

1. Introduction

The evolution of business competition in Indonesia's e-commerce sector has been an intriguing journey. As the digital landscape continues to expand and consumer behavior undergoes significant changes, e-commerce companies face intense competition and must navigate a dynamic and demanding marketplace (Lim et al., 2024). One of the key factors driving this competition is the growing demand for online shopping in Indonesia. With a large population and increasing internet penetration, more and more consumers are turning to the convenience of e-commerce platforms to meet their shopping needs. This surge in demand has attracted numerous players to enter the market, resulting in a highly competitive environment (Wardhana et al., 2022).

To thrive in this landscape, e-commerce companies must prioritize understanding and meeting consumer needs. Customer-centric approaches are essential for gaining a competitive edge. This involves conducting market research, analyzing consumer preferences, and tailoring products, services, and user experiences accordingly. By providing a seamless, personalized, and convenient shopping experience, companies can differentiate themselves and build customer loyalty. Innovation is another crucial aspect of staying competitive in the e-commerce sector. Companies must continuously explore new technologies, features, and business models to stay ahead of the curve. This can involve adopting emerging trends such as mobile commerce, social commerce, and omni-channel strategies. By embracing innovation, companies can attract and retain customers by offering unique and engaging experiences (Kartawinata et al., 2021).

Furthermore, agility and adaptability are vital for success in this rapidly evolving industry. E-commerce companies must be responsive to market dynamics, consumer trends, and regulatory changes. Flexibility in adjusting strategies, exploring new markets, and embracing partnerships and collaborations can help companies stay relevant and competitive. The competitive landscape in Indonesia's e-commerce sector is also shaped by factors such as logistics infrastructure, payment systems, and marketing strategies. Companies that invest in building robust logistics networks, ensuring efficient and timely deliveries, and offering secure and convenient payment options can gain a competitive advantage. Marketing strategies play a crucial role in capturing consumer attention and driving sales. Effective promotional campaigns, strategic partnerships, influencer marketing, and customer engagement initiatives can help companies stand out and attract a loyal customer base.

The business competition in Indonesia's e-commerce sector is intense and ever evolving. To thrive in this environment, companies must focus on understanding and meeting consumer needs, implementing innovative strategies, and remaining agile and adaptable. By doing so, they can secure their market share, ensure long-term survival, and contribute to the exciting growth of the e-commerce industry in Indonesia. Shopee's impact on the e-commerce landscape in Southeast Asia cannot be overstated. Since its establishment in 2015, the platform has revolutionized the way people shop and conduct business in the region. With its extensive product selection spanning various categories, including fashion, electronics, home appliances, and beauty items, Shopee has become a one-stop destination for online shoppers. The success of Shopee can be attributed to several key factors. Firstly, its user-friendly interface and intuitive design make it easy for both buyers and sellers to navigate the platform. Shopee's commitment to providing a seamless and convenient online shopping experience has garnered a loyal user base. Another distinguishing feature of Shopee is its mobile-centric approach. Recognizing the widespread use of smartphones in Southeast Asia, Shopee has developed a mobile application that is optimized for smaller screens. This enables users to browse, purchase, and manage their orders on-the-go, catering to the needs and preferences of today's mobile-savvy consumers.

Shopee has also embraced social commerce, integrating social media elements into its platform. Users can interact with sellers, Social presence in live video commerce is in the form of customers being able to ask questions directly about the products they need so that customers do not make mistakes when making purchases Putri, A. J., Syahputra, S., & Pradana, M. (2024). leave reviews, and share their purchases with their social networks. This social aspect not only fosters a sense of community but also builds trust among users, as they can rely on the experiences and recommendations of others. Furthermore, Shopee's expansion across multiple countries in Southeast Asia has solidified its position as a regional e-commerce powerhouse. By tailoring its services to the specific needs and preferences of each market, Shopee has effectively captured the attention and loyalty of local consumers.

Shopee's impact on the e-commerce landscape in Southeast Asia is undeniable. Its user-friendly interface, extensive product selection, emphasis on mobile commerce, and integration of social commerce has contributed to its rapid growth and popularity. As the platform continues to innovate and adapt to the evolving needs of consumers; it is poised to maintain its position as a leading e-commerce platform in the region.

Shopee's success can be attributed to its continuous focus on innovation and adaptability in the ever-changing e-commerce landscape. The platform's marketing strategies have been particularly effective in capturing consumer attention and driving sales. The Shopee Marketplace is expected to be able to meet the satisfaction and pleasure of consumers, fantasies, ideas, values, social, and emotional by increasing product choices, as well as providing attractive and easily accessible shopping sites in order to meet the indicators of hedonistic shopping motivation. Shopee is known for its frequent and enticing deals, discounts, and flash sales, which create a sense of urgency and encourage customers to make purchases. Events like the Shopee 9.9 Super Shopping Day and Shopee 12.12 Birthday Sale have become highly anticipated occasions for consumers, offering them attractive promotions and exclusive deals. One of Shopee's key strengths lies in its strong logistics infrastructure. By forming partnerships with various logistics providers, Shopee ensures that products are delivered reliably and efficiently to customers. This commitment to timely and secure deliveries has played a significant role in building trust and customer satisfaction.

Shopee's user-friendly interface and integration of social commerce have contributed to its popularity. The platform allows users to easily navigate through product listings, engage with sellers and other shoppers, and make informed purchasing decisions. Shopee has also leveraged social media and influencer marketing to connect with its target audience, further enhancing its reach and visibility.

In this rapidly evolving digital era, understanding the dynamics and impact of platforms like Shopee is essential for businesses, researchers, and consumers. By studying various aspects of Shopee's operations, such as its business model, user experience, and marketing strategies, valuable insights can be gained into the evolving e-commerce landscape and consumer behavior. Shopee's success serves as a testament to the importance of innovation, customer-centric approaches, and strategic marketing efforts in capturing the attention and loyalty of online shoppers.

Based on the 2023 survey results obtained from several indicators, it was found that Shopee has a superior performance according to sellers. The survey, which utilized the Top of Mind (TOM) and Brand Used Most Often (BUMO) indicators, revealed that Shopee maintains its position as the leader among its competitors. Additionally, Shopee received the highest score on the Loyalty Ratio indicator, indicating that most online sellers consider Shopee their primary marketplace platform. This finding is noteworthy as it further strengthens Shopee's position as the preferred online shopping destination for Indonesian consumers. Research conducted by

Islami et al., (2021) indicates that promotions have a significant positive effect on customer loyalty. However, a study by Novianti et al., (2018) suggests that promotions do not have a significant positive effect on customer loyalty.

Another study by Lie et al. (2024) supports the idea that customer satisfaction has a significant positive effect on customer loyalty, while Akram et al., (2021) found no significant positive effect of customer satisfaction on customer loyalty. Rubiyanti et al., (2024) found that customer satisfaction can mediate the relationship between promotions and customer loyalty, while Hidayah (2019) found no significant positive effect of promotions on customer loyalty through customer satisfaction. Additionally, Lu and Chen (2021) discovered that customer satisfaction can mediate the relationship between consumer trust and customer loyalty, while Islami et al., (2021) found no significant positive effect of consumer trust on customer loyalty through customer satisfaction.

Based on these findings, it can be inferred that Shopee demonstrates superior performance in the Indonesian e-commerce market. This is supported by its appealing incentives to customers and the high acceptability of products provided by vendors, scarcity positively affects perceived value, which in turn affects impulse buying. While research on the impact of promotions and customer satisfaction on customer loyalty yields varied results, it is important for Shopee and other e-commerce platforms to understand the factors influencing customer loyalty and adapt to changes in customer preferences and market dynamics.

2. Literature Review

2.1 Promotion

Promotion plays a vital role in the overall marketing strategy of a business. Its main objective is to provide information, persuade, and remind consumers about a particular product or service. As highlighted by Kotler and Keller (2012), promotion serves to communicate the value and benefits of a product to target customers, both through direct and indirect channels. The ultimate aim is to create awareness, generate interest, and ultimately drive consumer behavior towards making a purchase.

Gitosudarmo (2014;159-160) further emphasizes that promotion is an active process aimed at influencing consumers to become familiar with the products offered by companies, leading to customer satisfaction and ultimately resulting in product purchases. It serves as a powerful tool to engage consumers, create brand awareness, and build customer loyalty. Promotions encompass a wide range of marketing activities and strategies that are specifically designed to