Under the name PT. Shopee International Indonesia, Shopee Indonesia was formally unveiled to the public in December 2015. According to the shopee.co.id portal, Shopee Indonesia's objective is that online purchasing should be accessible, simple, and enjoyable. As a division of the SEA Group, Shopee's goal is to help customers, small business owners, and society as a whole use technology more effectively. Under the name PT. Shopee International Indonesia, Shopee Indonesia was formally unveiled to the public in December 2015. According to the shopee.co.id portal, Shopee Indonesia's objective is that online purchasing should be accessible, simple, and enjoyable.

To link vendors and customers in a single community, Shopee Indonesia was founded because its founders believe in the revolutionary power of technology to change the world for the better.

The following is a profile of the shopee company:

Company Name   : PT. Shopee International Indonesia

Company Type   : Limited Liability Company

Industry   : E-Commerce or Online Marketplace

Established   : May 2015

Founder   : Forrest Li

Company Address   : Wisma 77 Tower 2 Floor 11, Jalan Letjen S.

Parman, Kav 77 Slipi, Palmerah – West Jakarta 11410

Awards   : 1) The Indonesian Netizen Brand Choice Award

                                      2)The Best in Marketing Campaign 2017

                                      3) Indonesian Bright Awards 2017

Phone   : 021 80864200

Website   : www.shopee.co.id

2.1.5 Corporate Values PT. Shopee

The following are Shopee's corporate values:

1. *We Serve*

Shopee customers are the sole determinants of the value of Shopee's products and services. And Shopee strives to meet unmet needs and serve the underserved.

2. *We Run*

Shopee is in a constant race for success. Shopee moves faster, better and more precise every day.

3. *We Stay Humble*

Shopee has come a long way from its humble beginnings. But Shopee has never lost ground in its quest for growth to achieve greater success.

4. *We Adapt*

Rapid change is the only constant in this digital age. Shopee embraces change, celebrates it and always strives to be the leading thinker influencing it.

5. *We Commit*

Shopee's work is Shopee's commitment. Shopee is committed to value, institutions, customers and partners. Shopee is committed to doing our best and being at the forefront.

2.1.6 Organizational Structure of The Company

A company's organizational structure is crucial. organizational design To accomplish common objectives inside a corporation, organizational structure refers to the composition and relationship between each component of the organization, both in terms of jobs and tasks. An effective organizational structure will help speed up the process of job and authority delegation as well as the oversight and performance of each division. A strong organizational framework will reduce fraud in a business. Shopee is a sizable business with offices spread throughout many nations.

In running its business, Shopee has an organizational structure with the division of several divisions according to their respective jobs. The top position is executive director, followed by associate director and there are three divisions under it, including the HR (Human Resources) division, the BD (Business Development) division, and the marketing division which are divided into two teams, namely project marketing and non-project marketing. Where in Shopee Live it is included in the marketing project team. The HR Division is responsible for all employees and also business needs related to resources that support Shopee's business activities. Meanwhile, the BD division is tasked with seeking all forms of business opportunities to maintain Shopee as the market leader. The Marketing Division itself is tasked with carrying out marketing to increase the number of Shopee users.
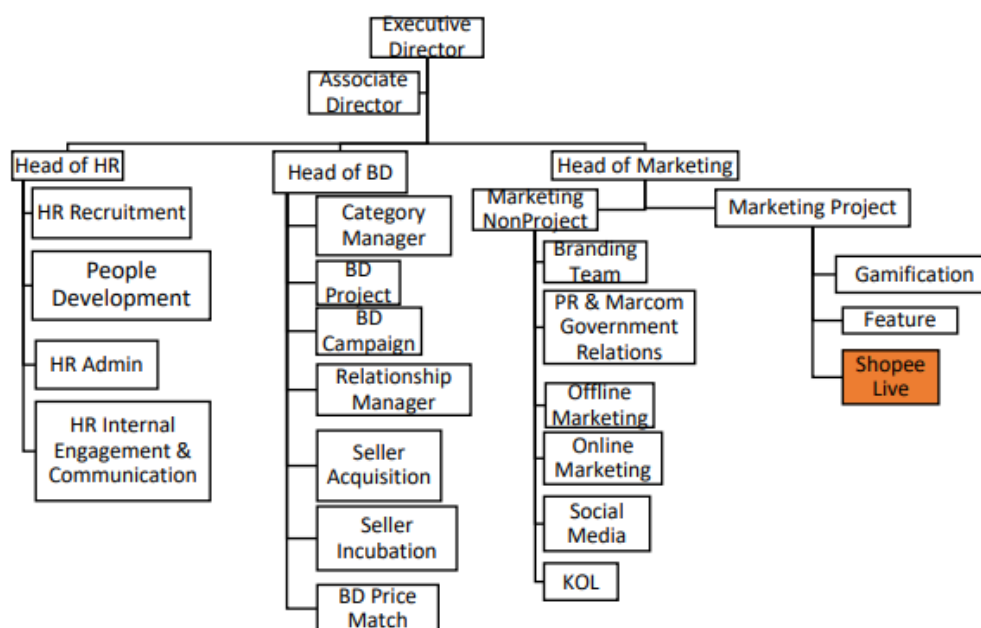

Figure 2.2 Organizational Structure of Shopee Marketplace

Source : Processed Primary Data, 2023

2.1.7 Products, Services and Features of PT. Shopee

Shopee provides a brand-new shopping experience by enabling vendors to sell products quickly and by giving customers access to an integrated logistical network and a reasonably safe payment mechanism. Young individuals who are accustomed to using technology in daily life are the target market for Shopee application users. Shopee concentrates more of its product categories on home items and cosmetics. The Shopee page features a diverse range of 26 product categories, encompassing items such as men's and women's apparel, cellphones and accessories, beauty products, computers and peripherals, home appliances, baby and child attire, maternity wear, footwear, Islamic clothing, electronics, fashion accessories, health and wellness products, hobbies and collectibles, photography equipment, food and beverages, sports and outdoor gear, automotive items, gift cards, books and stationery, miscellaneous goods, and more.
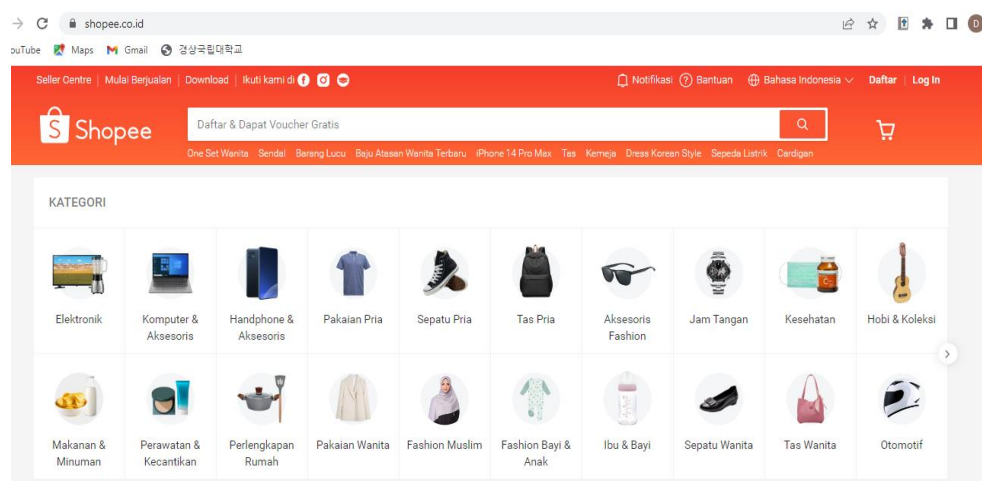
Figure 2.3 Logo of Shopee Marketplace

Source : Shopee.co.id

The payment methods offered by Shopee are very diverse and can make it easier for users, namely through online credit/debit cards, bank transfers, payments through minimarkets, shopee pay, shopee pay letters, credit card payments, credit card installments, and COD (Cash On Delivery).

According to Cris Feng, CEO of Shopee, at the Shopee launch event held in Jakarta, explained the advantages of Shopee, namely:

1. Selling goods fairly quickly, which is done in just 30 seconds.

2. Has a simple interface and can be easily used even by new users.

3. Offers chat features between sellers and buyers so they can directly transact or make bargains. This feature makes it very easy and useful for Shopee application users, considering that in other applications or e-commerce sites, buyers must first save their phone number to communicate directly. The chat feature on the Shopee application is also different, because apart from being able to send messages, you can also send links such as photos.

4. Has a bargaining feature that allows buyers to bid on prices that have been set by sellers.

5. Has a complete sharing feature so that users can easily spread info to various social media.

6. 6. Shopee incorporates social media features like the hashtag tool, which enables users to quickly look for popular things or products or keep up with the newest market trends.

One of the taglines that become your shoppee is "Free Shipping throughout Indonesia". Shopee is a pioneer of free shipping services compared to other e-commerce. This free shipping program is very profitable for its users, so it can attract shopee users to continue making transactions or shopping at shopee. And this will also attract sellers to register themselves in selling on the shopee marketplace. The free shipping program that Shopee offers is one of Shopee's commitments to developing entrepreneurship and small and medium enterprises (SMEs) in Indonesia.

Regional Managing Director of Shopee, Rainal Lu revealed another reason for the free shipping service at Shopee because he saw that the industry was very close to logistical needs, meaning that the logistical situation was one of the strong obstacles for people who wanted to shop and open a business online. Raina also expressed his hope that the free shipping service provided by Shopee could provide convenience and a pleasant experience for its users and customers and participate in helping develop SMEs in Indonesia by helping sellers capture many consumers.
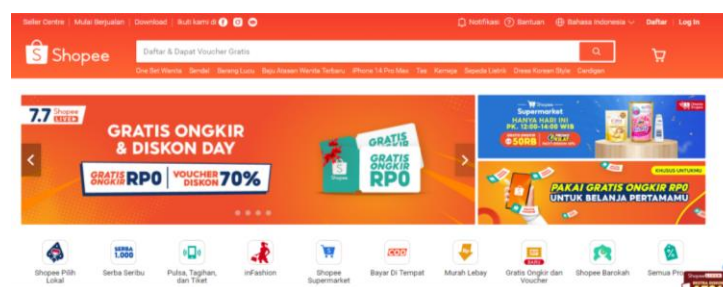

Figure 2.4 Information Display Free Shipping Shopee

Source : Shopee.co.id

Currently, Shopee is collaborating with many types of logistics services, namely Shopee Express, JNE, J&T Express, POS and Go-Send for some-day delivery of goods, and these logistics services can send goods and can reach all areas in Indonesia. Each logistics service has a different free shipping policy, and we as consumers can choose which logistics service suits our needs. And with the choice of logistics services, it can be taken into consideration by consumers in determining, and can be seen from the different rates.

In addition to the free shipping program, for which Shopee relies, of course there are still other programs provided by Shopee for its users, such as discounts for product offerings at the lowest prices, cashback on product purchases, and promos every beautiful date (for example flash sale 6.6 on 6 months of June) with various fantastic promos such as cellphones for 1 rupiah, cars for 1 rupiah, and other items at very low prices. All information regarding this offer can be seen on the shopee homepage display

Figure 2.5 Information Display Cashback Shopee

Source : Shopee.co.id

Figure 2.5 is a display on the shopee homepage, where every consumer who visits the shopee can immediately find out information about the promos that are being offered. This can make it easier for consumers to make purchases.

2.2. Respondent Profile

Respondent identities in this study included age, gender, occupation, average monthly income, frequency of purchases through shopee in the last 6 months. Respondents in this study were consumers who had made transactions at Shopee. This is needed for supporting data in this study and presented in the form of tables regarding the identity of respondents in general.

2.2.1 Respondent Profile Based on Age

Respondents in this study have varied ages. Table 2.1 below is the respondent's data by age.

Table 2.1 Respondent Profile Based on Age

Age	Total Respondents	Percentage (%)
15	1	1
16	5	5
17	5	5
18	4	4
19	2	2
20	3	3
21	15	15
22	21	21
23	11	11
24	10	10
25	10	10
26	3	3
27	3	3
28	2	2

Age	Total Respondents	Percentage (%)
29	4	4
31	1	1
TOTAL	**100**	**100%**

Source: Processed primary data, 2023

Table 2.1 shows that most of the respondents in this study were 22 years old, 21%. As for the age range the lowest number is 31 years as much as 1%. Based on this, from the age range determined by the author in this study, namely aged 15-34 years, it can be seen that most Shopee consumers are millennials.

2.2.2 Respondent Profile Based on Gender

The gender of the respondents in this study was divided into two, namely men and women. The table below is a comparison of the number of male and female respondents.

Table 2.2 Respondent Profile Based on Gender

Gender	Total Respondents	Percentage (%)
Men	36	36
Woman	64	64
TOTAL	**100**	**100%**

Source: Processed primary data, 2023

According to table 2.2, it can be understood that the number of female respondents is higher than that of men, namely as many as 64% for women and 36% for men. That means that interest in online shopping is dominated by women. Gender is also considered to be one of the factors that can influence a person in making a purchase, because men and women have different levels of needs and desires.

2.2.3 Respondent Profile Based on Profession

In this study, there were several professions from the respondents. The table below is the work of the respondents in this study.

Table 2.3 Respondent Identity Based on Profession

Profession	Total Respondents	Percentage (%)
Student	15	15
College student	44	44
Office employees	26	26
Housewife	4	4
Businessman	2	2
Teacher	2	2
Nurse	2	2
Make-up artist	2	2
Content creators	1	1
Doctor	1	1
Self-employed	1	1
TOTAL	**100**	**100%**

Source: Processed primary data, 2023

According to the table 2.3, it can be understood that the majority of respondents in this study were students as much as 44%. The number of respondents with the lowest jobs in this research were content creators, doctors and entrepreneurs with a value of 1% each. Based on this, it can be concluded that the interest in online shopping is more in demand among students as millennials and generation z.

2.2.4 Respondent Profile Based on Address

In this study, there are limitations on the addresses of the respondents, namely the Semarang area. The table below is the address of the respondents in this study.

Table 2.4 Respondent Profile Based on Address

Address	Total Respondents	Percentage (%)
Banyumanik	23	23
Gunung pati	2	2
Mijen	2	2
Ngaliyan	7	7
Semarang barat	12	12
Semarang utara	14	14
Semarang Tengah	17	17
Semarang timur	2	2
Tembalang	21	21
TOTAL	**100**	**100%**

Source: Processed primary data, 2023

According to the table 2.4, it can be understood that the number of respondents with the most addresses came from Banyumanik as much 23% and Tembalang as much as 21% where the address is one of the areas with many students and schools, which is in line with the highest number of respondents based on work being students as the millennial generation and generation z.

2.2.5 Respondent Profile Based on Monthly Income

In this study, the authors provide several choices of respondents income ranges with several nominal values. The table below describes the income range of the respondents.

Table 2.5 Respondent Profile Based on Monthly Income Range

Monthly Income Range	Total Respondents	Percentage (%)
< Rp. 1,000,000.00	8	8
Rp. 1,000,000.00 - Rp. 2,000,000.00	29	29

Monthly Income Range	Total Respondents	Percentage (%)
Rp. 2,000,000.00 - Rp. 3,000,000.00	42	42
> Rp. 3,000,000.00	21	21
TOTAL	**100**	**100%**

Source: Processed primary data, 2023

According to table 2.5 it can be seen that the largest income of respondents in this study is in the range of Rp. 2,000,000.00 - Rp. 3,000,000.00 with a total of 42% of respondents. While the respondent's income range is the least, namely < Rp. 1,000,000.00 with a total of 8% of respondents.

2.2.6 Respondent Profile Based on Purchase Frequency

In this study, the authors provide the boundaries of respondents with shopee consumers who have been actively transacting in the last 6 months. The table below describes the frequency of respondents' purchases in the last 6 months.

Table 2.6 Respondent Profile Based on Purchase Frequency

Average Purchase Frequency (last 6 months)	Total Respondents	Percentage (%)
1 time	11	11
2-5 times	43	43
More than 5 times	46	46
TOTAL	**100**	**100%**

Source: Processed primary data, 2023

According to table 2.6, it can be understood that the average frequency of purchases of respondents in this study has made transactions and shopped online at Shopee in the last 6 months more than 5 times as

much as 46%. This means that shopee consumers in Semarang have a high

interest in online shopping.

CHAPTER III
RESULTS AND DISCUSSIONS

This chapter explains the research findings that were obtained after processing the data using SPSS (Statistical Program for Social Science) and the Microsoft Exel tool. Validity and reliability tests on 100 respondents in this study produced reliable results.

The questionnaires were given to 100 respondents who met the following requirements: they had to be between the ages of 15 and 34, reside in Semarang, have installed the Shopee program for at least the previous year, and had made purchases there for at least the previous six months.

Then the respondent data that has been obtained and processed will be described in this chapter descriptively using a frequency distribution table that describes the opinions and comparison of the presentations of the respondents based on the answer choices that have been given. The answers given by respondents regarding the factors of e-service quality, e-security seals, and buying decisions are related to this definition.

The validity test, reliability test, correlation coefficient test, coefficient determination test, multiple linear regression test, and significance test (the t) are among the data testing procedures used in this study.

3.1 Results of Validity Test and Reliability Tests

The validity test and reliability test were first carried out after the research material was tabulated and presented to find out whether the research material was validated or not. A validated research instrument means that the instrument can

measure something you want to measure. In addition, the reliability test aims to determine whether information can be declared reliable and whether it can provide consistent answers in multi-data tests.

3.1.1 Validity Test

According to Ghozali (2018), the validity test is a technique that may be used as a guide in determining if a piece of questionnaire data is valid or invalid. The correlation approach, which compares the results of the questions to the final construct or variable score, was used to conduct the validity test. When the used instrument is capable of measuring what it is intended to measure, a study can be deemed legitimate. The significance test can be done by comparing between r arithmetic and r table for *degree of freedom* (df) = N-2. In this study the number of samples is 100 and the magnitude of df can be calculated as $100 - 2 = 98$ and the error tolerance is 0.05, and the r table is 0,1966. The criteria for a questionnaire data declared valid or not can be seen as follows:

1. If r test > r table, then the variable being tested is declared valid.

2. If r test < r table, then the variable being tested is declared invalid.

The variables tested in this study are *e-service quality*, *e-security seals* and *purchase decisions* at customer shopee in Semarang. The following table presents the results of the validity test of *e-service quality* (X1) which has 8 question items: