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UNDERSTANDING THE PERCEPTION OF CUSTOMER EXPERIENCE: A CASE OF SHOPEE

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Abstract:

The expansion of Internet and information media generate changes in the business transaction that result in the emergence of new era by fostering the customer experience in the marketplace. Shopee was the largest e-commerce site in Southeast Asia with the gross merchandise value and total orderings. Drawing upon this, the study attempts to examine the primary factors influencing customer experiences in Shopee platform. Using perceived promotional, perceived trust and perceived privacy as the independent variables and customer experiences treated as dependent variable. The information was gathered by the means of questionnaire survey. A number of 384 Shopee users participated in the study. Data management was performed using SPSS (Statistical Package of Social Sciences). It has hypothesized the variables involved and concluded with significant outcomes. In enhancing customer experiences, thus this study provides an insightful on customer perception about Shopee.

Keywords:

Customer Experience, Customer Perception, E-Commerce, Internet, Shopee

Introduction

The Internet and other forms of modern technology have spawned a plethora of fresh approaches to conducting business. The time-consuming act of walking to the store to buy the products is no longer necessary. With few clicks, their searching on the Internet materialized within no time. E-commerce apps based on the Internet have, in a nutshell, transformed the way in which

consumers make their purchases. Given this benefit, it's no surprise that internet shopping is in the limelight. According to the Malaysian Communications and Multimedia Commission (2020), the number of consumers in Malaysia who purchase online is growing at a rate that reach 64.2% by the year 2020, up from a figure of 53.3% in 2018 (Malaysia Communications and Multimedia Commission (MCMC), 2020). E-commerce websites such as Lazada, Taobao, Shein and Zalora are just few of the many that are available; Shopee is another one of these websites. Shopee has presence in seven different market namely Malaysia, Singapore, Indonesia, Vietnam, Thailand, Philippines, and Taiwan. In Malaysia, platform Shopee is frequently used to make purchase. The year of 2015 marked as the beginning of Shopee's operations in Malaysia, where the company initially employed between 501 and 1000 people (Zaki, 2017). By many metrics, including average quarterly traffic, social media followers, mobile application rankings, and number of employees, Shopee ranks second among Malaysia's top 50 e-commerce firms (Sundaily, 2018). Customer to customer (C2C) transaction explicitly designed to serve the needs of local populace as their primary focus. To better serve its market, Shopee has developed and implemented a hybrid model that includes both business to customer (B2C) and C2C.

The quick rise of these e-commerce activities has made it a very competitive industry, and it has forced service providers to ensure that their clients have a wonderful and unforgettable experience (Zhang & Shi, 2022). As the experience economy develops, academicians are starting to focus more on learning and applying experiential marketing strategies (Trini & Salim, 2018; Wibowo, Chen, Wiangin, Ma, & Ruangkanjanases, 2020; Yasin, Liébana-Cabanillas, Porcu, & Kayed, 2020). Customer experience as a major notion in experiential marketing has been used as a foundation for estimation of purchase intention. The online retailer interaction through websites could create positive customer experiences which, in turn, may lead to long-term customer satisfaction, repurchase intention, or loyalty (Rose, Hair, & Clark, 2011). An outstanding product or service alone may not be enough to sway consumer behavior nearly as much would be the case if they had a positive customer experience. Thus building a customer experience is one of market winning strategy (Trini & Salim, 2018). Consequently, the objective of this study is to tap into the criteria that influence customer experience in Shopee.

Literature Review

A considerable amount of literature has been published in this area. These studies attempt to evaluate the relationship of customer experience with promotional, trust and privacy. Three constructs been identified to develop the framework study.

Customer Experience

The concept of customer experience has many facets (Nasermoadeli, Ling, & Maghnati, 2013). Findings from consumer and marketing research has shown that customer experiences occur when consumer search, purchase and consume the product or service (Jain, Aagja, & Bagdare, 2017). The decision-making process and consumer purchasing process comprised of multiple stages all of which involve the customer experience. There are three main stages been identified: pre purchase, purchase and post purchase (Jain et al., 2017). It was agreed that customer experience and purchasing process have a significant effect (Suhartanto, Kartikasari, Najib, & Leo, 2021). Sebald and Jacob (2020) argued that the experience of a consumer has can be affected on multiple levels, including their emotions, their psychology, and their mindset. A synergy of holistic in nature and involves the customer's cognitive, affective, emotional, social and physical responses. Comprises of three stages start with pre-experience

involved with activities of fulfilling the needs. Next customer experience that relates to internal feelings. The third is post experience focusing on the outcomes from customer perspectives (Dumitrescu, Stanciu, Tichindelean, & Vinerean, 2012). Customer experience provides the blueprint for excellence in marketing.

Promotional

Undoubtedly that promotional tool affect to purchase situation (Hermiyenti & Wardi, 2018). A study metric in assessing customer experience include of promotion activities (Mihardjo, Sasmoko, Alamsjah, & Elidjen, 2019). The importance of promotion and customer experience had been analyzed by Adhikari and Bhattacharyya (2015). Homburg, Jozic, and Kuehnl (2015) had provided a justification for their study on the applicability of experience and promotional methods in order to acquire a meaningful and insightful perspective on customers. In this study, shipping fees promo, bundle deals and other form of promotion are some examples of Shopee promotional techniques to attract customers (Boon, Fern, & Singh, 2021). Hence the following hypothesis was developed:

H1: There is a significant relationship between promotional tools with customer experience through Shopee.

Trust

The customer experience is generated by a variety of external factors including trust. Few scholars had suggested that trust is critical in internet buying, which differs from traditional shopping in that online shopping has unique characteristics (Fang et al., 2014; Wu, 2013; Yang, Pang, Liu, Yen, & Tarn, 2015). Reliable website are typically main concern for online transaction (Guo, Ling, & Liu, 2012; Lim, Omar, & Thurasamy, 2015). Customer purchasing experience is determined significantly by their trust encounter (Suhartanto et al., 2021). The incorporation of trust and customer experience compliment for better understanding in Shopee or any other e-commerce platform (Lestari & Rachman, 2020). Thus, the result pointed the hypothesis as:

H2: There is a significant relationship between trust with customer experience through Shopee.

Security and Privacy

It is impossible to deny the importance of security and privacy to customer experience. Guo et al. (2012), illustrated security and privacy indispensable in protecting consumer personal information from e-commerce transactions. In his research Guo et al. (2012) again stressed out the two components to security. First, the security of internet data and transactions. The later part highlighting on authentication records. Literatures has agreed that security and privacy helps customer experiencing the moments in online transaction (Jaiswal & Singh, 2020; Komulainen & Saraniemi, 2019). Referring to few e-commerce platform Shopee, Lazada and Zalora, have created a significant impact for ensuring risk free negotiation (Zaid & Patwayati, 2021). Our findings seem to show the hypothesis formulated as:

H3: There is a significant relationship between security and privacy with customer experience through Shopee.

Conceptual Framework

Based on the above literatures review and existing research gaps between the selected variables, the framework for this research is presented as follows.

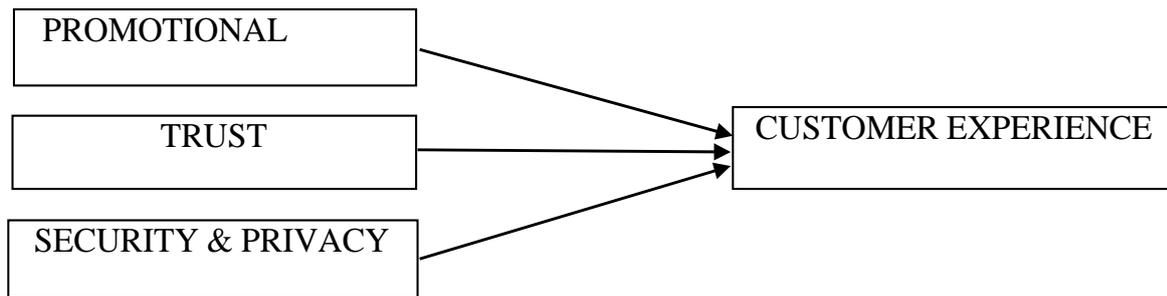


Figure 1: Framework of Study

Research Methodology

With the aim to examine the predictors for Shopee customer experience, a quantitative approach been utilized to gather the data. Additionally, a quantitative survey methodology through questionnaire is the researchers' best choice when the targeted population comprises a larger number of individuals. This research adopted a nonprobability sampling technique which is convenience sampling. According to Etikan, Musa, and Alkassim (2016), this type of sampling is quick, inexpensive and convenient method to collect the sampling data. Convenience sampling is so named because the researchers select the sample pieces based on their proximity and ease of accessibility. Furthermore, the researcher used Google Form to distribute a questionnaire. A total of 450 questionnaires were distributed and returned 384. Included in the three primary sections of the questionnaire are sections on demographic variables, measurement items for independent and dependent variables. All the measurement items are measured based on the five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Using version 28.0 of the Statistical Package for the Social Sciences (SPSS) software, the data were analyzed for further output.

Findings

Response Rate

The successful response rate is 85.34% and as suggested Babbie (2008) by as very good which is above than 70% response. Out of all distributed questionnaires, 66 which comprises of 14.66 % were removed for analysis, with incomplete and biased.

Table 1: Response Rate

Response rate	Sample size	%
Returned questionnaires	384	85.34
Un-returned questionnaires	66	14.66
Total	450	100

Demographic Analysis

As given in Table 2, majority of respondents were female (76.6%), and the difference cater by male respondents. The overwhelming response for the study received from the categories of age 21-30 years old (83.6%). In term of race, the highest respondent is Malay, followed by Chinese and Indian. Based on the research, the status of the respondents as projected in Table 2 included students, employed and unemployed staffs, housewife and retirees. The respondents are commonly single with 82% and only 18% were married. Since majority were students, it catered for income level part which reflect they have no earning and their reliance from parent

(33.9%). To further explore customer experience with Shopee, questions related to the number of times respondents purchase through Shopee, they average spent 1-2 times shopping daily (82.3%).

Table 2: Demographic Analysis

Variables	Frequency	Percentage(%)
Gender		
Male	90	23.4
Female	294	76.6
Total	384	100%
Age		
Bellow 20 years old	23	6.0
21-30 years old	321	83.6
31-40 years old	22	5.7
41 years and above	18	4.7
Total	384	100%
Ethnic		
Malay	358	93.2
Chinese	12	3.1
Indian	9	2.3
Other	5	1.3
Total	384	100%
Status		
Student	232	60.4
Employment	124	32.3
Unemployment	11	2.9
Housewife	16	4.2
Retiree	1	0.3
Total	384	100%
Marital status		
Single	315	82.0
Married	69	18.0
Divorced	0	0
Widowed	0	0
Total	384	100%
Income		
Below RM1 000	120	31.3
RM1 001-RM2 000	81	21
RM2 001-RM3 000	34	8.8
RM3 001-RM4 000	13	3.4
RM5 000 above	6	1.6
No income	130	33.9
Total	384	100%
Average buying through Shopee?		
1-2 times per day	316	82.3
1-5 times per day	51	13.3
5 times above per day	17	4.4
Total	384	100%

Reliability Analysis

In Table 3, the study revealed the Cronbach Alpha score for all constructs in the framework. The reliability test was conducted to check the internal consistency of the scales. The Cronbach's Alpha of DV consists of 10 items that produced 0.931, IV1 with 5 items yield a coefficient value of 0.837, followed by IV2 that carried 5 item with coefficient of 0.798, and IV3 had 5 items with the value of 0.886. Therefore, the results for all dimensions studied were considered as reliable. This is consistent with Sekaran and Bougie (2016) who quoted that for all dimensions ranging from 0.620 to 0.950, they must exceed the minimum acceptable reliability with alpha at 0.600. Additionally, the reliability of alpha value ranging in the above scale has fulfilled the minimum requirement suggested by Nunnally and Bernstein (1994).

Table 3: Reliability Analysis

Construct	Cronbach's Alpha	Item No	Relationship
Customer experience through Shopee	.931	10	Excellent
Promotional	.837	5	Very good
Trust	.798	5	Good
Security and Privacy	.886	5	Very good

Descriptive Analysis

Descriptive analyses were performed to acquire a preliminary summation of the data, in order to depict customer experience, promotional, trust, as well as security and privacy, within the Shopee users. The overall analyses produced means and standard deviations which can be seen in Table 4. With regard to promotional, most respondents agreed that the advertisement, promo code offers, and discount on shopping fees ($M=4.410$) is more important and the least mean ($M=4.180$) falls for security and privacy. For them Shopee is an establishment company and do not worry on any discrepancies that might happen. They believe Shopee Team will know how to handle the situation if problem arise. Overall this scenario demonstrates that respondents perceived Shopee experience that they encountered is enjoyable ($M=4.320$, $SD=0.587$), in term of promotional activities held ($M=4.410$, $SD=0.576$), trusted Shopee service ($M=4.220$, $SD=0.6310$), and believed that risks and privacy associated with Shops ($M=4.180$, $SD=0.678$).

Table 4: Descriptive Analysis

Construct	N	Minimum	Maximum	Mean	Std. Deviation
Promotional	384	1	5	4.41	0.576
Trust	384	1	5	4.22	0.631
Security and Privacy	384	2	5	4.18	0.678
Customer experience	384	2	5	4.32	0.587

Hypothesis Analysis

As expected, the relationship between promotional and customer experience is significant because the p-value is (<0.01), which is less than alpha value 0.05. The correlation coefficients for promotional and customer experience through Shopee was 0.704 and it shows that the strength of correlation between promotional and customer experience through Shopee is good

positive correlation according to rule of thumb for interpreting the size of a correlation of coefficient. Therefore, there is a significant relationship between promotional and customer experience through Shopee. Hypothesis (H1) was accepted.

Other than that, the relationship between trust and customer experience is significant because the p-value is (<0.01), which is less than alpha value 0.05. The correlation coefficients for trust and customer experience through Shopee was 0.749 and it shows that the strength of correlation between trust and customer experience through Shopee is good positive correlation. Therefore, there is a significant relationship between trust and customer experience through Shopee. Hypothesis (H2) was accepted.

Lastly, the relationship between security and privacy and customer experience is significant because the p-value is (<0.01), which is less than alpha value 0.05. The correlation coefficients for security and privacy and customer experience through Shopee was 0.743 and it shows that the strength of correlation between security and privacy and customer experience through Shopee is good positive correlation. Therefore, there is a significant relationship between security and privacy and customer experience through Shopee. Again, Hypothesis (H3) was accepted.

Table 4: Descriptive Analysis

Hypothesis	Result	Results
H1: There is a significant relationship between promotional and customer experience.	$r = 0.704^{**}$ $p = 0.000$ Good positive correlation	H1: Accepted
H2: There is a significant relationship between trust and customer experience.	$r = 0.749^{**}$ $p = 0.000$ Good positive correlation	H2: Accepted
H3: There is a significant relationship between security and privacy and customer experience.	$r = 0.743^{**}$ $p = 0.000$ Good positive correlation	H3: Accepted

Conclusion and Recommendation

Additionally, as more and more transactions take place, customers' expectations are becoming increasingly complex and demanding, requiring real-time, individualised, and streamlined payment experiences. Protecting customers' best interests necessitates a deeper appreciation of the value customers derive from e-commerce platforms like Shopee. Effective communication is the cornerstone of any business achievement. Promotion helps a company's sales plan succeed. Unquestionable, promotion affects customer purchase intention decisions. Trust is a very significant component of the hedonic value that is associated with the experience of receiving service. Reliable and risk free must be reassured for every service rendered by customers.

Nevertheless, the study has some limitations. Due to the global pandemic, the questionnaire was conducted online using Google Form. It was challenging to get more responses within the time constraints. The findings of this study are limited to a small sample of the Malaysian context. It is proposed that the study be expanded to include more samples in the future to improve representation.

Given the descriptive nature of this study, it is clear that further investigation into the factors influencing consumer online purchase experience in other e-commerce platforms. With reference to existing theories and models, is necessary to gain a fuller understanding what triggered these mechanism and demographic's background. It will shed light on the current state of online shopping in Malaysia.

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