
THE INFLUENCE OF WORD-OF-MOUTH AND BRAND ENGAGEMENT ON SHOPEE USER LOYALTY

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ABSTRACT

The purpose of this research is to analyze and test the factors that influence Shopee user loyalty in Pekalongan City. These factors include word-of-mouth and brand engagement. This research used a quantitative method with regression analysis. Data were collected using an online questionnaire distributed to Shopee users in Pekalongan City. A purposive sampling technique was used, involving 86 respondents who had previously made transactions on Shopee in Pekalongan City. The data were analyzed using IBM SPSS version 25 and subjected to several tests, including validity, reliability, classical assumption testing, multiple linear regression analysis, and coefficient of determination testing. The results of this research indicate that word-of-mouth and brand engagement significantly influence Shopee user loyalty in Pekalongan City. The Influence of Word-of-Mouth and Brand Engagement on Shopee User Loyalty in Pekalongan City, the higher the loyalty of Shopee users in Pekalongan City.

Keywords: WOM, Brand Engagement, Loyalty, Shopee

INTRODUCTION

The company's goals include: existence (sustainability), generating profits (profit), growth and development. These will be achieved if the institution/company achieves good performance (Jauch & Glueck, 1998 in Kusnilawati & Santoso, 2021). Marketing is one of the main activities carried out in an effort to maintain survival, to grow, and gain profits (Kurniawati et al., 2021). Companies are required to be able to create loyal consumers by providing the best service and maintaining good relationships. Various companies were initially product/service oriented, but now they are more focused on customers (customer-oriented) to achieve consumer loyalty. Loyalty is a consumer's commitment to make repeat transactions and remain loyal to similar

products/services consistently in the future. Loyalty is considered very fundamental for companies because it can reflect the magnitude of the company's image in the eyes of consumers and profitability is obtained (Mashuri, 2020). If consumers are loyal, they will continue to use their chosen products/services, thus reducing the likelihood of switching (Ardianto, 2022). Consumer loyalty is a fundamental concept in marketing and consumer behavior studies, demonstrating consumers' tendency to consistently repurchase the same product or service, despite situational pressures or competitors' marketing strategies. This concept reflects a combination of stable attitudes and purchasing behaviors over time, not just fleeting habits (Oliver, 1999; Griffin & Jill, 2013). In the modern marketing

context, loyalty is seen not only in terms of purchase frequency but also in terms of consumers' psychological attachment to a brand or service provider. True loyalty encompasses affective aspects, ongoing commitment, and resistance to situational interventions or competitors' offers (Aaker, 1991; Aaker, D. A. (1991); Tjiptono, 2020). This approach broadens the understanding of loyalty from mere repeat purchasing behavior to a long-term commitment of consumers who are emotionally attached to a brand. Although research on consumer loyalty has evolved rapidly, this phenomenon remains relevant across various industries due to competitive challenges, changing consumer preferences, and the dynamics of digitalization that expand consumer choices. Therefore, understanding the concept, determinants, and consequences of consumer loyalty is crucial in marketing theory and practice to support the development of effective strategies for retaining a valuable customer base. Various factors must be considered to achieve loyalty, such as word-of-mouth and brand engagement, meaning that word-of-mouth (WoM) and brand engagement have a positive and significant influence on consumer loyalty.

Word of Mouth (WOM) is a viral marketing strategy where consumers organically share experiences, recommendations, or product/service reviews with others (friends, family, and communities). WOM is highly effective in building trust because it is considered more honest than traditional advertising, whether done in person or digitally (e-WOM). Consumers trust recommendations from friends or family more than traditional

advertising. Testimonials from other users (WoM) are far more effective in building consumer confidence than advertising. WoM has a strong distinguishing ability in building loyalty compared to other marketing strategies. Word of Mouth (WOM) is a form of interpersonal communication in which consumers voluntarily convey information, recommendations, or evaluations about products, services, or experiences to other individuals in their social networks. Conceptually, WOM is not just traditional promotion but an informal and trusted form of consumer-to-consumer advice, because the message is delivered by a party who is not considered directly involved in the marketing transaction (Anderson, 1998; Sweeney, 2018).

The WOM phenomenon has proven to be one of the most influential mechanisms in the consumer decision-making process, especially in an increasingly digitally connected context. As an effective communication tool, WOM can reach potential consumers through face-to-face interactions and through digital platforms (electronic WOM or e-WOM). This influence is not limited to purchasing decisions but also plays a role in the formation of loyalty and brand image, as recommendations derived from positive experiences are often viewed as more credible than programmed marketing messages (Astianita & Lusita, 2022). Furthermore, empirical studies show that WOM source credibility, including trustworthiness, actual experience, and information relevance, moderates the effect of WOM on consumer purchasing behavior. The WOM usage model indicates that in addition to

communicator characteristics, personal factors such as perceived knowledge and purchase involvement also determine the extent to which consumers use WOM information in the decision-making process. This makes WOM not only a cost-efficient marketing strategy but also an important indicator in measuring the quality of social interactions related to consumer perceptions and behavior.

However, the power of WOM is not entirely without risks. Negative information or bad experiences shared through social networks can spread rapidly and seriously impact brand reputation, especially in the digital age where e-WOM can spread unchecked through social media and online forums. Therefore, a thorough understanding of the mechanisms, determinants, and consequences of WOM in the context of modern marketing is crucial for both marketing management theory and practice.

Loyalty can also be enhanced through brand engagement. Companies can continue to grow by consistently paying attention to brand engagement. Brand engagement has received widespread attention in contemporary marketing literature as a construct reflecting the emotional, cognitive, and behavioral relationship between consumers and brands. This concept extends beyond mere transactional involvement to include consumers' active attachment to a brand through meaningful interactions, experiences, and participation in brand activities (Brodie et al., 2011). Brand engagement indicates the degree to which consumers are psychologically and socially involved in the brand context, which in turn influences loyalty,

advocacy, and customer lifetime value (Hollebeek, 2011). Numerous studies have concluded that WOM has a positive and significant influence on consumer loyalty. Positive WOM increases trust, strengthens attitudes toward a brand, and encourages long-term consumer commitment. Sweeney et al. (2012) showed that positive WOM has a direct impact on loyalty by increasing perceived value and customer satisfaction.

Brand engagement incorporates several dimensions of engagement, including intense emotional experiences with the brand, reflective thinking about brand attributes, and active involvement in communicating or sharing brand content with their social environment. These dimensions are expanded in the digital era where consumer interactions with brands are no longer linear but occur through various touchpoints such as social media, online communities, and other digital platforms (Vivek et al., 2012; Dessart et al., 2015). Nurfitriana et al. (2020) found that customer engagement significantly influences consumer loyalty to the Wardah Cosmetics brand. This means that the higher the consumer's engagement with the brand, the higher their loyalty. Pertiwi & Sondakh (2024) found that brand engagement significantly influences brand loyalty, especially when shaped by activities on social media. However, these results contradict Damayanti et al. (2024) who found that brand engagement did not significantly influence brand loyalty among iPhone users in Cirebon. This suggests that brand engagement does not always directly translate into loyalty, depending on other constructs in the

model. Also, Oswari (2025) in a study on various local fashion brands in Indonesia, found that customer engagement does not have a direct impact on loyalty, but rather through mediating variables such as purchasing decisions.

Word of mouth (WoM) increases trust, while brand engagement creates strong bonds that foster loyalty. The combination of the two strengthens consumers' decisions to repurchase. The purpose of this research is to analyze and examine factors that influence Shopee user loyalty in Pekalongan City. These factors include word of mouth and brand engagement. This research used quantitative methods with regression analysis.

LITERATURE REVIEW

WoM and Loyalty

Word of Mouth (WOM) is a viral marketing strategy where consumers organically share experiences, recommendations, or product/service reviews with others (friends, family, and community). WOM is very effective in building trust because it is considered more honest than traditional advertising, whether done directly or digitally (e-WOM). Consumers trust recommendations from friends or family more than traditional advertising. Testimonials from other users (WoM) are far more effective in building consumer confidence than advertising. WoM has a strong distinguishing ability in forming loyalty compared to other marketing strategies. Referring to Mowen & Minor (2002) loyalty is intended as a state where consumers show positive behavior related to a particular brand, committed to using it for a long time. This loyalty assessment is seen based on repeat

purchases, retention and referrals. Through this loyal attitude, the nature of recommending or inviting people around them to use the same product will be formed. In addition, consumer loyalty is an important determinant for the company's long-term performance. Loyal consumers tend to make repeat purchases, recommend brands to others, and show resistance to brand switching which has a positive impact on company profitability (Schiffman & Wisenblit, 2019). Previous research from Brown et al, (2005) found that credible WOM significantly increases consumer commitment to service companies, which is the core of loyalty. Sweeney et al. (2012) showed that positive WOM has a direct impact on loyalty through increased perceived value and customer satisfaction. H1: WOM influences loyalty.

Brand Engagement and Loyalty

A brand is a crucial attribute for a product, creating added value. Brand engagement significantly contributes to high-value consumer behavior. For example, highly engaged consumers tend to demonstrate repeat loyalty, positive recommendation intentions, and strong brand advocacy – phenomena that have implications for increased brand equity and long-term profitability (Brodie et al., 2013). In the digital era, consumer interaction with brand content and brand experience interfaces are strong predictors of engagement, ultimately strengthening sustainable brand-consumer relationships (Khan et al., 2020). Given the dynamics of the global market and the growth of digital interactions, a deeper understanding of brand engagement is crucial for enriching marketing theory and providing

practical implications for strategic marketing practice. This loyalty can foster recommendations and encourage others to use the same services. Nurfitriana et al. (2020) found that customer engagement significantly influences consumer loyalty to the Wardah Cosmetics brand. This means that the higher a consumer's engagement with a brand, the higher their loyalty. Pertiwi & Sondakh (2024) stated that brand engagement has a significant influence on brand loyalty, especially when formed by activities on social media. H2: Brand Engagement has an influence on Loyalty.

METHODS

This research uses a quantitative method with regression analysis to explore the correlation between variables. In this study, the author used primary data, namely information obtained directly from each respondent, distributed online to Shopee users in Pekalongan City. A purposive sampling technique was used, involving 100 respondents who had made

transactions on Shopee in Pekalongan City. There are two variables in this study: the independent variable (free) and the dependent variable (bound): a) The independent variable (free) consists of WOM (X1) and Brand Engagement (X2). b) The dependent variable (bound) is loyalty (Y). After all data was obtained, it was analyzed using SPSS 25 for Windows software. Several testing methods were used, including validity, reliability, classical assumptions, multiple linear regression analysis, and the coefficient of determination test.

RESULTS AND DISCUSSION

Validity and Reliability Test

The purpose of the validity test was to ensure that each questionnaire question distributed by the researcher was valid and could be used to obtain accurate data. This was obtained by comparing the calculated r-value with the table r-value, where $df = n - 2$, with an alpha of 0.05. If the Pearson Correlation value is greater than the table r-value, then the questionnaire is considered valid.

Table 1. Validity Test

Variabel	Pearson Correlation	R-tabel ($\alpha = 5\%$)	Hasil Validitas
Loyalty	.875	.1966	Valid
WOM	.847	.1966	Valid
Brand Engagement	.974	.1966	Valid

Table 1, it can be concluded that consumer loyalty, WOM, and brand engagement have Pearson correlation scores $> r$ -table, thus all questions are valid and can be used as valid measurement tools.

A variable is considered reliable if its Cronbach's Alpha score is > 0.6 . A reliability score < 0.6 is considered poor, while a reliability score of 0.7 is considered good, and a reliability score exceeding 0.8 is considered good.

Table 2. Reliability Testji

Variabel	Cronbach's Alpha	N of Items	Keterangan
Loyalty	.922	6	Reliabel

WOM	.858	4	Reliabel
Brand Engagement	.922	6	Reliabel

Based on Table 2, the Cronbach's Alpha scores for loyalty were 0.922, WOM 0.858, and Brand Engagement 0.922. It can be concluded that this study is acceptable and reliable.

Normality Test

Ghozali (2018), this test can be performed using the One-Sample

Kolmogorov-Smirnov test. If the Asymp Sig (2-tailed) score is > 0.05 , the data is considered to be normally distributed. However, if the Asymp Sig (2-tailed) score is < 0.05 , the data is not normally distributed.

Table 3. Normality Test

		Unstandardized Residual
N		86
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.51290882
Most Extreme Differences	Absolute	.075
	Positive	.072
	Negatif	-.075
Kolmogorov-Smirnov Z		.755
Asymp. Sig. (2-tailed)		.355

a. Test distribution is Normal

b. Calculated from data.

Based on Table 3, the significance score (2-tailed) is 0.455. Since the

significance value (2-tailed) is 0.455 > 0.05 , the distribution is considered normal.

Multicollinearity Test

In the regression equation, multicollinearity is not found if the VIF is < 10 and the Tolerance is > 10 .

Table 4 Multicollinearity Test

		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	WOM	.855	1.136
	Brand Engagement	.871	1.142

a. Dependent Variable: Loyalty

Referring to Table 4, the overall value of the independent variables in this study is >0.10 (tolerance >0.10). The VIF value is less than 10 (VIF <10). It can be concluded that no symptoms of multicollinearity were found among the independent variables.

Heteroscedasticity Test

The quality of a regression model is determined by the presence or absence of heteroscedasticity. This study used the Glejser test; if the significance score is less than 5% (0.05), heteroscedasticity is not found.

Table 5. Heteroscedasticity Test

Model		T	Sig.
1	(Constant)	.114	.889
	WOM	.446	.761
	Brand Engagement	.782	.636

Based on Table 5, the independent variable's value is above 0.05, indicating that heteroscedasticity is not present.

Multiple Linear Regression Analysis

Table 6. Multiple Linear Regression

Based on table 6, the value (β) for WOM = 0.498, score (β) 0.595 is obtained for

Model		Beta	T	Sig.
1	(Constant)		3,274	.106
	WOM	.498	3.508	.024
	Brand Engagement	.595	3.738	.015

a. Dependent Variable: Loyalty

Brand Engagement, then an equation is formed, namely:

$$Y = \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 0,498_WOM + 0,595_BE$$

Description:

1. The WOM coefficient (X_1) is positive, at 0.4908, meaning that every increase in WOM leads to an increase in loyalty.
2. The Brand Engagement coefficient (X_2) is positive, at 0.595, meaning that an increase in brand engagement is

accompanied by an increase in loyalty.

F Test

When the significance value is <0.05 , H_0 is rejected, indicating that the independent and dependent variables have a significant influence. If the significance value is >0.05 , H_0 is accepted, indicating that the independent and dependent variables have no influence.

Table 7. F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	810,854	3	302.291	27.925	.002 ^b
Residual	171,556	83	24.693		
Total	181,410	86			

a. Dependen Variable: Loyalitas

b. Predictors: (Constant), WOM, Brand Engagement

Based on the results obtained in Table 7, the F-count value is 27.925 and the F-table value is 24.64. A systematic significance value of $0.002 < 0.05$ level is obtained, indicating that WOM (X1) and Brand Engagement (X2) simultaneously influence Loyalty (Y).

t-Test

If the resulting probability is < 0.05 , it indicates a significant impact from the independent variable on the dependent variable. If the resulting probability is > 0.05 , it is considered insignificant.

Referring to Table 6, WOM (X1) has a significance of $0.024 < 0.05$. This indicates that H1 is accepted and Ho is rejected, indicating that loyalty is influenced by WOM. Brand Engagement (X2) has a significance of $0.015 < 0.05$. Hypothesis H2 is accepted and Ho is rejected, indicating that loyalty is influenced by brand engagement.

Coefficient of Determination Test

This test is expected to produce an r-squared score greater than 0.5, as a good value is between 0 and 1.

Table 8. Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839 ^a	.609	.584	1.511

a. Predictors: (Constant), WOM, Brand Engagement

Table 8, the Adjusted R Square value is 0.584, indicating that the independent variables (WOM, Brand Engagement) influence the dependent variable (Loyalty) by 58.4%, with the remaining 41.6% not examined by the researcher.

DISCUSSION

The Effect of WOM on Loyalty

Based on the researcher's analysis, there is a significant impact of WOM on loyalty, as evidenced by a significant value of $0.024 < 0.05$, proving that loyalty can increase if a consumer engages in WOM effectively. A consumer's WOM that aligns with their actual experiences will create and influence increased loyalty. This finding indicates that positive information and recommendations from other consumers can increase consumer

commitment to continue using and recommending a product/service. The WOM demonstrated by Shopee consumers in Pekalongan City is considered good, thus further enhancing loyalty. These research results align with several previous studies showing that WOM has a positive influence on consumer loyalty. Previous research by Brown et al. (2005) found that credible WOM significantly increases consumer commitment to a service company, which is the core of loyalty. Sweeney et al. (2012) showed that positive WOM has a direct impact on loyalty through increased perceived value and customer satisfaction.

The Effect of Brand Engagement on Work Productivity

Based on the analysis, brand engagement has a significant effect on

consumer loyalty, as evidenced by a significant value of $0.015 < 0.05$, proving that loyalty can increase if a consumer has high brand engagement. This finding indicates that high consumer engagement with a brand can strengthen consumers' long-term commitment to continue using and recommending that brand. These research findings align with numerous studies showing that brand engagement has a positive influence on consumer loyalty, especially when the consumer's relationship with the brand is nurtured through active interaction on social media (Pertiwi & Sondakh, 2024; Nurfitriana et al., 2020). However, other findings suggest that the effect of brand engagement on loyalty may be insignificant or only through mediation channels such as purchasing decisions or brand trust (Damayanti et al., 2024; Oswari, 2025).

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CONCLUSION

Based on the research results and discussion, WOM and brand engagement, both partially and simultaneously, have a positive and significant influence on Shopee user loyalty in Pekalongan City. The Adjusted R Square value of 0.584 indicates that the independent variables (WOM and Brand Engagement) influence the dependent variable (Loyalty) by 58.4%, with the remaining 41.6% not examined in the study. Word-of-Mouth (WoM) and Brand Engagement have a positive and significant influence on consumer loyalty. Positive recommendations (WoM) increase trust, while emotional attachment (Brand Engagement) creates a strong bond that enhances loyalty. The combination of the two strengthens consumers' decisions to repurchase. Overall, WOM and Brand Engagement act as key factors that increase consumer satisfaction and loyalty, leading to repeat purchases.

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