

Research Article

# Shopee's Market Interest Trend Monitoring in Indonesia: How They Stay at The Top

Dianta Hasri Natalius Barus

Program Vokasi, Universitas Katolik Parahyangan, Bandung, Indonesia.

Received Date: 05 February 2024

Revised Date: 15 February 2024

Accepted Date: 23 February 2024

Published Date: 06 March 2024

**Abstract:** *Shopee is one of the largest e-commerce in Asia and, specifically in Indonesia. Every month, they are visited by no less than one hundred million users who are looking for various types of needs. In Indonesia itself, during 2020, there was an increase in the number of segments of society who became new internet users, and this further strengthened Shopee in the Indonesian market. From 2020 to 2021, Shopee experienced a five-point increase in the popularity index, and the trend continued into 2022 with a two-point increase. However, in the period from 2022 to 2023, they experienced a 14% decrease in the index.*

*The semester trend often exceeds the overall average. Despite a downturn, Shopee still maintains a strong interest from consumers. There is a cross-section in week 200, suggesting a decrease in market interest in the next year. Shopee has at least experienced a 20% decline in popularity index from its highest index in 2020. However, the weekly index trend suggests they will strengthen in the next period due to a large volume of interest from consumers in the last quarter of 2023. In contrast, Shopee's annual trend has significantly declined, falling below its initial position at the beginning of 2020. If Shopee's popularity index has been averaging four years, then it is likely to rise in the near run.*

**Keywords:** *e-Commerce, Digital Marketing, Online Business, Google Trend, Digital Analytics, Market Perception, Digital Branding.*

## I. INTRODUCTION

Due to customer input, commercial objectives, and innovation, the internet has developed. Interested public engagement and interest in online media are a direct result of the fact that technology and information are crucial promoters of innovation. Industry stakeholders have recognized digital media as an indispensable tool for expanding their operations and honing their competencies. Organizations can establish prompt and dependable connections with their target demographic through the utilization of the internet. Many organizations now utilize e-commerce as their primary channel for accomplishing objectives. It provides access to Indonesia's vast market for businesses of all sizes. Unpredictable is the growth of electronic commerce consumers in Indonesia. Computer connectivity enables electronic commerce, which is the transaction between businesses and clients [1]. By increasing the level of interaction between businesses and their clients, e-commerce significantly decreases the time and resources required for business transactions. Enhancing the quality of products and services through e-commerce endeavors to reduce resource consumption. In the last decade, the e-commerce sector in Indonesia has expanded substantially, primarily due to demand from the middle market.

It is anticipated that Indonesia will experience double-digit growth by 2025. It caters to both the middle-class consumer base and a productive populace [2]. Amidst the Covid-19 pandemic in 2022, an estimated thirty-six percent of digital consumers in the Southeast Asian region were identified as newcomers. Indonesia witnessed a thirty-seven percent surge in new consumers, while Vietnam experienced the most substantial expansion at forty-one percent.

Social networking sites serve as a vital component of new media by facilitating user communication and content creation. Social media channels are constructed upon a technical software framework that has its roots in the Web 2.0 era. Social media platforms play a pivotal role in shaping the daily purchasing decisions of consumers by virtue of the extensive volume of information they offer [3]. The middle market is the primary focus of the e-commerce industry in Indonesia, demonstrating significant similarities in their customer base. A considerable proportion of the middle market consists of individuals who are predominantly in their prime working years. The primary rationale behind the utmost motivation of e-commerce is to target this demographic characteristic.

E-commerce serves as the principal catalyst for digital business operations across enterprises of varying scales, affording vendors an extensive array of marketing prospects [4]. Tokopedia and Shopee have been the leading rivals in their



respective sectors and are involved in an intense rivalry [5]. Monthly traffic on Tokopedia and Shopee exceeds 100 million, and this figure is continuously increasing, particularly since COVID-19 has evolved to an endemic stage.

Predominantly sought after among the five e-commerce platforms is the keyword "Shopee," surpassing the second-ranked site, Tokopedia, by a substantial margin. At certain intervals, the prevalence for every of the four platforms for e-commerce declines relative to the aggregate average. Shopee has maintained a consistent and enduring level of popularity over the years. With a value of 68.68, Shopee's recognition index has remained above average for the past three years. The Shopee index is greater than average. Shopee exhibits a greater degree of intensity and effectiveness in its marketing communications than the other four e-commerce companies. This significant discrepancy was observed consistently throughout the entire three-year research endeavor. During the pandemic a few years ago, Shopee significantly made effective marketing investments to encourage a maintained business ecosystem [6].

Shopee not only manages the trade ecosystem between businesses and consumers but also between consumers and consumers [7]; this is possible because the development of digital facilities in business is getting easier, for example, in dropship business patterns. Shopee has provided a variety of services. They have established themselves as a frontrunner in the industry by recognizing critical factors for their winning strategy [8].

The performance of companies is significantly influenced by customer satisfaction, which is an essential element of business [8]. Gaining insight into customer satisfaction is crucial for organizations to effectively administer their strategies and implement necessary modifications to foster enduring and profitable customer connections, thereby ensuring market competitiveness.

## **II. LITERATURE REVIEW**

Internet accessibility enables individuals to recognize the immense potential of establishing an online store. The practice of purchasing and selling goods and services via the internet, which offers greater convenience for individuals. Shopee offers sophisticated functionality that enables users to buy meal vouchers, electricity certificates, pulses, and other products [9]. The principal focus of Shopee Pte Ltd, a Singapore-based multinational technology corporation, is electronic commerce. Since Sea Group acquired it, the Garena Company no longer owns it. Established in February 2015, Shopee is a mobile-first platform in Singapore that facilitates online commerce and purchasing for consumers. The company now covers seven markets in the region, including Vietnam, Indonesia, Thailand, Taiwan, and Malaysia. As of 2021, Shopee delivers its services to buyers and vendors through Southeast and East Asia, in addition to several European and Latin American countries, where they engage in online transactions.

Since Shopee University resumed operations in Taiwan in December 2015, an estimated seventy thousand merchants have generated a profit as of the present moment. Since its inaugural day in Taiwan in June 2017, Shopee Mall has expanded to encompass more than 11,000 retailers spanning seven markets. In 2018, the Gross Merchandising Value (GMV) of the platform surpassed \$10 billion, with transactions exceeding 600 million. In May 2018, Shopee and P&G collaborated in Indonesia to organize their first Super Brand Day. Since then, seventy Super Brand Days have been organized throughout the region.

Recent studies have made it abundantly obvious that the e-commerce industry is experiencing exponential growth, which has accelerated throughout the pandemic. The analysis of consumer behavior following the order placement will assist in the assessment of customer satisfaction. As previously stated, customer satisfaction is always vital to the success of a business because it facilitates the acquisition of recurrent clients [10]. Consumer happiness is vital to the success of a company. Reliability is an additional criterion to consider when assessing customer satisfaction. In both offline and online purchasing, consumers typically anticipate obtaining some level of product or service-related information prior to making a purchase decision [11]. Consumer trust is most strongly and persistently influenced by the E-service quality website. Information excellence, system quality, risk perception, perceived online purchasing behavior, and word-of-mouth marketing follow in that order. Managers ought to prioritize website layout, safety, confidentiality, and fulfillment to achieve a greater level of excellence in electronic services. Managers may retain a web designer to develop aesthetically pleasing websites. Because fulfillment has the most significant influence on overall service quality, it is the responsibility of managers to guarantee the timely and undamaged delivery of the product [12].

Customer satisfaction is a concept where our consumers feel the benefits of our products, whether they meet or exceed their expectations [13]. Numerous researchers have proposed a variety of definitions to characterize consumer contentment. Customer satisfaction refers to the affective response of an individual during a specific time when the actual performance of the product meets or exceeds their expectations based on a comparison between the perceived performance and those expectations. Consumers' purchasing experiences are enhanced by their perceptions of efficacy [14]. Precise usefulness may impact the online purchasing behavior of consumers, in accordance with this theory, when they are provided with access to pertinent and

suitable product information. The implementation of the Shopee online platform's comprehensive search function has enhanced customers' purchasing experience. Shopee customers have been able to make more informed decisions with the aid of accurate and exhaustive product information. Complete and convincing information will increase trust from the buyer's side [15].

Based on one study, 94% of purchasers consider product information crucial for increasing their interest and intent to purchase [16]. Consumers have a greater propensity to prefer and place value on businesses that offer credible and easily accessible information through all their sales channels. An increasing number of consumers in several Asia Pacific countries are interested in purchasing unique and authentic products. In 2021, there was a notable increase in the volume of keyword searches pertaining to phrases such as "official" and "legitimate." By employing a discount strategy, immediate sales may increase substantially. Exercise caution and abstain from excessively utilizing discounts, as this could potentially jeopardize the long-term branding of the organization [17]. Frequent discounts provided by companies may induce purchasers to question the products' quality and value.

Moreover, this could potentially have an adverse effect on consumer perception, particularly regarding products priced moderately to higher. E-commerce businesses frequently employ discount strategies to attract their intended audience and boost revenue rapidly. Discounts are frequently employed to motivate customers to engage in impulsive buying, regardless of the magnitude of the reduction in price. Comprehension of the consumer journey within an organization is an essential component of digital marketing strategy. From initial exposure to advertisements to the moment of purchase, companies analyze the customer's voyage to comprehend the relationship with the customer. By utilizing funnel marketing, businesses can examine each phase of the customer's purchasing journey. A modification of the Awareness, Interest, Desire, and Action model constitutes funnel marketing. The sequence in which consumers become cognizant of a product, cultivate curiosity and aspire to execute a purchase. It offers organizations a framework upon which to develop their promotional strategy.

The awareness stage refers to the initial point at which a consumer is exposed to our advertising. It provides users with the opportunity to obtain pre-launch information regarding the brand and its products. Consumers will proactively seek out the promotions that the brand or company is offering. Individuals peruse the organization's online presence or webpage to identify any products or services that may capture their attention. In the third stage, customers locate the products they require within the store and proceed to add them to a shopping cart. Upon careful deliberation and assessment, the consumer will ultimately progress to the concluding phases, wherein they engage in action by converting. The average sales conversion rate in the industry is approximately 1-5%. Existing research indicates that most internet consumers, specifically 78%, are influenced by review sites when making purchasing decisions. Consumer feedback received online has emerged as a significant information resource training for travelers, serving a critical function in social research and the acquisition of transportation services [18].

Consumer behavior is heavily influenced by the degree to which they are willing to support and build trust when purchasing new products or services from external sources. The creation of a dependable rapport between businesses and consumers could alleviate customers' apprehensions regarding the uncertainties and risks associated with purchasing goods and services [19]. Another study concerning consumer behavior frequently scrutinizes the dependability of information sources, with a specific emphasis on juxtaposing the effects of word-of-mouth with those of traditional word-of-mouth.

Customer social relationships are characterized by the duration of their interactions, the profundity of their emotions, and the degree of mutual reliance. When reinforced by robust social connections, the dissemination of information can potentially attain heightened influence, reliability, and credibility [20]. Understanding the impact that offline and online word-of-mouth communication can have has been of the utmost importance, as argued in this piece. Information that is shared with consumers can be categorized into two fundamental classifications.

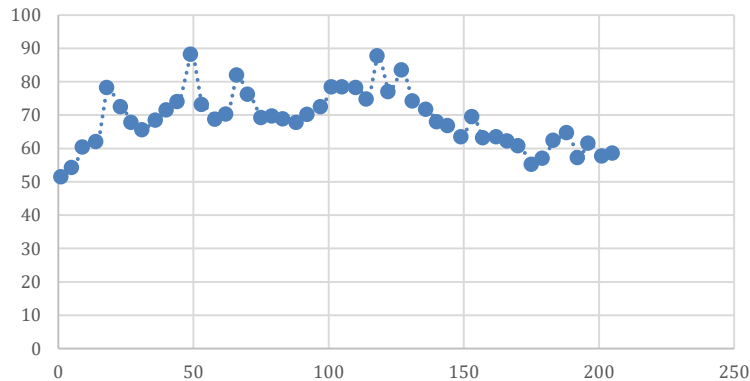
### **III. METHODOLOGY**

The present study utilizes a quantitative research approach. Utilizing a total of 209 Shopee Weekly data points, the prevalence trends on Google in the Indonesia region from January 2020 to December 2023 were analyzed. The information underwent a weekly unit conversion. Following an examination of Google Trend data, a comparison is established among the prevalence, trend, and prospective levels.

### **IV. RESULTS AND DISCUSSION**

Based on an analysis of primary data spanning 209 weeks and Google Trends prominence indicators pertaining to the keyword "Shopee" in Indonesia, this study uncovered several noteworthy findings that warrant additional research. The weekly data is transformed into averages on a monthly, quarterly, semester, and annual basis. The purpose of employing moving averages is to establish a more dependable trend pattern. A monthly average of popularity fluctuations for Shopee during the current month will be displayed. Short-term monitoring will benefit from the utilization of the moving average. An annual breakdown of quarterly data into four sections offers valuable insights into the level of popularity observed in each quarter. Marketers can utilize this information to analyze shifts in consumer perception as well as Shopee's interaction strategies with

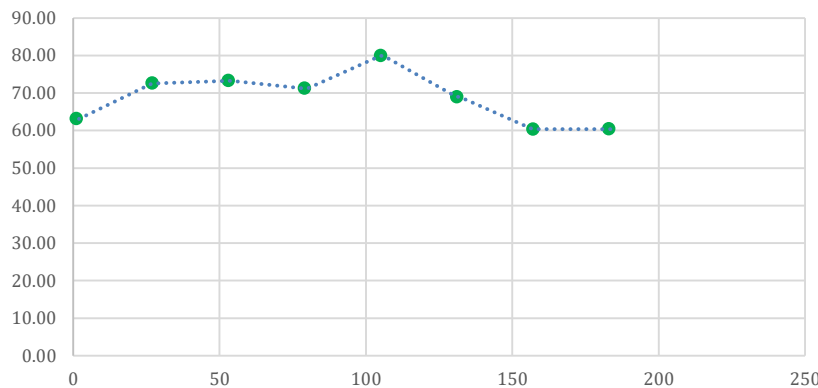
its target demographic. The semester data average represents Shopee's mean performance over a span of six months, with the purpose of evaluating the company's progress in sustaining its popularity amidst significant occasions like Ramadhan. By utilizing annual average statistics, one can effectively evaluate Shopee's popularity and performance over the course of its twelve-month marketing campaign. The four primary data sections presented in Table 1 are data aggregation and average calculation from January to December 2020 to December 2023. In 2023, the mean annual popularity of Shopee will have declined marginally from 67.87 in 2020 to 60.36. This demonstrates the waning appeal of Shopee in Indonesia. Each year, the fluctuations are unique. COVID-19 will be at its zenith in Indonesia from 2021 to 2022, resulting in strict limitations on community operations that have benefited Shopee operations.



**Figure 1: Shopee's Monthly Popularity Average**

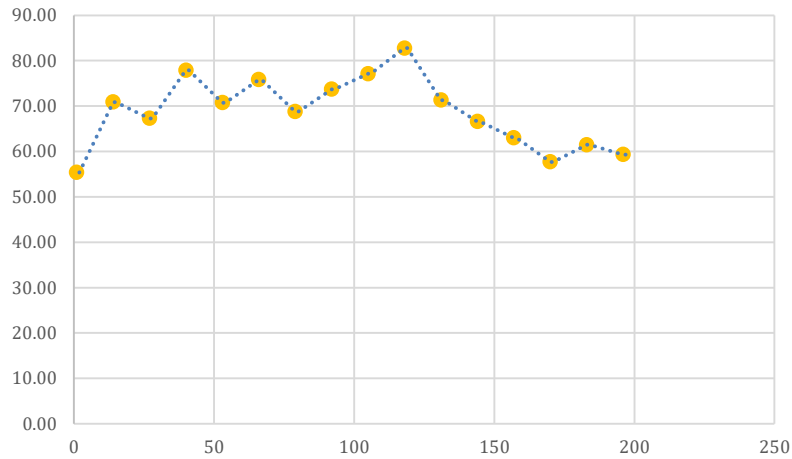
An in-depth analysis of the median monthly data is presented in Figure 1. Indicator trends are facilitated through the utilization of scatter graph techniques for data analysis and presentation. Although there were fluctuations throughout the observation period, the decline and growth over the past four years were not notably substantial. This signifies the indicator's stability throughout the duration of the observation. A scatter diagram depicting the fluctuation of the indicator every period of three months is illustrated in Figure 2.

Although the indicator trend generally corresponds to that of Figure 1, employing a three-month average offers a more precise depiction that facilitates analysis. Figure 2 provides a clearer illustration of the downtrend movement that transpires one hundred weeks after the conclusion of the COVID-19 pandemic. The current prevalence of Shopee is even lower than it was in January 2020.

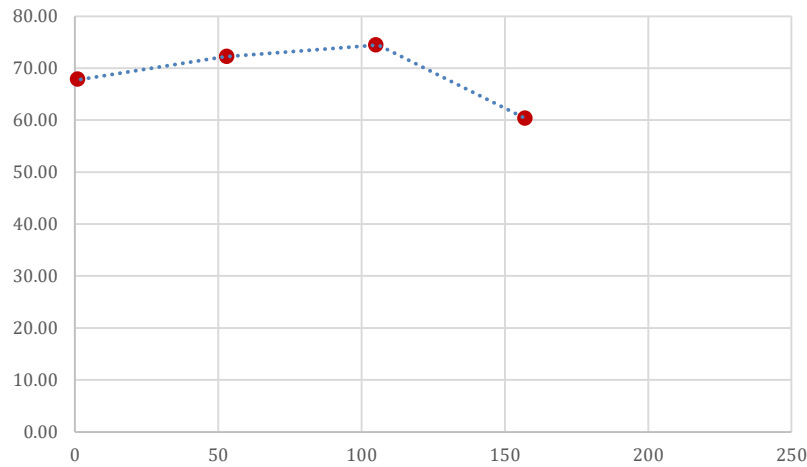


**Figure 2: Shopee's Semester Popularity Average**

Following this, the average numbers for this semester are presented in Figure 3. Shopee had a significant surge from 2020 to 2021, with a five-point increase, which was sustained in 2022 with an additional two points of growth. On the other side, Shopee's popularity surged in 2022 and declined by approximately 14% in 2023, as shown in Figure 4. The researcher will be able to visualize movements in Shopee's popularity trends with the aid of distribution analysis. By employing the cross-checking technique, one can gain a strategic understanding of the future popularity of an object. This knowledge enables one to devise and execute the appropriate communication interventions required to attain specific popularity indicators.

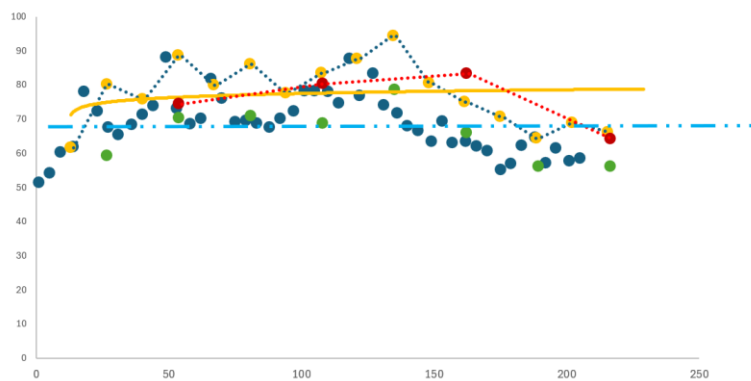


**Figure 3: Shopee's Quarterly Popularity Average**



**Figure 4: Shopee's Yearly Popularity Average**

The graphical representation of the outcomes of the average cross-data test for each period (month, quarter, semester, and year) is presented in Figure 5. From the data, three trend lines were drawn, which intersected frequently. According to the data, Shopee has experienced a substantial decline in overall prominence over the past four years. Nevertheless, the trend line indicates that the indicator is poised to increase during the upcoming semester. The annual indicator exhibits a declining trajectory because of inadequate volume to bolster Shopee's position.



**Figure 5: Shopee's Trend Test**

In Figure 5 above, the blue line is the average value of the popularity index over four years of observation data. These lines are used to help the writer compare the trend of the fall or the rise that occurs. The semester trend tends to be higher than the total average. It shows that despite a decline, Shopee still has a fundamental power of interest in the consumer. When we compare further with the annual trend, then there is a cross-section around week 200, which indicates that there will be a decline in market interest over the course of the year ahead.

## V. CONCLUSION

Based on the findings obtained from this study, it can be concluded that, overall, Shopee has experienced a 20% decline in popularity from its peak in 2022. On the weekly trend line side, there is a trend that will rise in the next semester; this is due to the reinforcement that occurred from the last three months in 2023, although on the other side, Shopee's annual trend has experienced a drastic decline even below their initial position at the beginning of 2020. Compared to using the trend line, a total average of four years, Shopee is expected to experience an increase in its popularity index again in the short term.

It reveals that Shopee needs to increase the intensity of its communication on digital media so that its popularity index returns to a rise. An increased popularity index will help to increase traffic to the Shopee application. In the future, more in-depth research is needed to compare the movement of the major e-commerce popularity index in Indonesia to capture the growing business ecosystem better.

**Table 1: Shopee Digital Trend Analytic 2020-2023**

Year	Week	Weekly	Month Average	Quarter Average	Semester Average	Yearly Average
2020	1	54	51,5	55,38	63,14	67,87
	2	51				
	3	51				
	4	50				
	5	57	54,25			
	6	53				
	7	50				
	8	57				
	9	70	60,4			
	10	70				
	11	57				
	12	52				
	13	53				
	14	55	62	70,90		
	15	61				
	16	61				
	17	71				
	18	82	78,2			
	19	82				
	20	72				
	21	79				
	22	76	72,5			
	23	68				
	24	75				
	25	70				
	26	77	67,75		67,28	
	27	78				
	28	70				
	29	62				
	30	61	65,6			
	31	63				
	32	64				
	33	65				
	34	67	68,5			
	35	69				
	36	78				
	37	67				
	38	63				
	39	66				

	40	75	71,5	77,92		
	41	70				
	42	67				
	43	74				
	44	70	74			
	45	86				
	46	72				
	47	72				
	48	70				
	49	100	88,25			
	50	94				
	51	81				
	52	78				
2021	53	77	73,2	70.73	73,28	72,25
	54	69				
	55	70				
	56	72				
	57	78				
	58	73	68,75			
	59	65				
	60	67				
	61	70				
	62	69	70,25			
	63	68				
	64	71				
	65	73				
	66	87	82	75,82		
	67	79				
	68	76				
	69	86				
	70	93	76,2			
	71	71				
	72	77				
	73	69				
	74	71	69,25			
	75	73				
	76	67				
	77	69				
	78	68	69,75		68,77	
	79	79				
	80	71				
	81	63				
	82	66	68,80			
	83	66				
	84	70				
	85	69				
	86	71	67,75			
	87	68				
	88	80				
	89	64				
	90	61	70,2	73,70		
	91	66				
	92	72				
	93	78				
	94	68	72,5			
	95	67				
	96	66				
	97	82				
	98	72				

	99	67					
	100	69					
	101	75					78,4
	102	87					
	103	70					
	104	69					
2022	105	83	78,4	77,13	79,94	74,45	
	106	78					
	107	71					
	108	73					
	109	87					
	110	86	78,25				
	111	73					
	112	73					
	113	81					
	114	70					74,75
	115	72					
	116	83					
	117	74					
	118	92	87,75				
	119	88					
	120	88					
	121	83					
	122	70					77
	123	84					
	124	74					
	125	78					
	126	79					
	127	85	83,5				
	128	84					
	129	80					
	130	85					
	131	84		74,2			
	132	74					
	133	70					
	134	72					
	135	71					
	136	79	71,75				
	137	69					
	138	70					
	139	69					
	140	73		68			
141	70						
142	66						
143	63						
144	67	66,8					
145	73						
146	64						
147	65						
148	65						
149	67	63,5					
150	70						
151	58						
152	59						
153	65		69,5				
154	72						
155	74						
156	67						
	157	69	63,2	62,98	60,33		



2023	158	64			60,36	
	159	60				
	160	60				
	161	63				
	162	74	63,5			
	163	62				
	164	57				
	165	61				
	166	63	62,25			
	167	57				
	168	63				
	169	66				
	170	74	60,8			57,68
	171	67				
	172	50				
	173	53				
	174	60				
	175	56	55,25			
	176	53				
	177	57				
	178	55				
	179	60	57			
	180	60				
	181	54				
	182	54	62,4			
	183	67				
	184	63				
	185	57				
	186	61				
	187	64				
	188	76		64,75		
	189	65				
	190	59				
	191	59				
	192	64	57,25			
	193	58				
	194	55				
	195	52				
	196	59	61,6	59,32		
	197	69				
198	60					
199	59					
200	61					
201	63	57,75				
202	56					
203	56					
204	56					
205	55	58,6				
206	68					
207	56					
208	57					
209	57					

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