



The Influence of Brand Image and Service Quality on Customer Loyalty in Shopee E-Commerce: A Case Study of Students in Yogyakarta

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ABSTRACT

E-commerce competition in Indonesia has become increasingly intense with the emergence of new platforms such as TikTok Shop, which challenge Shopee's market dominance. Shopee's monthly visits increased by 10.6%, from 132 million to 147.7 million in April 2025. This study examines the influence of brand image and service quality on customer loyalty toward Shopee's e-commerce platform among students in Yogyakarta. A quantitative approach was employed using a survey method, in which questionnaires were distributed to 120 students from the Faculty of Vocational Studies, Yogyakarta State University. The data were analyzed using multiple linear regression. The results indicate that brand image has a positive and significant effect on customer loyalty ($t = 3.050$; $\text{sig} = 0.003$). Similarly, service quality also exerts a positive and significant effect ($t = 4.761$; $\text{sig} = 0.000$). Collectively, both variables have a significant influence on customer loyalty ($F = 35.256$; $\text{sig} = 0.000$), contributing 36.5% to the model (Adjusted $R^2 = 0.365$). These findings highlight the importance of strengthening brand image and enhancing service quality to sustain customer loyalty.



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1. INTRODUCTION

E-commerce is becoming increasingly familiar to the general public. It represents a form of business innovation that continues to grow rapidly, particularly in Indonesia. It is reported that e-commerce users in Indonesia have reached 57% of the total population (Peters, 2020). This figure corresponds with the rapid expansion of internet access in Indonesia, enabling widespread connectivity. Given the substantial number of e-commerce users in the country, the projected e-commerce growth rate for this year is 10.5%, with a total transaction value reaching 707.6 trillion rupiah (Peters, 2020). Security in online transactions plays a crucial role in fostering consumer trust in e-commerce platforms. The technological infrastructure utilized by these platforms enhances consumer confidence, which ultimately contributes to the development of customer loyalty (Safa & Ismail; Yani & Sugiyanto, 2022).

At present, numerous e-commerce platforms are expanding in Indonesia, one of which is Shopee. This platform operates under Sea Limited, a company founded by Forrest Li and initially launched in Singapore in 2015. Shopee is an online shopping platform designed to facilitate interactions between sellers and buyers by leveraging technological advancements. It provides various payment options, including bank transfers, e-wallets, and cash-on-delivery (COD), with all transactions ensured to maintain a high level of security. Currently, Shopee has established partnerships with multiple agents, collaborators, and financial institutions such as Indomaret, Alfamart, BRI Agent, BNI Agent, and Shopee Partner, among others. Many competitors are also developing similar platforms by offering appealing features and promotional schemes. According to SEMRUSH data reported by GoodStats, the e-commerce platforms with the highest number of website visits during March–April 2025 were Shopee, Tokopedia, Lazada, and Blibli.

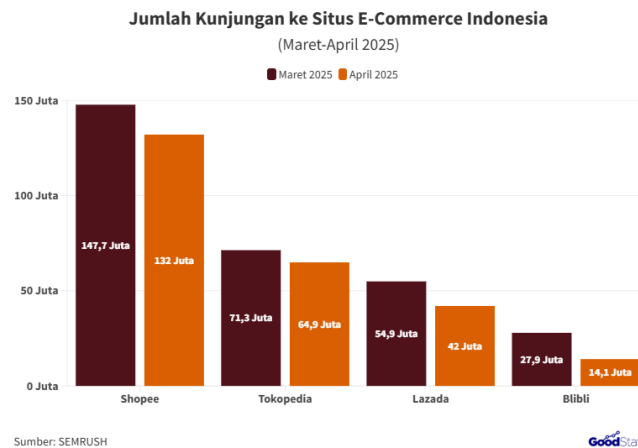


Figure 1. Monthly visits to several e-commerce platforms in Indonesia

According to SEMRUSH data, there has been a decline in the number of monthly visits across several e-commerce platforms in Indonesia. In April 2025, Shopee Indonesia recorded approximately 132 million visits, representing a 10.6% decrease compared to the previous month's 147.7 million visits. Tokopedia experienced a similar trend, declining from 71.3 million visits in March 2025 to 64.9 million in April 2025, a decrease of 8.9%. Meanwhile, Lazada experienced a substantial drop of 23.5%, with total visits reaching only 42 million, while Blibli recorded the sharpest decline, falling by 49.6% to 14.1 million visits in the same period.

Shopee offers various distinctive features, such as the Free Shipping Program, Shopee Games, Shopee Live, Flash Sales, ShopeePay Deals, as well as integrated customer service and a 24/7 live chat system, which differentiate it from competitors like Tokopedia, Lazada, and TikTok Shop. These features not only provide added value but also serve as strategic tools for shaping Shopee's brand image as an innovative, affordable, and user-friendly platform. Retaining existing customers is more cost-effective than acquiring new ones, as the cost is estimated to be five times higher (Mahmud et al., 2021). Service quality and a strong brand image are key competitive advantages in sustaining customer loyalty. A positive brand image fosters customer trust and encourages repeat purchases (Fawzi, 2021). The relationship between brand image and loyalty can be observed through consumer attitudes toward a particular brand (Lukman, 2018; Armanto et al., 2022). According to Purnama and Hidayah (2019) as well as Ramadhani and Sigit (2023), brand image is one of the factors influencing customer loyalty. Higher service quality leads to greater customer satisfaction, which ultimately promotes loyalty through repeat transactions and word-of-mouth recommendations (Amalia & Rahmadhany, 2023).

Changes in digital consumer behavior among university students are strongly influenced by the characteristics of the younger generation, particularly Generation Z, which now constitutes the majority of the student population (Setiawan et al., 2025). This generation, often referred to as the "digital generation," has been exposed to technology and the internet since birth. They access e-commerce platforms through mobile devices almost daily and rely on digital features such as product reviews, cashback offers, exclusive discounts, and digital payment methods when making purchasing decisions. Although this demographic exhibits high levels of digital literacy, it also faces limited purchasing power, as most students still depend on allowances or part-time income. Consequently, student consumers tend to be highly responsive to promotions, live discounts, free shipping programs, and cashback features offered by e-commerce platforms such as Shopee.

This study is particularly relevant given the intensifying competition within Indonesia's e-commerce industry, especially with the emergence of TikTok Shop, which integrates entertainment and online shopping within a single platform. The presence of this new competitor poses a significant challenge for Shopee, which must sustain customer loyalty amid shifting digital consumer preferences, particularly among students. By examining the influence of brand image, service quality, and customer satisfaction on customer loyalty, this research provides strategic insights that can help e-commerce platforms adapt and compete more effectively in an increasingly dynamic digital marketplace.

Based on the identified problems and background discussion, the author proposes to conduct further research, as Shopee has introduced various innovations in its services to enhance consumer

satisfaction. Therefore, the author will conduct a study entitled “*The Influence of Brand Image and Service Quality on Shopee E-Commerce Customer Loyalty.*”

2. LITERATURE REVIEW

Previous research serves as a reference and foundation for the present study, providing comparative insights. Several relevant studies have produced mixed findings regarding the factors influencing customer loyalty in the e-commerce context. Masriati Indah Yani and Sugiyanto (2022), in their study entitled “*The Influence of Service Quality, Trust, Brand Image, and Customer Satisfaction on Customer Loyalty of Edwin Jeans Indonesia on Shopee E-Commerce,*” found that the brand image variable had the highest value and the strongest influence on customer loyalty. This finding is supported by Elvia Rosa Br. Girsang’s (2022) research entitled “*The Influence of Brand Image, Price, and Service Quality on Customer Loyalty (A Study of Lazada E-Commerce Users in Rawamangun),*” which revealed that brand image and service quality significantly affect customer loyalty, whereas price has no significant effect. The consistent importance of brand image is further confirmed by a recent study by Risa Naritya Gaisani (2025) entitled “*The Influence of Consumer Trust and Brand Image on Consumer Loyalty in the E-Commerce Platform Lazada in Semarang City.*” The results indicate that both consumer trust and brand image influence consumer loyalty. Collectively, these three studies consistently demonstrate that brand image is a key factor influencing customer loyalty across e-commerce platforms such as Shopee and Lazada, alongside supporting factors like service quality and consumer trust. Based on this literature review, it can be concluded that research gaps remain, particularly regarding the interplay of different variable combinations and platform contexts. Therefore, this study aims to further develop and deepen the understanding of factors influencing customer loyalty by integrating insights from previous research as its theoretical foundation.

3. RESEARCH METHODS

This study employs a quantitative research design using a survey method, which involves collecting data and information to obtain factual insights from existing phenomena through the use of questionnaires. It is classified as causal-associative research, which seeks to identify causal relationships or influences between variables, specifically examining the effect of the independent variables (X) on the dependent variable (Y) (Sugiyono, 2019; Ani et al., 2021).

The research was conducted at Yogyakarta State University during March–April 2023. The population of this study comprised students from the Faculty of Vocational Studies at Yogyakarta State University, while the research sample consisted of students from the same faculty who had previously used or were currently using the Shopee application. The sample size was determined using the formula proposed by Hair et al. (2014) and Widya et al. (2022), which suggests a minimum of 5–10 respondents per question item. In this study, there were 24 questionnaire items, resulting in a minimum required sample size of $5 \times 24 = 120$ respondents. Data were analyzed using descriptive analysis, assumption tests, and multiple linear regression analysis. The assumption tests included normality, linearity, multicollinearity, and heteroscedasticity tests, while multiple linear regression analysis was employed to determine the influence of brand image and service quality on customer loyalty toward Shopee’s e-commerce platform.

In this study, there are two independent variables (X) and one dependent variable (Y). Brand image is defined as the psychological impression and representation of a company’s various activities in the perception of the public, based on their knowledge, responses, and experiences. Public evaluation of brand image may be positive, neutral, or negative. Brand image reflects the feelings and perceptions held by the public toward a company and represents a deliberately constructed impression of an object, individual, or organization (Zulkarnaini & Fatmasari, 2021). Indicators of brand image include personality, reputation, value, and corporate identity (Horrison, 2015; Rini et al., 2022).

Service quality refers to actions or behaviors provided by one party to another in the form of assistance that enables the recipient to complete a task more effectively or experience relief. Quality is a dynamic condition associated with products, services, people, processes, and environments that meet or exceed customer expectations (Goetsch & Davis, 2016; Hartono et al., 2023). The indicators of service quality include tangibles, reliability, responsiveness, assurance, and empathy.

Customer loyalty is defined as a deeply held commitment to repurchase or continue using a preferred product or service in the future, despite situational factors and marketing efforts that might

induce switching behavior (Amalia & Rahmadhany). The indicators of customer loyalty include repeat purchases (repurchase), retention, and referrals.

4. RESULTS AND DISCUSSION

A. Brand Image

To provide a clearer overview of respondents' perceptions regarding Shopee's e-commerce brand image, the following frequency distribution illustrates the percentage of respondents within each brand image assessment category, as shown in Figure 2.

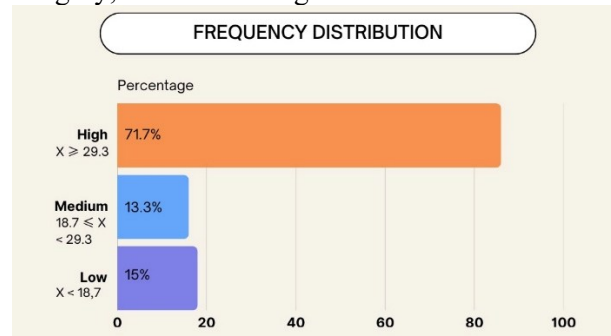


Figure 2. Frequency distribution of respondents regarding brand image

Based on Figure 2, the brand image variable obtained a minimum score of 8 and a maximum score of 40. The table indicates that 86 respondents (71.7%) rated Shopee's e-commerce brand image as *high*, followed by 16 respondents (13.3%) who rated it as *moderate*, and 18 respondents (15%) who rated it as *low*.

B. Service Quality

Based on the data obtained from respondents, the following section presents the frequency distribution of perceptions regarding service quality. This data illustrates how respondents evaluated the level of service quality across three main categories: high, medium, and low. The results of this survey provide an overview of user satisfaction with the services provided, serving as a valuable basis for future evaluation and improvement initiatives. The frequency distribution is presented in Figure 3 below.

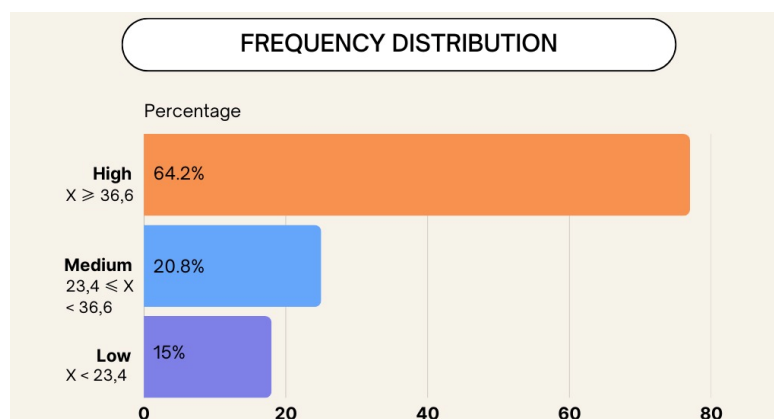


Figure 3. Frequency Distribution of Respondents' Service Quality

According to Figure 3, the service quality variable has a minimum score of 10 and a maximum score of 50. The table indicates that 77 respondents (64.2%) rated Shopee's service quality as *high*, 25 respondents (20.8%) as *medium*, and 18 respondents (15%) as *low*.

C. Customer Loyalty

Based on the collected data, Figure 4 below presents the frequency distribution of customer loyalty, illustrating the consumer behavior patterns observed in this study. This analysis provides

important insights into the level of customer engagement and loyalty toward the products or services under investigation.

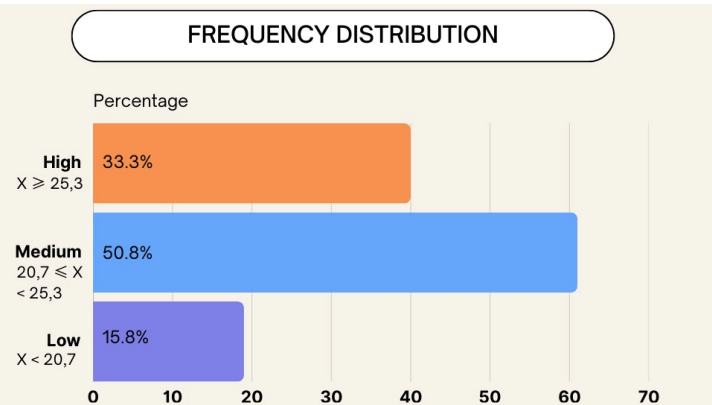


Figure 4. Frequency Distribution of Respondents Regarding Customer Loyalty

According to Figure 4, the customer loyalty variable has a minimum score of 16 and a maximum score of 40. The table shows that 40 respondents (33.3%) rated customer loyalty on the Shopee e-commerce platform as *high*, 61 respondents (50.8%) as *medium*, and 19 respondents (15.8%) as *low*.

D. Results of Analysis Prerequisite Tests

1) Normality Test

The normality test is an essential procedure in parametric statistical analysis, as many analytical techniques, such as linear regression, ANOVA, and t-tests, require data to be normally distributed. A normal data distribution forms the foundation for the validity and reliability of statistical analyses, ensuring accurate interpretation of results. In this study, the normality test was conducted using the Kolmogorov–Smirnov (KS) method, one of the most commonly applied techniques for determining whether a dataset follows a normal distribution.

Table 1. One-Sample Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test		
N		Unstandardized Residual 120
Normal Parameters		Mean Std. Deviation .0000000 3.07757453
Most Extreme Differences	Absolute	.077
	Positive	.070
	Negative	-.077
Test Statistic		.077
Asymp. Sig.		.080
a. Test distribution is Normal		
b. Calculated from data		
c. Lilliefors Significance Correction		

The Kolmogorov–Smirnov (K–S) test for data normality produced an Asymp. Sig. value of 0.080. Since this value exceeds the significance threshold of 0.05, it can be concluded that the data are normally distributed and satisfy the normality assumption required for subsequent parametric statistical analyses.

2) Linearity Test

The linearity test was conducted to determine whether the relationship between the independent and dependent variables is linear. This test employed the *Test for Linearity* procedure, with the criterion that if the significance value is greater than 0.05, the relationship between the variables can be considered linear. The results of the linearity test in this study are presented as follows:

Table 2. Linearity Test

Variables	Significance	Remarks
Brand Image on Customer Loyalty	0.189	Linier
Service Quality on Customer Loyalty	0.081	Linier

Based on the significance value of 0.189 for the brand image variable on customer loyalty and 0.081 for the service quality variable on customer loyalty, both of which are greater than 0.05 (sig > 0.05), it can be concluded that the brand image and service quality variables exhibit a linear relationship with customer loyalty.

3) Multicollinearity Test

The multicollinearity test aims to determine whether a high or perfect correlation exists among the independent variables in the regression model. An ideal regression model should show no correlation between its independent variables. Multicollinearity testing can be conducted by examining the tolerance and Variance Inflation Factor (VIF) values. If the tolerance value is greater than 0.1 and the VIF value is less than 10, it indicates the absence of multicollinearity. The results of the multicollinearity test in this study are presented as follows:

Table 3. Multicollinearity test

Variable	Tolerance	VIF	Information
Brand Image	.685	1.460	No multicollinearity occurs
Service Quality	.685	1.460	No multicollinearity occurs

The results of the multicollinearity test show that all tolerance values are 0.685, which is above 0.1, and the VIF values are 1.460, which is below 10. Therefore, it can be concluded that the regression model in this study does not exhibit multicollinearity.

4) Heteroscedasticity Test

The heteroscedasticity test was conducted to determine whether inequality exists in the variance of residuals across observations in the regression model. A sound regression model should be homoscedastic, meaning it does not exhibit heteroscedasticity. The presence or absence of heteroscedasticity can be tested using the Glejser test, where a significance value greater than 0.05 indicates no heteroscedasticity. The results of the heteroscedasticity test in this study are presented below:

Table 4. Heteroscedasticity test

Variable	Significance	Information
Brand Image	0.740	No heteroscedasticity occurs
Service Quality	0.408	No heteroscedasticity occurs

The results of the heteroscedasticity test indicate that both the brand image and service quality variables have significance values greater than 0.05. Specifically, the significance value for brand image is 0.740 and for service quality is 0.408. Therefore, it can be concluded that the regression model in this study does not exhibit heteroscedasticity.

5) Hypothesis Testing Results and Discussion

Multiple regression analysis was conducted to examine the influence of brand image and service quality on Shopee customer loyalty among students of the Faculty of Vocational Studies at Yogyakarta State University. The results of the multiple linear regression analysis are presented as follows:

Table 5. Multiple regression analysis

Variable	Regression coefficient (b)	t Count	Sig	Hypothesis Result
Brand Image	0.104	3.050	0.003	Ha1 accepted
Service Quality	0.136	4.761	0.000	Ha2 accepted

Variable	Regression coefficient (b)	t Count	Sig	Hypothesis Result
Constant = 16.453				
Adjusted R ² = 0.365				
F Count = 35.256				
Sig = 0.000				

In the Influence of Brand Image on Shopee E-commerce Customer Loyalty among Vocational Faculty Students at Yogyakarta State University, the results of this study indicate that brand image exerts a positive influence on Shopee e-commerce customer loyalty among students of the Faculty of Vocational Studies at Yogyakarta State University. This finding is supported by the results of the regression analysis, which show a *t*-value of 3.050 at a significance level of 0.003 ($\text{sig} < 0.05$), with a regression coefficient of 0.104. These results confirm the first hypothesis, which states that “*brand image has a positive and significant effect on Shopee e-commerce customer loyalty among Vocational Faculty students at Yogyakarta State University.*”

In the Influence of Service Quality on Shopee E-commerce Customer Loyalty among Vocational Faculty Students at Yogyakarta State University, the findings of this study also reveal that service quality has a positive influence on Shopee e-commerce customer loyalty among students of the Faculty of Vocational Studies at Yogyakarta State University. This is evidenced by the regression analysis results, with a *t*-value of 4.761 at a significance level of 0.000 ($\text{sig} < 0.05$), and a regression coefficient of 0.136. These results confirm the second hypothesis, which posits that “*service quality has a positive and significant effect on Shopee e-commerce customer loyalty among students of the Faculty of Vocational Studies, Yogyakarta State University.*”

In the Influence of Brand Image and Service Quality on Shopee E-commerce Customer Loyalty among Students at the Faculty of Vocational Studies, Yogyakarta State University, the test results yielded an *F*-value of 35.256 with a significance level of 0.000. Since the significance value is below 0.05 ($0.000 < 0.05$), this study confirms the third hypothesis, which states that “*brand image and service quality simultaneously have a positive and significant effect on Shopee e-commerce customer loyalty among students of the Faculty of Vocational Studies, Yogyakarta State University.*” Thus, it can be concluded that brand image and service quality collectively influence customer loyalty. This finding indicates that when a company successfully establishes a strong brand image and provides high-quality service, it fosters positive impressions and customer satisfaction, which in turn enhance customer loyalty toward similar products.

4. CONCLUSION

Based on the results of data analysis and discussion, it can be concluded that both brand image and service quality have a significant influence on Shopee e-commerce customer loyalty among students of the Faculty of Vocational Studies, Yogyakarta State University. Brand image was found to have a positive and significant effect on customer loyalty, as indicated by a *t*-value of 3.050 and a significance level of 0.003. This suggests that the more favorable students' perceptions of Shopee's brand image are, the greater their loyalty to the platform. Similarly, service quality demonstrated a positive and significant influence on customer loyalty, with a *t*-value of 4.761 and a significance level of 0.000. Furthermore, service quality exhibited a stronger effect than brand image, implying that a satisfying service experience plays a crucial role in maintaining customer loyalty.

Simultaneously, brand image and service quality together contributed 36.5% to Shopee customer loyalty, as indicated by the Adjusted R² value of 0.365. The *F*-test result of 35.256 with a significance level of 0.000 confirms that both variables jointly have a significant effect on customer loyalty. These findings provide strategic implications for Shopee to continuously enhance its brand image through innovative features and appealing programs, while maintaining and improving service quality to ensure long-term customer satisfaction amid the increasingly competitive e-commerce landscape.

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