

## **Shopee in Malaysia: The Influence of Product Quality**

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**Abstract:** Electronic commerce (e-commerce) has grown fast in Malaysia in recent years, as part of an effort to broaden the reach of marketing and make it more successful and efficient. The purpose of this study is to investigate the influence of product quality, information quality, e-service quality, and perceived value on Shopee customer loyalty in Malaysia. There are some issues complained about the product quality (fake, damaged, wrong item) received by customers in online purchase. In this battle, as the student of Service Marketing, we research some management strategies and techniques from Shopee which are worthy to improve service quality by selling quality products.

**Keywords:** E-commerce; Information Quality; Quality of Service; Shopee

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### **SHOPEE PLATFORM SERVICE**

The 4.0 age has altered our way of life, including our buying habits. E-commerce has become the standard method of conducting business (Downing and Liu. 2014). According to some experts, e-commerce is a type of business that is conducted online while the internet acts as a unified platform that connects buyers and sellers (Turban et al. 2015), Minculete (2013) defines that e-commerce and e-business should drop the letter 'e' because the use of e-

commerce technologies is increasing and they have become a regular part of marketing initiatives.

Shopee, launched in 2015, is the leading e-commerce site in Southeast Asia and Taiwan. Every day, Shopee provides tens of millions of customers with a simple, safe, fast, and enjoyable online shopping experience. It has a varied product range that is backed up by integrated payments and simple fulfillment. Shopee is committed to aiding businesses and sellers in attaining e-commerce success, and it is highly personalized for each market in which it operates. Shopee is consistently ranked first in Southeast Asia's Shopping category in terms of monthly active users, total time in-app on Android, and downloads\*. In 2020, Shopee was also the third most downloaded app in the Shopping category globally. Shopee came in top place in YouGov's "Best APAC Buzz Rankings 2020" and ninth place in YouGov's "Best Global Brands 2020."

Shopee is one of the well-known online shopping malls in Malaysia. Shopee innovates to maintain client loyalty to remain a trustworthy online store. One of the keys to Shopee's success in Malaysia is that the firm is a pioneer in mobile shopping activity and has continually focused its operations on providing consumers with a mobile phone purchasing experience. Many people choose to shop on Shopee since all of the items are frequently cheaper than in-store. This online shop may also be used to sell things. Many items have been sold on Shopee, and many consumers want to re-buy or make a repurchase for the same product because the value and quality of the product are good. The quality of a product in an online store is highly significant in gaining consumers' desire to buy again in Shopee, which will be the research goal for this study.

## **PRODUCT MATERIAL**

When deciding to buy a product or service, most people will check the quality of the product itself. Because the quality of the product will determine the long-term use value or benefit provided by the product or service. Quality products are usually made from quality raw materials, so of course, the results are consistent with the materials used. Quality is the ability of a product to perform its function, including durability, reliability, accuracy of production, ease of operation and maintenance, and other valuable attributes of the product as a whole (Kotler and Armstrong, 2008).

Shopee sellers uploading a product to the right category makes it easier for buyers to find your product while searching in that category. You can find the right category for your products using Shopee's category list. From the list, you can locate the Category that a product belongs to, followed by the Sub-category and 3rd Level Category (if applicable). You can also enter a keyword to locate a suitable category faster. For each category, you will find the following details:

1. Examples of products under this category, with images.
2. A list of different product attribute types.
3. Examples of attribute values for each attribute type, with images and descriptions.

Taking the material of clothes as an example, when people use Shopee to buy clothes, the material of clothes is one of the aspects that customers need to pay attention to, and the quality of clothes depends largely on the material of clothes. To meet the needs of different customers, there are also many kinds of materials for clothes.

Clothing has historically been produced from a variety of materials. These include grass and fur, as well as more delicate and exotic materials. Some civilizations, such as the peoples of the Arctic Circle, dress exclusively in prepared and ornamented furs. Other cultures supplement and replace leather and fur with cloth. Clothes can be woven or knitted and can be made from a variety of fibers, which in turn can be natural, cellulosic, or synthetic.

Clothing is usually made of cloth. There are many types of cloth with different names and uses. The main differences between cloth types include how the cloth is made (woven, knitted, felted, and the implementation of these techniques), the fibers made, and the weight of the cloth. Different types of fabrics can be used for different types of clothing.

According to our shopping experience, the materials of clothes purchased in different seasons are also different. For example, in winter, it is mainly to keep warm, so our focus should be on down and fur; in summer, our focus on refreshing and breathable, mainly chiffon and pure cotton. People of different occupations need to consider the material of the clothes when they use Shopee to buy clothes. For example, the material of the work clothes of decoration workers needs to be wear-resistant and anti-fouling.

When customers use Shopee categories to select products, it will be more convenient, fast, and accurate to find suitable products.

## **CUSTOMER REVIEW**

As a result of the Internet's enormous impact on information distribution, merchants no longer have control over the distribution of product information. Web 2.0 platforms, like blog sites, internet forums, and social networking sites, for example, create new interactive forums in which customers may share their thoughts and experiences regarding goods and services and ultimately influence the buying decisions of other buyers.

Aside from influencer marketing, we should also consider the impact of user reviews on consumer purchase behavior in the internet generation. A sort of information about the product and assessment provided by consumers based on their own experiences is classified as an online customer review. The information about the reviews may be found on online retailers' websites or third-party websites. As a result, understanding how internet reviews influence customer judgment has become a more useful study issue.

Online customer reviews, a sort of electronic word-of-mouth (eWOM), serve a dual purpose; they give product information while also making suggestions from a customer's point of view. As informants, they give user-oriented information about the product, including honest assessments of a product's pros and disadvantages. They offer their ideas and experiences as recommenders to assist other consumers in determining the quality of the product. Online consumer evaluations, as compared to conventional word-of-mouth, are faster, easily retrievable, and anonymous; they also transverse time and location and may be received quickly. Consumers may access high degrees of product development and market information transparency via this online procedure.

Shopee, the online shopping platform has its steps and procedures for customers to give its product a review and will be seen by other potential buyers so that they can make their own purchasing decision. Every time customers buy something on Shopee, customers have the option to submit a review within 15 days of receiving the order or clicking 'Order Received.'

All buyers are encouraged to rate things they have bought to obtain Shopee Coins while also assisting others in learning much more about the product.

There are two types of reviews; good and negative. If buyers have a problem with their order, we recommend that they to contact the sellers before leaving a poor review. Positive evaluation helps merchants to attract new customers. Merchants are typically willing to work with buyers to resolve their problems. The Shopee system will give them a message with the headline "Confirm Receipt," which they may click to see the order information details. To submit their rating and reviews, click the 'Rate' option. Buyers will receive 3 coins (review with at least 1 photo or video) or 5 coins (review with at least 1 photo or video) as a reward for assisting other shoppers in better understanding the product (review with both photo and video) thus to get that all of these high-quality evaluations must be at least 50 characters long. Reviews that contain repeating phrases or emoticons will also be deemed spam.

Here are some guidelines to create a good quality product review and to see if the review is a good one. First, it includes photos or videos of the real product. Display the product from various angles to offer potential consumers a better visual impression of it. Second, it is to write an honest review based on the experience of the product and the seller's service. Next, it is given specific feedback on the product (quality, quantity, and packaging) as well as the seller's service (shipping, attitude, customer service). The reviewer can discuss if the goods exceeded their expectation, how well it fits the listing's product description, and so on. Lastly, it used courteous language. Some of the prohibitions are for example if the reviews use offensive photos or usage of media or language that are irrelevant to the product or the seller's service or if they upload a blank or blackout image that is so not relevant to the product.

Nowadays, there is increasing rivalry for sales as more vendors join the Shopee marketplace. As a result, some merchants have resorted to unethical tactics to obtain a competitive advantage. Brushing is a growing practice in which a vendor pays somebody to make a fake purchase, write fictitious favourable reviews, or generate fabricated followers and likes. Shopee is adamantly opposed to deceptive behaviour since it jeopardizes consumers' faith in the platform. As a result, any users whose accounts are determined to be brushing activities will have their accounts frozen by Shopee. This policy change will take effect immediately.

## **BRAND COMPARISON**

Consumer brand perception and selection behaviour is a comprehensive and ongoing decision-making process. Consumers affirm their demands for items and services when they are stimulated by the external environment and information; they analyze external information and make decisions when they are influenced by certain psychological aspects. In the Shopee buying environment, consumers are unable to completely grasp the knowledge of products and brands for a variety of reasons, or they will not invest more money to obtain important information in acquiring some experienced items with minimal customer engagement. As a result, the decision-making process suffers from information asymmetry. In the absence of comprehensive information, the visual characteristics of the product serve as cues to communicate possible quality information and shape consumers' quality perceptions, which have a direct impact on their purchasing intentions and actions.

We believe that in most cases, the critical issue is not whether consumers make a choice and how easy it is to choose but which brand of product consumers will choose. By analyzing the mediating effect of perceived quality and professionalism, we constructed the model of this

study based on consumer decision-making theory and clue utilization theory, verified this theoretical framework through practical research activities, and obtained good empirical support. The impact of product diversity on brand perception and brand choice:

Firstly, in the decision-making process, consumers tend to passively accept relevant product information, especially in the low-risk and low-involvement decision-making process. In the evaluation process of alternative brands, they tend to think that they are the same and use non-compensatory strategies to make decisions, so the final selection behaviour is often affected by the product display in the store.

Secondly, under the condition of information asymmetry, although consumers cannot obtain objective and detailed product information, consumers form quality perceptions of products and brands with the help of heuristic clues and judge, evaluate and choose based on this. Product diversity impacts brand choice through perceived quality. Consumers use product diversity as a heuristic cue to infer the quality and fit of products or brands and make choices based on this.

Thirdly, product diversity affects the brand's perceived quality through the perceived specialization of the brand. The diversity reflected in the product line, especially the fine classification, conveys more professional information to consumers. The diversity reflected in the brand's product line will be used by consumers as a clue to judge and evaluate the quality of the brand's products so that consumers' professional perception of the brand's investment, manufacturing, and R&D in such products is closely related to product diversity. Contact, and ultimately affect consumers' brand choice behaviour.

Finally, we combine the theoretical research results of consumer behaviour with specific marketing issues and use experimental psychology and statistical research methods to understand current consumer behaviour and better understand the company's brand strategies and products. Combination strategy selection provides a scientific basis. Especially in the highest form of market competition - brand competition, using product diversification strategy and full use of brand strategy is conducive to improving enterprises' marketing power and market competitiveness.

However, Shopee offers recommended product nominations, which are designed to encourage qualified sellers to submit their products for consideration as Shopee recommendations. This programme increased participants' sales by 10% when compared to non-participants. As a result, the campaign has numerous benefits. To begin, it is the Nominated Product Recommendation. The seller's products will then be listed on Shopee's platform, ensuring that your best-selling products receive maximum exposure. Additionally, the campaign product tags assist the seller's products to stand out during each campaign since they increase visibility in comparison to other competing products that do not have the tags. Likewise, the seller's products will be displayed on selected Shopee microsites, increasing your exposure and boosting traffic to your store. Finally, the seller's customers will no longer be deprived of Peak Day vouchers, as the Special Voucher Feature will be presented solely on his shop front. This new function is designed to increase your shop's order volume during each campaign.

## **LAWS AND REGULATIONS**

Many advertising firms spend unreasonably on fulfilling client expectations. They may not procure high levels of client dependability through such endeavors. Commercials that surpass

client expectations might give a client view of poor quality, which could make them think twice about the standing of specialist organizations. Rather than further developing consumer loyalty or seeing administration quality, little assistance things or systems might prompt the impression of overt repetitiveness from the administration.

With the rise of new advancements, sponsors can now reach kids through various new correspondence channels and publicizing methods, for instance, web-based promotions. They encouraged reinforcing a full-administrative way to deal with undesirable food, promoting lessening youngsters' openness. In Malaysia, there are self-administrative codes regarding promoting food and refreshments to youngsters. The Advertising Standards Authority Malaysia is the free body liable for guaranteeing that the self-administrative framework works in the public interest. The ASA's exercises remember examining protests and duplicate guidance for publicizing. Advertisements ought not to be so worded as to gain the customer's trust or take advantage of their absence of involvement or information. Notices ought not to contain anything which could lead or lend backing to demonstrations of brutality or hostility to social conduct, nor would it be a good idea for them if they seemed to overlook such protests. Promoters and publicizing organizations need to have such assurance prepared immediately for the Advertising Standards Authority of Malaysia. Advertisements addressed to youngsters and youngsters or prone to being seen by them should not contain anything that could result in hurting them truly, intellectually, or ethically, or that may take advantage of their credulity, absence of involvement, or familiarity feeling of faithfulness.

The current codes contain escape clauses, which sponsors are exploiting. Stage and innovation impartial codes have brought about no general decline in kids' openness to unhealthy food promotion. The shortfall of jointly obtained control makes the web hard to manage. As a result, solid arguments for legal guidelines on harmful food advertising to children must be comprehended. Exhaustive regulation restricting food promotion to youngsters is required right away. Kids' admittance to unseemly internet-based substances can likewise be controlled, maybe by preparing to utilize parental locks and teaching guardians about web-based well-being.

For Shopee to determine whether the product satisfies the standards, sellers must first include product specs on Shopee. They must provide shoppers with technical product information such as the product's material, weight, size, and other distinguishing characteristics. These aspects are particularly critical when it comes to electronics, equipment, and tools. Second, outline the product's applications and benefits. This section describes the seller's product's characteristics and benefits and illustrates the various ways purchasers can enjoy their purchase. Finally, specify any applicable warranties. Indicate any warranties that are offered and their durations.

On the other hand, Shopee provides a preferred seller programme to encourage sellers whose products match the qualifications. Shopee selects only Preferred Sellers based on their superior sales and customer service. As a Preferred Seller, your shop and listings will have the "Preferred" tag. Furthermore, all of your product listings will include the "Shopee 100 percent Authentic Guarantee" tag, which will help increase your seller's trust. The privileges of the preferred seller programme include exclusive access to Shopee adverts, which increases the seller's exposure and sales as a result of new buyers discovering his product. Plus, it is to distinguish its product from other competitors by displaying the preferred seller tag.

To qualify for that programme, Shopee's sellers must adhere to the company's regulations, have a clean penalty history, and fulfill orders quickly and reliably. However, if a product is determined to be counterfeit, consumers will be eligible for a full refund at the seller's expense. Moreover, the seller's listing will be deactivated from the Preferred Seller Programme.

## DISCUSSION QUESTIONS

1. What kind of service platform does Shopee provide for customers?
2. How to choose a good product based on product material?
3. How to know if the review given by other customers is really good?
4. How to compare products of different brands?
5. How to judge whether the product quality meets the requirements of laws and administrative regulations ?

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