

THE INFLUENCE OF BRAND IMAGE ON THE RELATIONSHIP BETWEEN PROMOTION AND LOYALTY TO SHOPEEFOOD CUSTOMERS IN BATUAJI BATAM

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Abstract

Most business people expect loyalty from their customers, and ShopeeFood is no exception. This study aims to determine how promotion affects loyalty with brand image as a moderating variable. This study uses a quantitative approach with primary data obtained from respondents' responses through questionnaires and secondary data as reference material sourced from journals, articles, and books. The sample size was 98 respondents who were ShopeeFood customers in Batuaji Batam. Samples were taken based on purposive sampling method. Data analysis using SPSS tools. To test the hypothesis using multiple linear regression analysis and moderation variable interaction test analysis. The results showed that promotion has a positive and significant effect on loyalty, and brand image plays a role in strengthening the drive for loyalty. These results provide managerial implications for ShopeeFood to improve new strategies in promoting its products and strengthening its brand image so as to drive customer loyalty. Thus, ShopeeFood is expected to be able to plan the right strategy, attract and provide good service in order to create a positive brand image in the minds of consumers so that consumers have the potential to become loyal customers.

Keywords: Brand Image, Customer Loyalty, Promotion and ShopeeFood

Introduction

In the current era of globalisation, the existence of E-commerce makes Indonesia one of the top 10 largest countries in E-commerce growth with a total of 78% (Kominfo, 2019). This condition is mostly utilised by entrepreneurs to push their business in a more advanced direction with new creative and innovative ways. This also affects people's consumption patterns from offline to online. This condition can also create an opportunity for a business entity to create a food delivery order service. Especially during a pandemic like today, the demand for food delivery order services will certainly increase because people will choose to buy from home and an increase in new online food delivery consumers as much as 90% are willing to continue to use the service (Yelvita, 2022).

E-commerce ShopeeFood as the latest feature service offered by Shopee App aims to serve food and beverage orders online. However, food and beverage delivery services are present on land that is already controlled by ride hailing companies. In 2021, ShopeeFood provides its services by collaborating with various food and beverage industries. Furthermore, in a research by YouGov Brand Index, in the Top Buzz Rankings category, Shopee received the first rank. Shopee outperformed WhatsApp, Indomie and Youtube in the following rankings. The research shows the 10 best brands and Shopee managed to rank first with a score of 59.6 (BrandIndex: Track Brand Health And Performance, 2022). In addition, there have been 80 million application downloads consisting of more than 4 million sellers and more than 10 million

active products in the Shopee application. Thus, ShopeeFood provides benefits to various parties such as merchants, drivers and consumers (Yelvita, 2022).

Today, ShopeeFood has expanded its target market and is competing with other delivery service competitors such as GoFood and GrabFood. ShopeeFood strives to be the food delivery service with the top of mind or most memorable in the minds of consumers. ShopeeFood has done various ways to make customers loyal such as providing discounts and discounts on shipping costs that can lead to introducing and expanding market reach. ShopeeFood has collaborated with various restaurants that are considered to be able to satisfy customers so that users feel like continuing to buy (Simbolon, 2021). Even though it is new in the midst of more senior competitors, it is hoped that its services can still provide satisfaction for consumers. From this consumer satisfaction, it can provide benefits to ShopeeFood, namely that loyalty will be formed (Simarmata et al., 2021).

Loyalty is a form of loyalty that potential customers have to a good / service from a company. The company's competitive ability to create loyal consumers needs to be done by offering quality products and good service. Loyalty owned by consumers can increase revenue, sales, product range, and can build bonds with customers. When consumers recommend to others, it can benefit the company because it can reduce advertising costs. Customer satisfaction is influenced by the level of service provided to customers, so retention of existing customers is calculated cheaper than acquiring new customers because it requires 5-10 times more new costs (Amalia Yunia Rahmawati, 2020).

Promotion indicators can be used to measure consumer loyalty to motivate consumers to buy goods / services so as to increase sales and change consumer opinions about the company's good image. Previous research by Cardia et al (2019)

shows the results that promotion on consumer loyalty has a significant effect. Similar research by Faris (2020) regarding the effect of promotion on consumer loyalty, shows the results that promotion can create customer loyalty with a large percentage because it can attract consumers and compete with competitors. According to Siregar & Harahap's research (2019) states that with a strong promotion, it is expected to form a strong image or brand image in the minds of consumers, because a strong image can form customer satisfaction and will encourage the formation of customer loyalty.

Various kinds of events held by Shopee make ShopeeFood also follow it and there are so many promos offered. Information related to promos is disseminated through social media, advertisements on TV, advertisements on the internet and so on. Various discounts offered by ShopeeFood such as discounts, cashback, free shipping and so on. Large discounts for new users are a strategy used by ShopeeFood to increase users. The promotions offered encourage consumers to make purchases, both planned and unplanned purchases (NISA, 2016).

In this study, brand image is examined as a moderating variable in the relationship between promotion and customer loyalty. Brand image becomes a level of quality in the minds of consumers on a brand of goods / services so that it can influence customers to buy it again. The company will be said to be successful when it is able to build a brand image that is owned with good quality to its consumers so that the assumption of a good brand image of its own product arises. In research, brand image is proven to increase the price relationship to customer satisfaction. Through this satisfaction can build consumer loyalty. Similar research was also conducted by Simanjuntak & Ardani (2018) that a good brand image can increase customer loyalty and the promotion carried out has a positive influence on brand image. Thus,

the more the attractiveness of the promotion increases, the brand image will also increase. With a strategy in the form of discounts, promotion and a good brand image, it will increase customer trust in the goods / services offered (Com, 2020).

Judging from the review of previous research, there are still differences in results (research gap) in the relationship between promotion and loyalty, therefore it needs further research. In this study, a moderation model with brand image as a moderating variable is proposed. This study was conducted to examine the effect of promotion on customer loyalty moderated by brand image. The research was conducted on ShopeeFood customers in Batuaji Batam. The research was conducted as an evaluation for ShopeeFood with consideration of promotion strategies to always try their best to maintain the advantages of their brand image so that their existence is not inferior to existing competitors. By developing the right promotion strategy, it is hoped that it can help increase ShopeeFood's customer loyalty.

Literature Review

Promotion

According to promotion as communication in providing explanations to motivate potential customers about goods / services. Promotion is also explained as an important aspect of marketing campaigns designed to encourage more purchases and sell quickly (Julitawaty et al., 2020). Based on this description, promotion is defined as an important thing in marketing a good / service to attract consumer attention and make purchases so that the need for an attractive promotion strategy so that information is easily understood by the public. Indicators of promotion include (1) frequency of promotion, (2) quality of promotion, (3) quantity of promotion, (4) timing of promotion, and (5) accuracy or suitability of promotional targets as an

aspect of achieving company goals (Nuryani, 2022).

Customer Loyalty

Loyalty is very important in the sustainability and success of a business entity as loyalty to the company's goods / services. Consumer loyalty is consumers buying regularly and repeatedly by bringing them to the same place to fulfil their desires by buying these goods / services. According to Nurullaili & Wijayanto (2013) customer loyalty is influenced by promotion and price. Promotion as a marketing activity to influence the target market so that it is interested in buying the goods / services offered. So it is necessary to plan a way to determine the price by not merely making a profit. Meanwhile, indicators of measuring consumer loyalty include repeat purchases, the regularity of consuming the same brand, always liking the brand, still choosing the brand, believing that the brand is the best, and recommending the brand to others (Nababan, 2019). Furthermore, loyalty is also measured using indicators of customer willingness to repurchase, customer willingness to tell positive things about the product, and customer willingness to recommend the product to others (Muslimah et al., 2021).

Brand Image

Brand image is a vision or belief that is latent in prospective buyers, as a reflection of the associations that are held in consumers' memories. So a brand is a good/service whose dimensions differentiate the brand in some way from other goods/services designed to satisfy the same needs. Brand image is the emission or reproduction of the identity of a brand. In this case, marketers must have the ability to know which strategies are carried out so that the goods / services produced can get a good image to consumers or can periodically conduct surveys to the public to find out whether the company's

activities improve its image (Lestari et al., 2019).

The company seeks to build a brand image through a unique brand to make a profit. The indicators in the formation of brand image are (1) company image, which is the image of the company name to influence consumers on what the company does, (2) product image, as a product image to encourage the formation of a brand image so that it has a positive or negative impact on consumer expectations, wants and needs, and (3) user image, which comes from consumer experience formed in the minds of consumers regarding what they get from the product or service (Yuvita, 2019).

Research Methods

The quantitative research method in this study comes from primary data through questionnaires. Questionnaires were distributed to respondents via google form to be filled in by respondents who became samples. As for secondary data using literature studies, namely journals, articles and books. The population used in this study are people in Batuaji Batam who have used the ShopeeFood application. For sample determination, it was selected based on purposive sampling where the sample had its own criteria for this study, namely (1) residing in the Magelang area, (2) having used ShopeeFood at least 2 times, and (3) having used other applications in delivery orders at least 2 times.

The population is not known for certain, so to calculate with the Rao Purba formula to determine the sample with the sample results obtained as many as 98 respondent samples. The measurement scale used in this study is a Likert scale and the data results are processed using SPSS 25. This study uses instrument tests (validity and reliability tests), classical assumption tests (fulfilling assumptions), and hypothesis testing through moderating variable interaction test analysis with

regression analysis, and determination coefficient test.

Results and Discussion

Validity Test

Table 1. Validity Test Results

Variable	Indikator	r hitung	r tabel	Keterangan
Promotion	X1.1	0,424	0,185	Valid
	X1.2	0,609	0,185	Valid
	X1.3	0,561	0,185	Valid
	X1.4	0,623	0,185	Valid
	X1.5	0,602	0,185	Valid
	X1.6	0,478	0,185	Valid
	X1.7	0,569	0,185	Valid
	X1.8	0,453	0,185	Valid
	X1.9	0,682	0,185	Valid
	X1.10	0,357	0,185	Valid
Brand Image	X2.1	0,739	0,185	Valid
	X2.2	0,544	0,185	Valid
	X2.3	0,703	0,185	Valid
	X2.4	0,622	0,185	Valid
	X2.5	0,654	0,185	Valid
	X2.6	0,718	0,185	Valid
	X2.7	0,704	0,185	Valid
	X2.8	0,730	0,185	Valid
Loyalty	Y.1	0,729	0,185	Valid
	Y.2	0,664	0,185	Valid
	Y.3	0,565	0,185	Valid
	Y.4	0,753	0,185	Valid
	Y.5	0,699	0,185	Valid
	Y.6	0,727	0,185	Valid

Source: Data Processing, 2023

The validity test results in table 1 above, show the comparison of the results between r count obtained from testing using SPSS Versie 25 with r table based on the amount of data ($n = 98$), which is 0.185. In Sayyida (2016), Pearson Product Moment is used to compare the level of r count with r table and the criteria are if the statement indicator $r \text{ count} > r \text{ table}$ is said to be valid or vice versa. Based on these results, all questionnaire items are declared valid for use.

Table 2. Reliability Test Results

Cronbach's Alpha Cronbach's Alpha Based on N of Items
Standardized Items

0.916	0.915	24
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Source: Data Processing, 2023

In table 2 of the reliability test results above, the Cronbach Alpha value is 0.916. When the Cronbach Alpha value exceeds 0.600, it means that an instrument is said to be reliable (Ghozali, 2011). Based on the table above, the questionnaire in this study is said to be reliable because Cronbach Alpha is $0.916 > 0.600$.

Table 3. First Regression Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.613 ^a	.378	.372	3.176

a. Predictors: (Constant), Promotion

b. Dependent Variable: Loyalty

Source: Data Processing, 2023

Table 4. Second Regression Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.789 ^a	.628	.617	2.465

a. Predictors: (Constant), Brand Image*Loyalty, Promotion, Brand Image

b. Dependent Variable: Loyalty

Source: Data Processing, 2023

Based on the r square value for the 1st regression, namely 0.378 (37.8%) because there is an equation in the 2nd regression, the r square value increases, namely 0.628 (62.8%). So it is concluded that brand image as a moderating variable can strengthen the relationship between promotion and customer loyalty.

Table 5. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.774 ^a	.605	.597	2.530

a. Predictors: (Constant), Citra Merek, Promosi

b. Dependent Variable: Loyalitas

Source: Data Processing, 2023

Based on table 5 above, it can be seen that the adjusted R square value (coefficient of determination) is 0.597

(59.7%). This means that the promotion variable (X1) and the brand image variable (M) both have an influence on the consumer loyalty variable (Y), namely 59.7%. In addition, the remaining 40.3% is influenced by other variables besides those studied in the model.

Discussion

The results of data analysis show that promotion (X1) has a positive influence on consumer loyalty (Y) and is strengthened by the existence of a brand image (M) that helps in influencing consumer loyalty. Thus, the more promotion provided, the more ShopeeFood user loyalty will increase in Batuaji Batam. In addition, the more ShopeeFood's brand image increases in consumer perceptions, the stronger the positive influence of ShopeeFood's promotions on user loyalty.

Promotions carried out by ShopeeFood can encourage potential buyers to buy unplanned. Through promotions that are offered every day also encourage potential buyers to be interested in buying them, and potential buyers are also willing to buy with a certain minimum to be able to use discount vouchers. This can help ShopeeFood to increase sales because potential buyers will be willing to buy more with promotions. This is in accordance with Prihatama's research (2020) that the promotional factor on customer loyalty has a significant effect.

The Brand Image owned by ShopeeFood is able to strengthen in building the loyalty of prospective buyers. People's impressions of ShopeeFood such as good quality, attractive brand image, the offers offered are competitive, the convenience of the features they have make potential buyers get more benefits so that a positive impression is formed so that potential buyers are able to choose ShopeeFood services first compared to other delivery applications. This study supports the results of previous research by Devianti (2019), which explains that the brand image variable affects consumer

loyalty positively because it has a significant influence.

Thus, through promotion and brand image, it is able to increase consumer loyalty because based on this research, prospective buyers are willing to make repeat purchases at ShopeeFood and are willing to make ShopeeFood the first choice in making delivery order purchases, and prospective buyers will also be willing to recommend it to others. Even so, ShopeeFood must strive to continue to improve more attractive promotional offers to be able to build user loyalty, and continue to maintain its existence with a positive impression to build a better meek image.

Conclusions and Suggestions

Promotion carried out by ShopeeFood has a positive influence on consumer loyalty, and is strengthened by the existence of a brand image that helps strengthen the influence of promotion on loyalty to ShopeeFood users in Batuaji Batam. And promotion is proven to have a positive influence, this is because the promotions carried out can encourage potential buyers unplanned and buy more because of the promotions provided so that it helps ShopeeFood to increase sales. The brand image owned by ShopeeFood is able to strengthen in building loyalty because the positive impression it has is able to make potential buyers choose ShopeeFood services first compared to other delivery applications. Through attractive and useful promotional strategies, as well as the creation of a brand image, it can increase consumer loyalty. ShopeeFood needs to continue to innovate in the promotional strategies used, and strengthen its brand image in order to increase user loyalty. ShopeeFood must also increase more attractive offers and build a positive impression to maintain its existence from its competitors, so that its users remain loyal.

The results of this paper provide managerial implications for Shopee,

namely as evaluation material to maintain and improve the superiority of its brand image so that its existence can continue to compete in the future and become a material consideration in formulating promotional strategies in order to increase the loyalty of ShopeeFood service users. Theoretically, the results of this study can be used as a reference for further researchers. However, this study is limited to the number of samples and variables used, therefore, future research can add other variables to the research model or add the samples used so as to expand the scope of the data so that the research results are maximised.

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