

The Effect of Customer Engagement on Customer Loyalty Through Customer Satisfaction at Shopee

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ABSTRACT

This study aims to determine whether Customer Satisfaction (Z) completely mediates or partially mediates the relationship between Customer Engagement (X) and Customer Loyalty (Y). The research problem addressed the lack of loyalty towards the Shopee marketplace, as preliminary survey results indicated obstacles such as difficulties in returning products and funds, inability to choose preferred shipping services, and negative experiences that deterred revisiting the Shopee website. The sample for this study consisted of students in Kuningan Regency. The author employed the survey method and distributed questionnaires through Google Forms to 140 respondents. Data collection was conducted using questionnaires, and the measurement used an interval scale. The data obtained were analyzed used the mediation regression analysis method, which involved testing simple regression analysis and multiple regression analysis to determine whether Customer Satisfaction (Z) completely mediates or partially mediates the relationship between Customer Engagement (X) and Customer Loyalty (Y). The analysis was performed used Statistical Program for Social Sciences (SPSS) version 23. The testing results of the proposed hypotheses led to the conclusion that (1) Customer Engagement has a positive and significant influence on Customer Loyalty. (2) Customer Satisfaction (Z) completely mediates the relationship between Customer Engagement (X) and Customer Loyalty (Y).

Keywords: *Customer Engagement, Customer Satisfaction, Customer Loyalty.*

Jel Classification Codes: M3, M13, M 30

INTRODUCTION

Along with the rapid advancement of technology today, it has a significant impact on all aspects, including marketing and business development. Online shopping as a means of finding new products in addition to the widespread use of the internet (Maulana et al., 2021). So that people prefer things that are instant and practical. By shopping online, it can

save time, save costs and make it easier for us to make online purchase and payment transactions (Kotler, 2016).

The development of e-commerce in Indonesia is getting faster from year to year. Indonesia is the country with the most ecommerce users in the world. There are 88.1% of people in Indonesia aged between 16-64 years who use e-commerce to buy products.

Based on data from Tokopedia and Shopee e-commerce visitors, it turns out that e-commerce on Tokopedia and Shopee still leads the Indonesian e-

commerce market. These two e-commerce are getting tighter when viewed based on the average number of visitors per month.

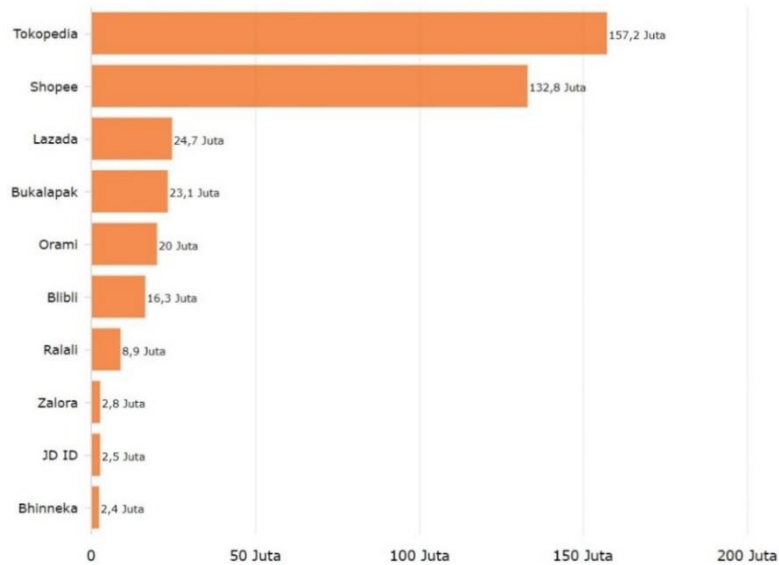


Figure 1.1

Number of E-Commerce Visitors 2022, 1st Quarter

Source : <https://databoks.katadata.co.id> (2022)

According to iPrice data, the average monthly visitors to the Tokopedia page reached 157.2 million in the first quarter of 2022. This figure is up 5.1% from the fourth quarter of 2021, which recorded 149.6 million visits. Meanwhile, Shopee is second with an average monthly visitor of 132.77 million in the first quarter of 2022, up 0.6% from the previous quarter which was still 131.9 million. Then Lazada rose to third place, displacing Bukalapak in the first three months of this year. The average monthly visitors of the two e-commerce reached 24.68 million and 23.1 million respectively. Meanwhile, Orami rose to fifth place, Blibli fell to sixth, Ralali rose to seventh, and Zalora rose to eighth. JD.ID dropped to ninth position and Bhinneka dropped to tenth position with details of the number of monthly visitors as shown in the chart.

By increasing customer engagement, it is expected that customers will not switch to other brands because it involves a certain level of psychology or behavior between brands and consumers. High customer engagement is related to high consumption of products/services, so customer loyalty will also increase (Sashi, 2019).

By raising these issues and to support the research phenomenon, the author conducted a pre-survey that has been conducted based on research to customers who are not loyal to shopee customers, as well as those who are satisfied shopping at shopee, and regarding Customer Engagement in shopee e-commerce, namely 48 respondents to support observations in order to get a basis for why this research should be researched.

Table 1
Respondents Regarding Customer Loyalty in Shopee Users

Question	Respondent's Answer		Percentage of Respondents' Answers	
	Yes	No	Yes	No
Do you often make repeated product purchases on the shopee marketplace?				
University of Kuningan District	Yes	No	Yes	No
Kuningan University (uniku)	4	10	8%	21%
Al-Ihya Islamic University (unisa)	2	10	4%	21%
STKIP Muhammadiyah Kuningan	2	8	4%	17%
College of Health Sciences	3	9	6%	19%

Source: Researcher pre-survey (2023)

The results of the pre-survey respondents who are not loyal to the shopee marketplace than other marketplaces. Based on the results of the pre-survey, it shows that there are

obstacles when returning goods and funds, not being able to choose the desired delivery service and having a bad experience that causes them not to try to visit the Shopee site again, the shipping is quite expensive and on weekdays there is no free shipping.

Table 2
Respondents regarding Customer Engagement in shopee users

Question	Respondent's Answer		Percentage of Respondents' Answers	
	Yes	No	Yes	No
Is Customer Engagement influence to make a purchase at Shopee?				
University of Kuningan District	Yes	No	Yes	No
Kuningan University (Uniku)	17	2	35%	4%
Al-Ihya Islamic University (Unisa)	9	1	19%	2%
Stkip Muhammadiyah Kuningan	7	1	14%	2%
College of Health Sciences (Stikes)	11	1	23%	2%

The results of the pre-survey of Customer Engagement respondents affect

purchases in the shopee marketplace. Shows that Customer Engagement

respondents know purchases in the shopee marketplace.

Table 3

Pre-survey results of respondents regarding customer satisfaction at shopee

Question	Respondent's Answer		Percentage of Respondents' Answers	
	Yes	No	Yes	No
Do you feel satisfied shopping at Shopee?				
University of Kuningan District				
Kuningan University (Uniku)	15	5	31%	10%
Al-Ihya Islamic University (Unisa)	9	4	19%	8%
Stkip Muhammadiyah Kuningan	8	2	17%	4%
College of Health Sciences (Stikes)	5	1	10%	2%

Source: Researcher pre-survey (2023)

The results of the respondent's pre-survey regarding customer satisfaction at shopee. Shows that consumer satisfaction respondents are satisfied shopping at shopee because of the features on shopee that show the assessment after shopping at shopee.

To complete the background, researchers include previous research. Such as the results of research by (Purnami et al., 2017). Stating that the results of research Customer engagement has a positive and significant effect on consumer loyalty on Facebook social networks. Stating that the results of research by (Huddin et al., 2022) Customer Engagement has no effect on Brand Loyalty on the Pandeglang Info Instagram account. Stating that the results of research by (Darmadi et al., 2021), that social media Customer Engagement has a significant influence in increasing loyalty and satisfaction provides significant as a mediator. Stating that the results of research by (Cindy, 2021) Customer

Satisfaction has no significant effect with a positive direction on Customer Loyalty.

Research Objectives

Based on the background described above, the objectives of this research are as follows:

1. To determine and analyze the effect of Customer Engagement on customer loyalty at Shopee.
2. To determine and analyze Consumer Satisfaction as a mediator variable on the effect of Customer Engagement on Customer Loyalty at Shopee

THEORETICAL FOUNDATION

Customer Loyalty

According to (Pradana et al., 2022). Loyalty can be expressed by consumers who like an online product and make it the first choice in making transactions and making repeat purchases in the future.

According to (Griffin, 2016) There are indicators used to measure customer loyalty, including:

1. Make regular repeat purchases
2. Buying between product and service lines
3. Referring to others
4. Demonstrate loyalty/immunity to attraction from competitors
5. Consumer Satisfaction

Consumer satisfaction is the level of satisfaction of a person after comparing the perceived performance or results compared to the desired expectations (Tjiptono, 2015).

According to (Kotler & Keller, 2018) Consumer satisfaction is measured by how well consumer or customer expectations are met. The indicators of customer satisfaction, namely:

1. Product quality
2. Price
3. Service Quality
4. Emotional Factors
5. Cost

Customer Engagement

Customers can contribute voluntarily to the brand or brand to the fundamentals of a company, which occurs in interactions between one party and the other as a motivational driver." (Brodie, 2016). It can be concluded that Customer Engagement is a customer relationship or the relationship between producers and consumers will bind customers to continue to choose products or services regularly.

According to (Shiri D. Vivek, 2017) (Sung et al, 2019) there are several indicators of Customer Engagement including:

1. Contingency Interactivity, namely customer interest in connecting

directly in interactions in the marketplace

2. Self-Company Connection, namely the company's ability to reflect on its customers, the ability of customers to identify the company well
3. Extraversion, namely the customer's positive attitude, strong activity and customer contribution to the company
4. Openness the Experience, namely Intellectual, emotional, behavioral and aesthetic experiences of customers to the company
5. Behaviour Attachment, namely customer participation in a company or brand engagement effort is the highest expectation that can bring about behavior change.

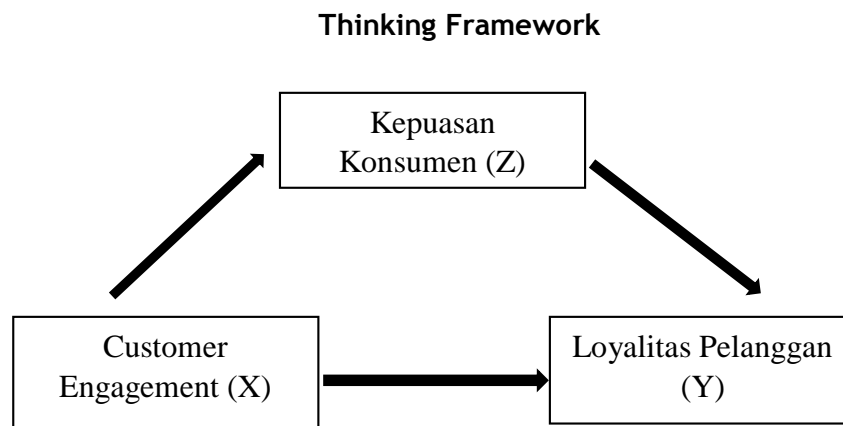


Figure 1

Research Paradigm

Hypothesis

Sugiyono, 2017: 221 states that the hypothesis is a temporary answer to the formulation of research problems, where the research formulation has been stated in the form of a statement sentence. The hypothesis proposed is as follows:

H1 : Customer Engagement Has a Positive Effect on Customer Loyalty.

H2 : Consumer Satisfaction mediates the effect of Customer Engagement has a Positive Effect on Customer Loyalty.

RESEARCH METHOD

This research method uses quantitative research with survey methods. The population of this study in the Kuningan Regency University environment who use the shopee application, using the Purposive Sampling method using the formula (Hair et al, 1995) suggest that the minimum sample size is 5-10 times the number of indicators. Thus the sample for this study was: Number of Indicators: 14 Respondents: $14 \times 10 = 140$, so the sample

used for respondents in this study amounted to 140 people. This research type of data used is primary data. The data collection technique is to use a questionnaire with the measurement scale used is 1-10. The data analysis technique consists of instrument testing (validity test and reliability test), descriptive analysis, as well as classical assumption tests (normality test and multicollinearity test), hypothesis testing, mediation regression analysis (simple regression test and multiple regression test). Data analysis calculations are assisted by the SPSS for windows application.

RESULTS AND DISCUSSION

A. Research Results

1. Validity and Reliability Test

From the validity test results, all question items have a positive correlation value and sig greater than 0.05. This means that all instruments in this study are valid. Likewise, the reliability test results show that all variables have an Alpha Cronbach coefficient value greater than 0.7, which means that all instruments used in this study are reliable.

2. Description of Questionnaire Results

The description of Customer Engagement reached 79%, Consumer Satisfaction reached 84%, Customer Loyalty reached 84% and this is all variables in the high criterion category with an interval range of 68% - 100%, from this percentage it shows that the Shopee marketplace is good and needs to be maintained so that users do not choose or buy in another marketplace.

3. Classical Assumption Test

Before the mediation regression analysis test is carried out, a classic assumption test is carried out, from the results of the normality test, the research data is normally distributed because the Asymp. Sig. (2-tailed) value is greater than 0.05. And for the multicollinearity test, it shows that there is no VIF value greater than 10 and the tolerance value is less than 0.1 so it can be said that there is no correlation between the regression model variables.

4. Hypothesis Test
a. Test t (Partial Test)

Table 4.1

Customer Engagement (X) t test results on Customer Loyalty (Y)
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	41.827	5.148		8.125	.000
<i>Customer Engagement</i>	.314	.064	.383	4.875	.000

a. Dependent Variable: Y

The results of the t test research by looking at $t_{count} > t_{table}$. Of the 140 submitted to respondents, the t_{table} which can be seen from the r value formula with a significance level of 0.05 (5%) is 1.655. So $t_{count} > t_{table}$ or $4.875 > 1.655$ and sig value. $0.000 < 0.05$ then H_0 is rejected and H_1 is accepted. This means that partially Customer Engagement (X) has a positive and significant effect on Customer Loyalty in the shopee marketplace.

Mediation Regression Analysis

Simple Regression Test

Table 2
Simple Regression Test Results X to Y
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	41.827	5.148		8.125	.000
<i>Customer Engagement</i>	.314	.064	.383	4.875	.000

a. Dependent Variable: customer loyalty(Y)

For the simple mediation regression test X against Y, the c value is 0.383 in the mediation regression analysis.

Table 3
Simple Regression Test Results X against Z
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	41.951	4.846		8.658	.000
<i>Customer Engagement(X)</i>	1.319	.061	.409	5.261	.000

a. Dependent Variable: Consumer Satisfaction(Z)

For the simple mediation regression test X against Y, the c value is 0.383 in the mediation regression analysis.

Multiple Regression Tes

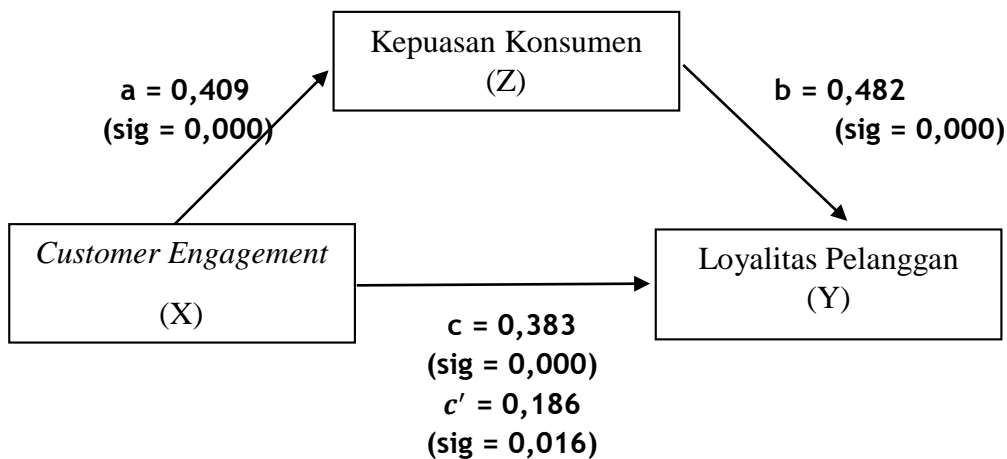
Table 4
Multiple Regression Test Results X on Y through Z (b, c^')

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	20.608	5.644		3.652	.000
Customer Engagement (X)	.153	.062	.186	2.451	.016
Kepuasan konsumen (Z)	.506	.080	.482	6.337	.000

a. Dependent Variable: loyalitas pelanggan(Y)

According to (Baron & Kenny, 1986) in the mediation regression analysis states that the criterion Z is declared to partially mediate (partial mediation) X to Y when the results of the a b c value are significant <0.05 and the results of the c to c^' value decrease. Based on table 4.11

above, the result of the value of c to c^' from c = 0.383 (significant 0.000 <0.05) to c^' = 0.186 (significant 0.016 <0.05).



Multiple criteria state that the Z criterion is declared to mediate X to Y, the value of a b c is significant 0.000 (<0.05), while the value of c to c^' decreases from

c = 0.383 (significant 0.000 <0.05) to c^' = 0.186 (significant 0.016 <0.05). So it can be concluded that Customer Satisfaction (Z) partially mediates (partial mediation)

between Customer Engagement (X) on Customer Loyalty (Y). This means that the H2 Consumer Satisfaction variable is proven as a mediating variable. This shows

Discussion

The Effect of Customer Engagement (X) on Customer Loyalty (Y)

Based on the results of the analysis that has been carried out, the results show that Customer Engagement partially has a positive and significant effect on customer loyalty. Judging from the results of testing the t test hypothesis, the $t_{count} > t_{table}$ value or $4.875 > 1.655$ and sig value, amounting to $0.000 < 0.05$. This shows that H₁ in this study is accepted.

According to (Arianty, et al 2016), Customer Engagement is a promotion-oriented sales concept carried out by companies against customer loyalty is an important asset for the company, this can be seen from the characteristics it has, namely making purchases or using services repeatedly, staying loyal to subscribe in the long term.

The results of this study are in line with research conducted (Purnami et al., 2017) on online brands on social media which shows that Customer Engagement has a positive and significant effect on consumer loyalty.

The results of the study (Pranita, 2020) Customer Engagement has a positive and significant effect on grab application user loyalty.

The Effect of Customer Engagement (X) on Customer Loyalty (Y) Through Consumer Satisfaction (Z)

Based on the results of the mediation regression analysis according to (Baron & kenny, 1986), it states that the Z

that Customer Satisfaction significantly mediates the effect of Customer Engagement on Customer Loyalty, so H₂ in this study is accepted.

criterion is stated to mediate X to Y, the value of a b c is significant $0.000 (< 0.05)$, while the value of c to c' decreases from $c = 0.383$ (significant $0.000 < 0.05$) to $c' = 0.186$ (significant $0.016 < 0.05$). So it can be concluded that Customer Satisfaction (Z) partially mediates (partial mediation) between Customer Engagement (X) on Customer Loyalty (Y). This means that the Consumer Satisfaction variable in H₂ is proven as a mediating variable. This shows that Customer Satisfaction significantly mediates the effect of Customer Engagement on Customer Loyalty, so H₂ in this study is accepted.

According to (Brodie et al, 2016) identifies a number of key consequences of the Customer Engagement process in online virtual communities, namely loyalty, customer satisfaction, customer trust and commitment. So it can be concluded from this research that the better the Customer Engagement, the better the level of satisfaction felt by customers.

The results of this study are in line with research conducted (Sanaji, 2018) that the effect of customer engagement on brand loyalty mediated by customer satisfaction has a significant effect.

The results of research (Darmadi et al., 2021), that social media Customer Engagement has a significant effect on increasing loyalty and satisfaction provides significant as a mediator.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of research and analysis, the authors draw the following conclusions:

1. Customer Engagement has a positive and significant effect on customer loyalty in the Shopee marketplace.
2. Consumer Satisfaction partially mediates (partial mediation) between Customer Engagement on Customer Loyalty in the Shopee marketplace.

Suggestion

a. For the Company

Based on the conclusions that have been presented, the authors obtain several suggestions and recommendations for parties related to this research.

- 1) Based on the results of the questionnaire / questionnaire that has been given to consumers, the statement item on the Customer Engagement variable states that statement point number 2 "I am interested in watching content posted by shopee" with the Contingency Interactivity indicator (customer interest in connecting directly in interactions in the marketplace) has the lowest value. So that on this basis, the suggestions that the authors can give to the company based on the results that have been explained are that in the Customer Engagement variable, the response from consumers through content published on various online platforms, the content at Shopee can further

arouse customer interest to interact more interactively. In addition, Shopee must create a way or strategy so that viral content can get a high engagement rate so that it not only gets a large number of viewers but also has a lot of reciprocity from consumers and companies.

- 2) Based on the results of the questionnaire / questionnaire that has been given to consumers, the statement item on the Consumer Satisfaction variable states that statement point number 5 "I feel satisfied with the service in the shopee marketplace" with the Service Quality indicator has the lowest value. So that on this basis, the suggestions that the authors can give to the company based on the results that have been explained that in the Consumer Satisfaction variable, the response from consumers is to continue to pay attention to services such as convenience and comfort in using features found in the shopee application in payment transactions such as bank transfers, shopeepay, to shopee coins. Must improve the quality of products and services, especially in shopee customer service so that it can make consumers feel satisfied and comfortable when shopping.

b. For Further Researchers

For further researchers, it is necessary to conduct further and broader in-depth research regarding the effect of customer engagement on customer loyalty by including other variables such as brand engagement, price, product quality that have not been studied and can choose a different research object from this study, in order to examine more broadly the influence between variables, to examine Customer Engagement in the context of service companies such as tourism, hospitality, cellular operators or other manufacturing companies.

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