

The Effect Of The Intensity Of Playing Shopee Cocoki Gamification On Customer Engagement And Customer Loyalty On Users Shopee Application In Indonesia

Amelia Putri¹, Dora Rinova²

^{1,2}Faculty of Social Science and Political Science, University of Bandar Lampung

Corresponding author : ameliaputrieff@gmail.com

Abstract

This study aims to determine the effect of the intensity of playing Shopee Cocoki gamification on customer engagement and customer loyalty in the Shopee application in Indonesia. Applying quantitative research techniques with non-probability sampling method purposive sampling approach. The research population is users of the Shopee In-App Games feature in Indonesia with a sample size of 100 respondents based on sample criteria. In this study, data processing was carried out using SmartPLS 3. Through this research, the results were obtained in the form of: 1) the intensity of playing Shopee Cocoki gamification has a positive and significant effect on customer engagement in the Shopee application in Indonesia; 2) the intensity of playing Shopee Cocoki gamification has a positive and significant effect on customer loyalty in the Shopee application in Indonesia.

Keywords: Customer Engagement, Customer Loyalty, E-commerce, Gamification

INTRODUCTION

The modern conveniences and trends in the digital era, along with changes in consumer behavior have led to the formation of online marketplaces or e-commerce in Indonesia. This not only supports economic growth, but also the transformation in digital commerce. The high interest of Indonesian consumers in online shopping has created intense competition among e-commerce companies to become the most popular shopping platform for the public.

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Various innovations have been made by e-commerce companies to win the competition and retain existing customers and attract new consumers. One of them is by developing features in e-commerce that can increase interaction between companies and consumers, such as applying the concept of gamification by providing entertainment facilities in the form of In-App Games as a way to achieve the highest user visits in the application. By offering prizes in the form of vouchers or attractive promos to engage customers in promotions also makes the company focus on service development, product and market expansion.

According to Kotler, et al., in Putri, M., & Nugrahani, (2020) the application of gamification is recognized as the most effective strategy for increasing customer engagement. This is based on the understanding that every individual generally has an intrinsic motivation to achieve the goals they want and get appreciation and recognition for their achievements.

Customer engagement that occurs through gamification can be reflected in how often consumers visit or how intensively users play gamification in the application. High intensity of play can cause a person to experience dependence and have a negative impact on individual behavior, such as setting aside priorities in daily activities and homework, and can even encourage anti-social behavior. This happens because some consumers are too motivated by rewards and recognition, thus neglecting their priorities in life. With customer interaction through gamification on e-commerce platforms, the company has successfully engaged customers with its brand. This can encourage the formation of consumer loyalty or customer loyalty in purchasing products after receiving rewards from the gamification experience.

Based on data from SimilarWeb, Tokopedia is in a superior position and is the most visited e-commerce site in Indonesia during the first to fourth quarters of 2021, reaching 149.6 million visits to its application. This achievement is further strengthened by the merger with Gojek in early 2021 which is believed to have a positive impact on increasing Tokopedia site traffic. Meanwhile, Shopee remains a strong competitor with an average number of visitors of around 131.89 million in the same quarter.

In August 2022, Shopee experienced a significant increase in visits of 11.37% compared to the previous quarter, reaching 190.7 million visits. This confirmed its dominance in the engage market in Indonesia. In fact, until mid-2023 Shopee shopping app continues to maintain its leadership by recording 158 million visitors in Q1 and increasing to 167 million visitors in Q2 of 2023. The intense competition between Shopee



and Tokopedia will continue until the end of 2023, until Shopee success as the most visited e-commerce in Indonesia.

Shopee, a subsidiary of the Sea Group based in Singapore, has expanded its coverage to some countries in the ASEAN region, one of which is Indonesia, which has now managed to grow rapidly to outperform its competitors, even occupying the position with the highest number of visits for several consecutive quarters.

The significant increase in customer engagement in the Shopee application is one of the results of the marketing strategy of implementing the gamification concept which has started since 2019 with the launch of various features, such as Goyang Shopee, Shopee Lucky Prize, Shopee Feed, Shopee Tangkap, and Shopee Live. Then over time, Shopee continues to add features including Shopee Tebak Kata, Shopee Quiz, Shopee Candy, Shopee Capit, Shopee Pets, Shopee Bubble, Shopee Kolektor to Shopee Cocoki and many other gamification features that are seasonal or only available for a limited time. This aims to continue to attract attention and keep consumers using the Shopee app for a longer period of time.

From this phenomenon, Shopee wishes to build customer loyalty through offering rewards in gamification. This is a marketing strategy to engage consumers with the Shopee shopping application and maintain Shopee's position as an e-commerce marketleader in Indonesia.

With various gamification experiences among users, consumers who usually only use the Shopee application to search for products or shop, are now interested in actively participating in the games provided. The introduction of the gamification concept is expected to create a sense of enthusiasm and excitement, increase customer engagement, extend the duration of application use and maximally influence product purchasing decisions and build customer loyalty to the Shopee brand.

Previous research conducted by Taruli, et al., (2021) entitled "The Effect of Gamification Version "Shopee Tanam" on Shopee Application Customer Engagement in Indonesia" shows that the application of gamification has a positive and significant effect on customer engagement of the Shopee Indonesia application. Then in Prakasa and Emmanuel's research (2020) entitled "Gamification as a Method to Gain Customer Loyalty" concluded that gamification can be used as a solution to customer loyalty problems because its impacts are in line with the factors that influence customer loyalty. These impacts include increasing customer engagement, brand engagement, sustainability effects and increasing customer loyalty. Supported in research by Heksarini,



A & Putri, A. S. (2022) entitled "The Impact of Gamification on Customer Engagement and Customer Loyalty of Shopee Users in Samarinda" shows the results that Shopee gamification has a positive and significant impact on customer engagement. This finding shows the success of Shopee's loyalty program which implements gamification strategies to increase consumer engagement with the Shopee application.

Based on the background and previous research that has been described, researchers want to know the effect of the intensity of playing Shopee Cocoki gamification on customer engagement and customer loyalty in the Shopee application in Indonesia.

LITERATUR REVIEW

Play Intensity

Chaplin (2004) explains the definition of intensity to be a quantitative characteristic of a sensing that is related through its stimulus, the strength of behavior or emotional response and provides support for strength in a particular opinion or attitude. Meanwhile, Cowie (1994) states that intensity is a situation and condition when a person is involved in an activity repeatedly and with a special frequency. According to Griffiths, et al. (2004) in the context of gamification, play intensity refers to the number (average) hours of play spent by a person in a certain period of time.

The aspects of play intensity in gamification according to Chaplin (2004) include:

1. Frequency measures how often a person engages in gamified play activities over a period of time such as once, twice, three times, and so on.
2. Length of time, reflecting how long a person spends playing gamification.
3. Full attention, indicating the level of concentration given to the gamification game to the point of neglecting one's daily routine.
4. Emotional, including feelings of sadness, joy, excitement, fear, hope, anger, annoyance and even despair when engaged in the game.

Gamification

The term gamification comes from the word game or games that are often played during leisure time. Nowadays, many games and gamification can be easily accessed by various players through internet-connected devices, commonly known as online games (Hardanti, 2013). Meanwhile, according to Hofacker, et al., (2016) revealed that gamification is a broader concept in the context of non-gaming activities that aim to create quality improvement of products or services.



According to Broer & Kumar, cited by Marsudi in Wicaksono and Subari (2021), the success of gamification is generally measured through common elements of online games, such as points, rankings, level achievements, and encouragement for players to reach certain levels. There are three aspects of business goals related to gamification according to Lucassen & Jansen (2014), which include increasing customer engagement, developing brand loyalty, and increasing brand awareness.

Customer Engagement

According to So, et al. (2014), customer engagement is defined as a marketing activity that focuses on the attitudes and psychology of customers. Customer engagement is a technical approach implemented in marketing public relations to become a strategic effort to interact and communicate by involving customers and brands (Istiningrum in Putri, M. & Nugrahani, 2020). Therefore, customer engagement emphasizes the consumer experience in creating emotional relationships, encouraging purchasing decisions, interaction and involvement with the brand over time.

According to the exposure of So, et al., (2014) found a number of five indicators that exist in customer engagement, namely in the form of:

1. Enthusiasm, reflecting the extent to which consumers show enthusiasm for the brand.
2. Attention, indicating a high level of attention from consumers to a brand.
3. Absorption, reflecting the extent to which consumers focus their attention on a brand.
4. Interaction, seen through the willingness of consumers to share opinions or experiences about a brand with other customers who also use that brand or brand.
5. Identification, reflects customers' deep love for a brand, making them feel that the brand is an important part of their daily lives.

Customer Loyalty

Consumer loyalty according to Oliver (1999) refers to a strong commitment to consistently buy or use products or services from a brand, despite various influences and marketing efforts from other brands that can change consumer behavior. Griffin (2005) states that a consumer is considered loyal or loyal if he shows frequent purchasing behavior, at least twice in a certain period without considering the influence of other brands.



Kotler & Keller (2016) provide a definition of customer loyalty is a firmly held commitment to buy or reuse products or services in the future, despite the influence of situations and marketing efforts that can result in attitude change. There are three main indicators in customer loyalty, namely: (1) repeat purchase, (2) retention and (3) referrals.

RESEARCH METHODS

This research uses quantitative methods. The research population includes users of the Shopee In-App Games feature in Indonesia, through a sample size of 100 respondents generated through calculations using the Slovin formula. The sample selection criteria apply a non-probability sampling technique purposive sampling approach, namely with the main target of active users of the Shopee shopping application in Indonesia who regularly participate in the Shopee Cocoki game at least at least 3 times a day. Data collection is carried out using a Likert scale as a response measure level through a Google Form which contains statements that need to be responded to by respondents. Data processing was carried out through SmartPLS 3.

Conceptual Framework

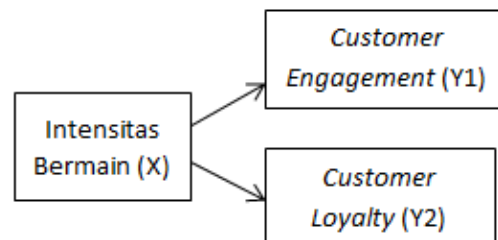


Figure 1. Research Framework

Hypothesis

It can be concluded that the hypothesis formulated in this study is as follows:

- H1 : It is suspected that the intensity of playing Shopee Cocoki gamification has a positive and significant influence on customer engagement on the Shopee application in Indonesia?
- H2 : It is suspected that the intensity of playing Shopee Cocoki gamification has a positive and significant influence on customer loyalty in the Shopee application in Indonesia?

RESULT

Shopee is an e-commerce website founded by Forest Li in 2009 in Singapore, a subsidiary of the Sea Group. Over time, Shopee has transformed into an e-commerce that facilitates buying and selling transactions efficiently and has expanded to various countries such as Malaysia, the Philippines, Thailand, Vietnam, Indonesia and other countries with different platforms for each country. With a mission to change the world into a better place by harnessing the power of technological transformation by providing a platform that connects buyers and sellers in one community and creates an environment that encourages connectedness and cooperation.

From the results of the research conducted, the characteristics of respondents who played Shopee Cocoki gamification based on gender were female with 64 respondents or 64%, with an age range of 17 - 23 years as many as 47 respondents or 47% and the respondents in this study were mostly represented by students.

Structural Model Calculation (Outer Model)

The structural model in the picture shown is obtained from the formulation of the problem using the results of a research questionnaire on 100 respondents, with the variable intensity of playing Shopee Cocoki gamification (X) on customer engagement (Y1) and customer loyalty (Y2).

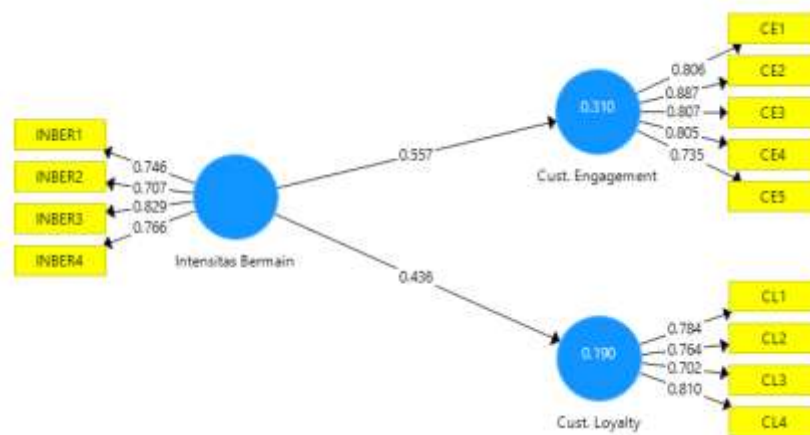


Figure 2. Stuctural Model Calculation: Author's Processed data, 2024

From the table, it shows that all loading factors in this study have met the outer loading value> 0.7. This indicates that all indicators have met the convergence requirements (convergent validity) and are declared valid.

Table 1. Average Variance Extracted (AVE)

Construct Reliability and Validity				
Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted ...
Cronbach's Alpha				
Cust. Engagement	0.898	0.874	0.905	0.658
Cust. Loyalty	0.772	0.798	0.858	0.587
Intensitas Bermain	0.765	0.786	0.848	0.583

Source: Data Processed by Researchs, 2024

The AVE value in each construct listed in the table above shows that each construct in the model produces a value> 0.5. This means that the constructs in the model in this study have met the second requirement of convergent validity.

Table 2. Fornell-Larcker Criterion

Discriminant Validity			
Fornell-Larcker Criteri...	Cross Loadings	Heterotrait-Monotrait R...	
	Cust. Engagement	Cust. Loyalty	Intensitas Bermain
Cust. Engagement	0.810		
Cust. Loyalty	0.623	0.766	
Intensitas Bermain	0.557	0.436	0.763

Source: Data Processed by Researchs, 2024

It can be seen that in table 2, shows the Fornell-Larcker Criterion value on the play intensity variable is 0.763, customer engagement is 0.810 and customer loyalty is 0.766 which means it has a value exceeding other variables in the same column. From this, it can be concluded that the three variables have good and valid discriminant validity.



Table 3. Cross Loading**Discriminant Validity**

	Fornell-Larcker Criteri...	Cross Loadings	Heterotrait-Monotrait R...
	Cust. Engagement	Cust. Loyalty	Intensitas Bermain
CE1	0.806	0.501	0.458
CE2	0.887	0.520	0.483
CE3	0.807	0.533	0.444
CE4	0.805	0.507	0.486
CE5	0.735	0.462	0.370
CL1	0.510	0.784	0.358
CL2	0.482	0.764	0.361
CL3	0.377	0.702	0.179
CL4	0.508	0.810	0.371
INBER1	0.383	0.344	0.746
INBER2	0.354	0.144	0.707
INBER3	0.463	0.475	0.829
INBER4	0.481	0.290	0.766

Source: Data Processed by Researchs, 2024

From the data in table 3, it shows that the cross loading value for each item shows the highest value for its construct compared to the loading value for other constructs. Can be declared valid, if the value of each research variable > cross loading. It can be concluded that all constructs in the implementation of this study have shown a good and valid relationship because each variable of playing intensity (X), customer engagement (Y1) and customer loyalty (Y2) > cross loading.

Table 4. Cronbach's Alpha and Composite Reliability**Construct Reliability and Validity**

Matrix	Cronbach's Alpha	rho_A	Composite Reliability
	Cronbach's Alpha	rho_A	Composite Reliability
Cust. Engagement	0.868	0.874	0.905
Cust. Loyalty	0.772	0.788	0.850
Intensitas Bermain	0.765	0.786	0.848

Source: Data Processed by Researchers, 2024

All variables in this study show that they have decent and valid reliability because they produce composite reliability and Cronbach's alpha values > 0.70.



Structural Model (Inner Model)

In testing the structural model, the evaluation is carried out through observing the R-Square value and the t-statistic test. The following are the results of each test that has been carried out on the inner model analysis.

Table 5. R-Square**R Square**

Matrix	R Square	R Square Adjusted
	R Square	R Square Adjusted
Cust. Engagement	0.310	0.303
Cust. Loyalty	0.190	0.181

Source: Data Processed by Researchers, 2024

From the R-Square results, it can be seen that playing intensity has a relatively weak influence on customer engagement of 31%, while the remaining 69% is influenced by other factors not measured in this study. Similarly, the effect of playing intensity on customer loyalty is 19%, with 81% influenced by other factors not measured in this study.

Table 6. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Intensitas Bermain -> Customer Engagement	0.557	0.570	0.069	8.079	0.000
Intensitas Bermain -> Customer Loyalty	0.436	0.459	0.083	5.273	0.000

Source: Data Processed by Researchers, 2024

Based on the test results of the gamification playing intensity variable on customer engagement, the value is 0.557 (positive) and the t-statistics value is 8,079 > 1.96 and the p-values result is 0.000 < 0.05. Thus, it shows that the intensity of playing Shopee Cocoki gamification has a positive and significant effect on aspects of customer engagement in the Shopee application in Indonesia. The test results on the variable gamification play intensity variable on customer loyalty resulted in a value of 0.436 (positive) and a t-statistics value of 5,273 > 1.96 and the results of p-values which are 0.000 > 0.005. So it is concluded that the intensity of playing Shopee Cocoki gamification has a positive and significant influence on customer loyalty in the Shopee application in Indonesia.



From the results of research on the effect of the intensity of playing Shopee Cocoki gamification on customer engagement on customer loyalty in the Shopee application in Indonesia, with data processing using SmartPLS 3, the following conclusions are obtained:

The Effect of Play Intensity on Customer Engagement

Based on the analysis that has been carried out, the t-statistics value is $8.079 > 1.96$ along with the p-values of $0.000 < 0.05$. From this hypothesis testing, it can be concluded that the intensity of playing Shopee Cocoki gamification has a positive and significant effect on customer engagement in the Shopee application in Indonesia. This shows that increasing the intensity of playing Shopee Cocoki gamification can significantly increase customer engagement in the Shopee application in Indonesia. Thus, the efforts taken by Shopee e-commerce have in fact made a significant contribution in creating and increasing customer engagement on the Shopee application in Indonesia.

The results of this study also reflect changes in consumer behavior after the introduction of the Shopee In-App Games feature. Consumers regularly access the Shopee app every day. Not only for shopping transactions, but also to enjoy the Shopee In-App Games feature, even spending 1-2 hours a day playing.

The Effect of Play Intensity on Customer Loyalty

Based on the analysis that has been carried out, the t-statistics value is $5.273 > 1.96$ and the p-values are $0.000 < 0.05$. From testing this hypothesis, it can be concluded that the intensity of playing Shopee Cocoki gamification has a positive and significant effect on customer loyalty in the Shopee application in Indonesia. The high intensity of playing Shopee Cocoki gamification can encourage customer loyalty in the Shopee application in Indonesia.

Based on interviews with several respondents in this study, it is stated that respondents make purchases repeatedly every month and also often use vouchers or rewards obtained from using features in the Shopee application. However, several other respondents revealed that they did not make transactions immediately after getting rewards from the Shopee Cocoki game because of the high level of difficulty at the second level as the final level and the smaller number of coins awarded. This causes low loyalty in current Shopee Cocoki game players, in contrast to the initial launch of the Shopee Cocoki game, where this gamification attracted the attention of consumers who previously



only accessed the Shopee application when searching or buying, then became active in contributing to the game so that it could increase customer engagement with the Shopee brand.

CONCLUSION

Referring to the statistical findings in the research that has been carried out and the results and discussions that have been described regarding the effect of the intensity of playing Shopee Cocoki gamification on customer engagement and customer loyalty in the Shopee application in Indonesia, the following conclusions can be drawn: (1) the intensity of playing Shopee Cocoki gamification has a positive and significant effect on customer engagement on the Shopee application in Indonesia. (2) the intensity of playing Shopee Cocoki gamification has a positive and significant influence on customer loyalty in the Shopee application in Indonesia.

There are several suggestions for parties who are interested in conducting research on similar topics, namely it is advisable to consider the use of independent variables other than in this study, such as application use, enjoyment, repurchase intentions, rewards, and other more relevant factors.

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