The Influence of Brand Image and Electronic Word of Mouth on Customer Loyalty in Shopee Application Users and Gender as Moderator Variables

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Abstract. This study aims to determine the effect of brand image and electronic word of mouth on customer loyalty in Shopee application users and gender as a moderating variable. The approach used is descriptive quantitative research with SMARTPLS 4.0 analysis. Shopee application users are the study population. The sampling method is non-probability sampling of 211 respondents from purposive sampling. The results showed that brand image and electronic word of mouth had a significant positive effect on customer loyalty using Shopee. Gender moderates brand image positively and not significantly, but gender moderates electronic word of mouth positively and insignificantly.

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INTRODUCTION

The development of the internet in Indonesia has led to changes in people's lifestyles starting from a social, economic and cultural perspective. The internet is easy to access anywhere and anytime so that it can speed up public communication and make business easier. Internet technology has provided new opportunities in terms of business such as the way people interact and transact. As active internet users, many Indonesian people use internet technology as a new alternative in life. With the ease of accessing information, looking for something that is needed and needed, there are many platforms engaged in online buying and selling services or commonly called online shopping (Wulandari, 2022).

Shopee with the first rank has the most visits as an e-commerce site with the highest visits in Indonesia. It can be said that Shopee is the e-commerce site that is most in demand by people who like to shop online with e- commerce sites with a total of 190.7 million visitors out of a total of 451.2 million visits to e-commerce sites in Indonesia. The more online shopping can be done more easily and practically. This shows that Shopee dominates the e-commerce site market with a total percentage of 42.2%. With the results of these data, Shopee is the most popular e- commerce site for smartphone users who like to shop online. The definition of online shopping according to (Loekamto, 2012) is a facility or store that offers goods or services via the internet so that visitors can view goods or services sold in online stores. According to (Juju & Maya, 2010) consumers can see the goods being sold in the form of photos or videos. An online store is a place where sales activities take place online on the internet. Many conveniences are provided to consumers when shopping online such as cost-effective, goods delivered to the house, transfer payments, and competitive prices.

According to data books kata data 2022 that for recommended brands, Shopee is in second place, where Tokopedia is in first place. This shows that Shopee consumers are less loyal where they don't recommend the Shopee brand as the best shopping place. Where according to (Kotler & Keller, 2016) customer loyalty is a deeply held commitment to re-buy and support the preferred product or service in the future, even though there are situational influences and marketing efforts that have the potential to cause customers to switch. In addition, (Kotler & Keller, 2016) also states that there are three indicators of customer loyalty, namely repeat, retention and referrals. The referral points explain that customer loyalty is seen from consumers Which recommend a product or service to others. It can be seen that shopee consumers do not recommend products or services to their surroundings for one reason or another. Even though Shopee has the highest number of visits, the loyalty of Shopee consumers is still outperformed by other brands.

According to (Pradipta, 2012) loyalty does not just arise, there needs to be a management strategy consumer. Companies must recognize the needs and expectations that consumers currently want as well as in the future. Creating customer satisfaction is one of the efforts to gain customer loyalty.

The strategy that can be done to win business competition in maintaining consumer loyalty is to form a brand image. The relationship between consumer loyalty and brand image lies in the choice or a brand which is the consumer's attitude. In research (Yu-Te, 2013) companies must have a positive brand image in the eyes of consumers, focusing on these factors will build long-term and mutually beneficial relationships with consumers and create loyalty as a competitive advantage in the market.

Shopee customer loyalty can be influenced by word of mouth (WOM). According to (Ngoma & Dithan, 2019) word of mouth is a situation where a consumer has purchased a product and talked about the product to others based on his experience. When someone recommends good word of mouth to others, doubts about the purchase are reduced and can prevent customers from ending a relationship.

With the current development of internet technology, one that can affect customer loyalty to a brand is word of mouth communication through electronic media or electronic word of mouth. According to (Gruen, Osmonbekov, & Czaplewski, 2006) electronic word of mouth is a communication method that has the goal of providing information to other people about products or services used through electronic media.

Loyalty from male and female customers may have differences because each other has a different point of view, it will affect behavior and responses that are not the same about a product or service. Their physical and psychological differences give birth to differences in needs, wants, expectations, lifestyles, consumption patterns and social environment. The difference is still there, although not one hundred percent. Men and women may have the same desire, but the level of strength of this desire may be different (Maharani & Santika, 2019). According to (Kotler & Kervin, 2009) customer needs and desires have a close relationship to gender or gender. Based on previous literature, therefore the authors feel it is important to include the variable Gender as a moderator to see the level of significant differences between women's and men's loyalty to loyalty which is influenced by Brand Image and Electronic Word of Mouth (eWOM) variables. The results of the study (Ma, Qu, & Eliwa, 2015) state that female customers show a higher level of satisfaction than male customers. (Dong, Ding, Grewal, & Zhao, 2011) in his research found results that women have a significant effect on loyalty, in the sense that women are more loyal than men 2015) states that female customers show a higher level of satisfaction than male customers. (Dong, Ding, Grewal, & Zhao, 2011) in his research found results that women have a significant effect on loyalty, in the sense that women are more loyal than men 2015) states that female customers show a higher level of satisfaction than male customers. (Dong, Ding, Grewal, & Zhao, 2011) in his research found results

that women have a significant effect on loyalty, in the sense that women are more loyal than men.

Formulation of the Problem
1. How is Brand Image on Shopee application users?
2. How is Electronic Word of Mouth for Shopee application users?
3. How is Customer Loyalty for Shopee application users?
4. How does Brand Image significantly influence Customer Loyalty at Shopee?
5. How does Electronic Word of Mouth significantly affect Customer Loyalty at Shopee?
6. How does Gender moderate the relationship between Brand Image and Customer Loyalty in Shopee application users?
7. How does Gender moderate the relationship between Electronic Word of Mouth and Customer Loyalty in Shopee app users?

Literature review

Marketing

Many people think that marketing is the same as selling or promotion (advertising). Basically sales and promotions are small parts of a marketing. Most people think that marketing is the process of selling goods and services, if you go deeper into it, the meaning of marketing is much broader than the understanding that is widely circulated in society (Salsabil, 2022).

Consumer behavior

According to Kotler and Keller in (Fitria et al, 2021) consumer behavior is a complete and thorough understanding relating to the way individuals, groups and organizations select, purchase, use and place goods, services, ideas and experience in fulfillment and satisfaction consumer needs and wants. Meanwhile, according to Peter and Olson in (Fitria et al, 2021) consumer behavior is dynamic and includes interactions and exchanges that have implications for successful marketing strategies. Understanding consumer behavior requires identifying the various factors that influence consumer behavior

Brand Image

According to (Indrasari, 2019) brand image or brand image is a perception that has a high level of consistency in the long term. Image can be related to brand or company. The image itself relates to the name, building, product or service that comes from the company. Image formation comes from the overall impression expressed by the public about the company and its related products. According to (Firmansyah, 2019) brand image is a corporate identity that is used so that a person has a memory about a brand regarding the views, thoughts, and feelings of consumers when hearing a brand so that they have something different from other companies.

Electronic Word of Mouth

According to Hennig-Theurau et al. in (Maulidi & Pangestuti, 2019) electronic word of mouth is a form of communication in marketing that provides positive or negative statements about a product, service, or company carried out by potential consumers or former customers with internet social media channels.

Customer loyalty

Customer loyalty is a form of solid communication to purchase or subscribe to a particular product or service even though there are influences from various things and competitors' efforts in marketing so that it has the opportunity to trigger changes in consumer behavior (Kotler & Keller, 2016). The description of a psychological commitment to a particular brand, the behavior shown involves repeated purchases of a brand is an understanding of loyalty according to (Natarajan & Sudha, 2016).

Gender

Gender is society's view of the differences in roles and responsibilities between men and women which are the result of social contraction (Aryanti & Kurnia, 2014). According to (Haryono & Hastjarjo, 2010) gender is a demographic variable that can be defined as a different perspective on a product. Paul in (Pratama, 2013) states that gender has an influence on customer loyalty which forms motivation to repurchase.

Kusmowidagdo in (Astari & Widagda, 2013) states that gender influences shopping behavior, because men are utilitarian shoppers and women are hedonic shoppers. Gender differences have a relationship with the intention to shop online, the impulsiveness of consumers and the number of purchases while in the online realm (Astari & Widagda, 2013). The results of research from (Astari & Widagda, 2013) state that there is an influence on gender differences and female consumers have a higher probability of making purchases than male consumers.

Hypothesis
The hypothesis that will be formulated in this study is as follows:
- H1: Brand Image has a positive and significant effect on Customer Loyalty
- H2: Electronic Word of Mouth (eWOM) has a positive and significant effect on Customer Loyalty
- H3: Gender moderates the relationship between Brand Image and Customer Loyalty
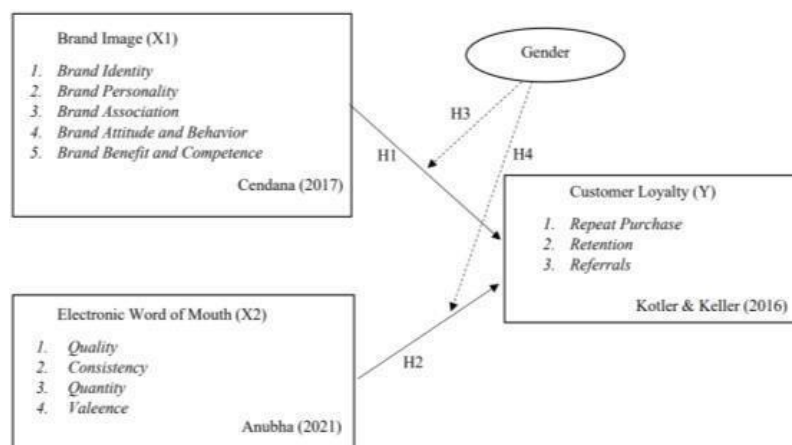- H4: Gender moderates the relationship between Electronic Word of Mouth and Customer Loyalty

Figure 1. Research Thinking Framework

METHOD

The type of research used in this research is descriptive and causal research with quantitative methods. According to (Sugiyono PD, 2020) the quantitative method is a research method based on positivist concepts that will be used to study a population or sample and in collecting this data uses research tools. This research tool is used to collect data in a study and perform quantitative or statistical data analysis that aims to describe and test research hypotheses based on data.

In this study the authors decided to use a non-probability sampling technique because not all existing populations will be sampled in this study. The author chose a purposive sampling technique with the hope of specifically selecting samples that meet the objectives and criteria.

In this study, the authors used an accuracy level of 5% with a 95% confidence level, so that Z = 1.96% was obtained. The error tolerance limit carried out through sampling is 10%. For unknown proportion values, an approach will be used with each value of 0.5. Then by calculating the Bernoulli formula above, the number of 96.04 respondents is obtained. The author will distribute as many questionnaires as possible with a minimum number of respondents 96.04.
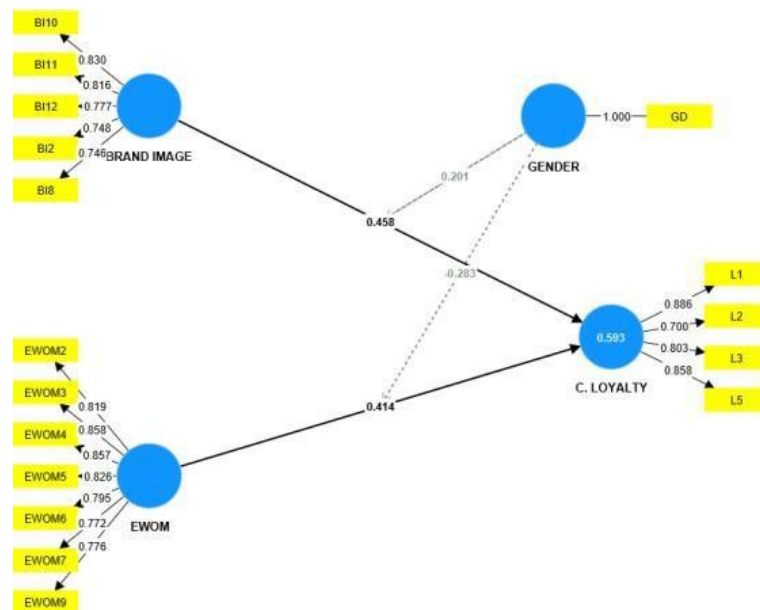
RESULTS
OutterModel

Figure 2. Outer Model

In this study, with data processing of 211 results, not all indicators met the criteria, namely having a value of > 0.7, and one of the indicators in the second Loyalty variable had a value of 0.7 but was not deleted because it was close. Then there are several indicators that are deleted so that they can produce Outer Loading values as in the table above. The removed indicators include BI1, BI3, BI4, BI5, BI6, BI7, BI9, EWOM1, EWOM8, and L4.

R Square before moderation

Table 1. R Square before moderation

	R-square
Customer Loyalty	0.578

Before being given the gender moderation variable, the Customer Loyalty variable has an R Square value of 0.578, so it can be said that 5 the Brand Image and Electronic Word of Mouth variables affect Customer Loyalty by 57% so that it can be said to be moderate and the difference of 43% is influenced by variables that are not used in this research.

R Square after moderation

Table 2. R Square after moderation

	R-square
customers Loyalty	0.593

Loyalty VariableCustomers have an R Square value of 0.593, so it can be said that Brand Image and Electronic Word of Mouth variables affect Customer Loyalty by 59% so that it can be said to be moderate and a difference of 41% is influenced by variables not used in this study. It can be said that the existence of a moderating variable increases the value of R Square from 57% to 59%. So that the model in this study is better able to explain the independent variable of customer loyalty when given the gender variable which acts as a moderator.

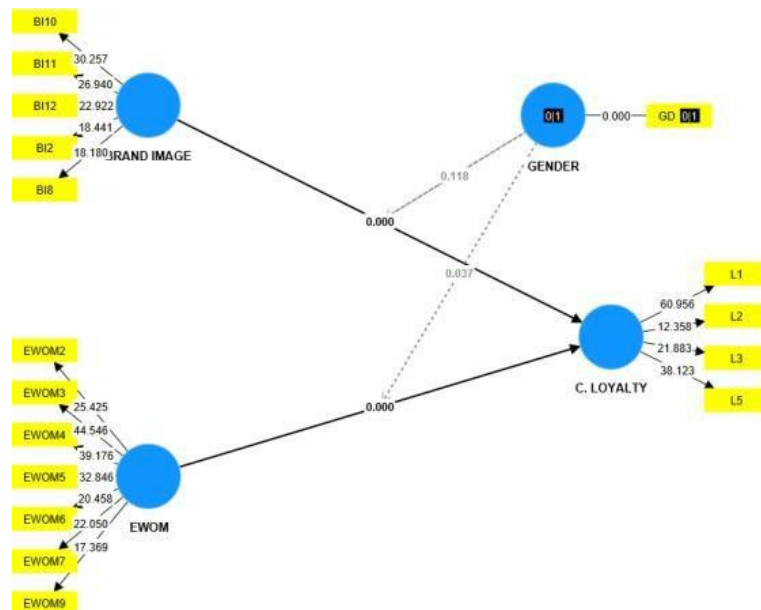From the results of the R Square, the Inner Model results are obtained as shown below:

Figure 3. Inner Model

Path Coefficient

Table 3. Path Coefficient

	Cigi inal	sa m	stan dard	T	P
BRAND					
EWOM					
GENDER					
ˇGENDER					

Based on the results The path coefficient above can be obtained as follows:

Brand image on customer loyalty has an original sample value of 0.458 and T Statistics of 5,523 so that it can be said to have a positive and significant relationship. Thus, the brand image hypothesis has a significant effect on customer loyalty and can be accepted.

Electronic word of mouth on customer loyalty has an original sample value of 0.414 and T Statistics of 4,521 so that it can be said to have a positive and significant relationship. Thus, the brand image hypothesis has a significant effect on customer loyalty and can be accepted.

Gender moderates brand image on customer loyalty with an original sample value of 0.201 and T Statistics of 0.201

1,562 so that it can be said to have a positive and insignificant relationship. Thus, the hypothesis that gender moderates brand image has a significant effect on customer loyalty is unacceptable.

Gender moderates electronic word of mouth on customer loyalty with an original sample value of -0.283 and T Statistics of 2.087 so that it can be said to have a positive and significant relationship. Thus, the hypothesis that gender moderates electronic word of mouth has a significant effect on customer loyalty is acceptable.
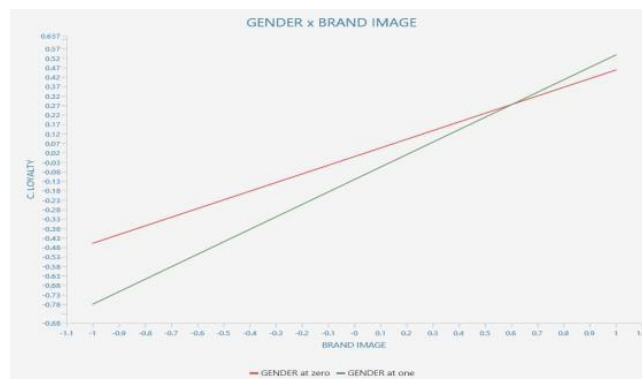
Moderation effect

Figure 4. Gender and Brand Image

The simple slope of the baseline for male consumers (green color) has a more positive slope when compared to female consumers (red color), this indicates that the positive relationship between brand image and customer loyalty only applies and is stronger for males than females. Male consumers have a higher brand image perception, so they tend to be more loyal than those who do not have a high brand image perception.
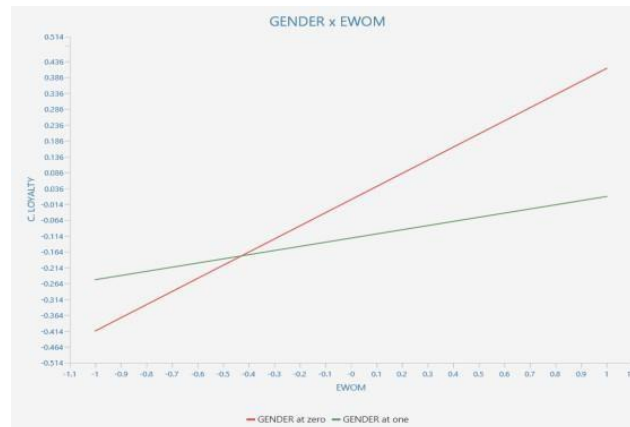

Figure 5. Gender and Electronic Word Of Mouth

The simple slope of the direction line for female consumers (red color) has a more positive gradient compared to male consumers (green color). This shows that the positive relationship between electronic word of mouth and customer loyalty only applies and is stronger for women compared to male consumers. For female consumers who have high perceptions of electronic word of mouth will tend to be more loyal to Shopee than those who do not have high perceptions of electronic word of mouth.

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CONCLUSION

Based on the results of research on 211 respondents who have been conducted with the title "The Influence of Brand Image and Electronic Word of Mouth on Customer Loyalty and Gender as Moderating Variables" it can be concluded as follows:

1. Brand image on customer loyalty has an original sample value of 0.458 and T Statistics of 5,523 so that it can be said to have a positive and significant relationship. Thus, the brand image hypothesis has a significant effect on customer loyalty and can be accepted.
2. Electronic word of mouth on customer loyalty has an original sample value of 0.414 and T Statistics of 4,521 so that it can be said to have a positive and significant relationship. Thus, the brand image hypothesis has a significant effect on customer loyalty and can be accepted.
3. Gender moderates brand image on customer loyalty with an original sample value of 0.201 and T Statistics of 1.562 so that it can be said to have a positive and insignificant relationship. Thus, the hypothesis that gender moderates brand image has a significant effect on customer loyalty is unacceptable.
4. Gender moderates electronic word of mouth on customer loyalty with an original sample value of -0.283 and T Statistics of 2.087 so that it can be said to have a positive and significant relationship. Thus, the hypothesis that gender moderates electronic word of mouth has a significant effect on customer loyalty is acceptable.

Suggestion

In the brand image variable, in the descriptive analysis there is a statement that has a low value, namely "Shopee ads are very attractive" with a percentage of 75.6%. So the advice for Shopee in terms of making advertisements might be improved with different things or more following current trends, not always by using songs that are played almost the same every month and are of the same type. While this can be a strong Shopee signature, it can become monotonous if you keep using the same concept over and over again. We know that the development of the times continues even every day, there are times when we need to adjust to what is currently circulating in the community so that the image of Shopee in its advertisements is more attractive and brings more loyal consumers.

In the electronic word of mouth variable, in the descriptive analysis there is a statement that has a low value, namely "I often convey the happiness I feel for Shopee through social media" with a percentage of 62.9%. So the suggestion for Shopee in carrying out an electronic word of mouth strategy is to make social media a place that attracts enough consumers' attention to be able to make them spread their sense of happiness on social media regarding the shopping experience at Shopee. When someone feels social media is the right place for them, then their desire will be higher to spread their sense of happiness when shopping online with the Shopee application. Therefore, On the customer loyalty variable, in the descriptive analysis there is a statement that has a low value, namely "I am not interested in finding another platform to replace Shopee" with a percentage of 53%. Then the suggestion for companies responding to the results of the questionnaire is to further increase the uniqueness and superiority of the Shopee application. Because when a brand is able to highlight the advantages and uniqueness they have, consumers will not look elsewhere because they are used to and familiar with the platforms they usually use. Thus, Shopee consumers will not be interested in trying to shop on other platforms even though they may have more uniqueness than Shopee.

With so many competitors engaged in online shopping platforms, brand strength in a brand is very necessary in order to have strong reasons for consumers to remain loyal to Shopee. Word of mouth communication through social media is also an important influence for consumers who are active on social media and very easy to trust anything on social media. So, if the brand image and electronic word of mouth run by Shopee are very good, it is more likely that Shopee will have higher customer loyalty.

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