

CHAPTER I INTRODUCTION

1.1. Research Background

Indonesia's e-commerce sector represents one of the fastest-growing industries in Southeast Asia, driven by the predominantly young, mobile-oriented demographic, increasing internet penetration, and strong government support (trade.gov, 2025). This rapid development is reflected in a significant growth of 49% in 2022, reaching a total market value of \$53 billion, largely influenced by the rising participation of Generation Z in online purchasing activities (Widodo et al., 2024). In general, e-commerce, or electronic commerce, refers to the use of electronic media—particularly the internet—for the exchange of goods and services, where businesses offer products or services directly to consumers through online platforms and transactions are conducted via website-based payment systems such as digital shopping carts, credit cards, debit cards, or electronic funds transfer (EFT) (Högberg et al., 2019).

The development of e-commerce in Indonesia started when Indonesians found opportunities and prospects in the internet and social media, seeing it as another way to market their products and brands, providing more way to spread the word and more access to those who were unable to be onsite. The Indonesian government have even embedded laws regarding the ethics and legal basis of e-commerce and online related activities. Law No. 11/2008 regarding electronic transaction which then was amended by Law No. 19/2016 (Natasya Sirait, 2022). E-commerce uses a variety of different types of techniques when it comes to marketing their products and services, one of them is called “Gamification”.

In simple terms, Gamification is the implementation of game components, dynamics, and mechanics in non-gaming contexts (Behl et al., 2022). It is a widely trusted technique and has been applied quite frequently over the course of the recent years, as evidenced by companies such as Nike, Amazon, and Starbucks. In the

context of marketing and online apps, it is a known way to enhance the customer engagement.

Shopee has adopted a variety of gamification features into its platform as a way to create a more interactive shopping experience for their users. These features include Shopee games, daily check-in rewards, coin collection activities, vouchers, limited-time events, unlock discounts, and achieve certain milestones. All of these involves monetary rewards and or levelling up. Companies focus heavily on consumer happiness, positive behaviours when engaging with their products is a telltale sign that it is catering to their hedonic needs (Apriyanto et al., 2023) Of course, this method would not have existed if it were not for the creation of digital gaming.

Digital gaming has also become one of the major forms of digital entertainment over the recent years. Digital gaming in general has been a trend for decades since the year 1970s with the emergence of arcade games in public spaces such as Pong and Space Invaders, in the 1980s it is the home consoles, in the 1990s it was the rise of PC gaming, and currently in the 2000s till now it is the talk of mobile gaming with the widespread adoption of smartphones and platforms of the App Store (Sanjaya et al., 2023).

For Indonesia's case, they are the largest mobile game market in Southeast Asia, which earned them a total of 3 billion U.S. dollars in revenue in 2023 and more than 1 billion U.S. dollars annually from 2023 to 2025 (Kadir et al., 2024) Since it started booming in the 1990s to the 2000s, many individuals who are born during that time like Generation Z, are exposed to technology at an early age. Many brands and companies when dealing with the adoption of gamification usually would take into account Generation Z as their main target audience (Marisa et al., 2025).

According to Sorrenti (2025), the consistency of every era of digital gaming is the way developers use two primary categories of rewards: intrinsic and extrinsic. Intrinsic rewards are commonly associated with internal satisfaction, focusing on

the player's personal sense of achievement and enjoyment driven from gameplay elements such as narrative depth, character development, and interactive mechanics. In contrast, extrinsic rewards refer to rewards that are tangible, in a way that provides external validation or measurable progress. Examples of such rewards could range from unlocking new skin, to acquiring in-game currency, trophies, and achievements. Both of these categories have the ability to create a setting that ensures the emotional satisfaction with tangible sense of accomplishment and reinforcements.

In the context of marketing, companies have taken the initiative to adopt gaming mechanics into their brand, thereby adopting gamification, which have garnered interesting results from consumers. According to Högberg et al. (2019), marketers' strong interest in gamification is largely influenced by the recognition that games are highly effective in capturing and sustaining user engagement over time. As a result, the integration of game design elements into marketing strategies is generally viewed in a positive light, as it is believed to enhance consumer interaction and long-term involvement. Szyszka (2019) have found that if the implementation of gamification were effective, it can significantly enhance customer engagement and foster a positive brand attitude. The results consistently demonstrate that well-designed gamification elements contribute to improved consumer interaction and perception toward a brand. Interestingly, social influence was not found to be a significant predictor of brand attitude with the study.

With Indonesia being one of the highest e-commerce in the world, it won't be surprising for companies to try to adopt it into their brands. Brands such as Shopee and Tokopedia, who has been the core of the e-commerce platform that have reported to significantly attract over 100 million visitors each month, has jumped on the trend of gamification and implemented it into their application (Hasri & Barus, 2024). Shopee specifically, is the main object for this research. Not only is it known as one of the largest known e-commerce apps in Indonesia, ranked in first place amongst other mobile applications of its visit data for e-commerce Indonesia (Said et al., 2023). it uses gamification as another way to garner more

customer engagement. Implementing various game-like features, such as daily check-ins, reward missions, coin collection, and interactive mini-games, A whole coin and levelling up system that could be exchanged for benefits such as vouchers and discounts. This is to enhance user engagement and create a more enjoyable shopping experience.

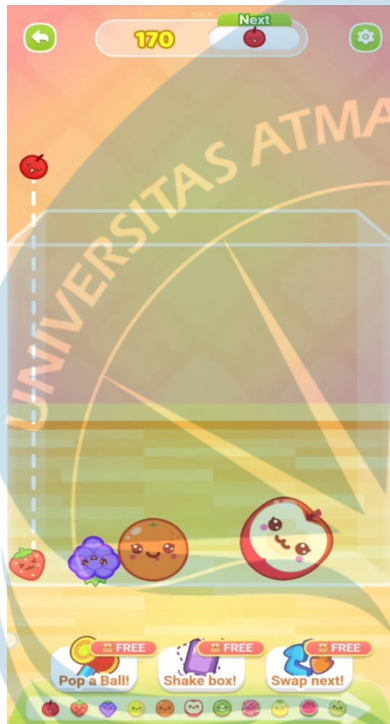


Figure 1.1. Screenshot of the game Shopee Fruity



Figure 1.2. Screenshot of Coin reward from the Shopee Fruity Game

Results of researches about gamification can be inconsistent no matter the number of times it has been tested to the general public, mostly due to various limitations when distributing the questionnaires. Kaur et al. (2023) for example, have the limitations of focusing more on the Indian consumer context when it came to exploring gamification. Exploring gamification in a different country's context could be beneficial. Another example is Xu (2015), where their limitations derived from the fact that the research only focused on one specific app, which is Duolingo. In short, there is a need for replication of the research.

This thesis is based on a study by Izzuddin Abd Kadir et al. (2024), which was about Malaysia's Shopee and Lazada platforms being the subject of the

adoption of Gamification, using the Stimulus-Organism-Response (S-O-R) model. The main goal of the article was to identify and analyse the relationship between Perceived Enjoyment and Online Purchase Intention using the moderating variable known as Impulsive Buying Tendency. What's more, Perceived Enjoyment is particularly important for this research because of the setting being in online stores. This ties into the hedonic component of online buying, which helps the user in seeking entertainment and satisfaction (Wu & Santana, 2022).

For this research, it would be a replication of the article's research in order to strengthen the consistency and reliability of the existing findings (Mustikasari, 2022). Repetition of studies within different contexts and samples, this one being in the context of Indonesian consumers and the main focus being Shopee instead of Shopee and Lazada, allows for the validation of prior results and helps ensure that the observed relationships are not limited to a specific environment. Not much has been researched regarding the article's way of the study, so taking the methods would help solidify a pattern for future researchers to analyse and update.

Therefore, conducting this research serves not only to extend previous studies but also to benefit businesses, companies, users, and even institutions to improve their adoption process on gamification in a way that is effective and seamless.

1.2. Research Questions

Based on this background, the problems that will be raised in this research are:

1. Does reward giving positively influence perceived enjoyment?
2. Does level upgrading positively influence perceived enjoyment?
3. Does perceived enjoyment positively influence online purchase intention?
4. Does the influence of perceived enjoyment towards online purchase intention have a stronger effect for consumer with higher impulsive buying tendency?

1.3. Research Objectives

The objectives of this study are:

1. To analyse the influence of reward giving on perceived enjoyment.

2. To analyse the influence of level upgrading on perceived enjoyment.
3. To analyse the influence of perceived enjoyment on online purchase intention.
4. To analyse whether impulsive buying tendency strengthens the influence of perceived enjoyment and online purchase intention.

1.4. Research Benefits

This research is expected to be able to provide benefits for the readers that are divided into academic and practical benefits.

1. Academic Benefit
 - a) To increase academic insight into the relationship between gamification, S-O-R model, perceived enjoyment, online purchase intention, and impulsive buying tendency.
 - b) To contribute a more nuanced understanding of gamification by categorizing it into economic-related (rewards) and achievement-related (level upgrading) dimensions, which are still relatively underexplored in prior research.
2. Practical Contribution
 - a) Highlights how gamification influences purchasing behaviour, e-commerce businesses can differentiate themselves and remain competitive.
 - b) Become a reference for companies to design targeted marketing strategies that leverage perceived enjoyment to boost online purchase intention.

1.5. Research Systematics

The systematics of writing this research is described as follows:

1. Chapter I: Introduction

Presenting the research background, formulation of the problem, research objectives, research benefits, and the overall structure of the study.

2. Chapter II: Literature Review

Examines relevant theoretical frameworks, including the concepts of gamification, stimulus-organism-response (S-O-R) model, perceived

enjoyment, online purchase intention, and impulsive buying tendency, along with a review of related prior studies.

3. Chapter III: Research Methodology

Explains the research methodology applied in the study, including the research design, population and sample selection, data collection methods, and data analysis techniques.

4. Chapter IV: Data Analysis & Interpretations

Presenting the research findings, followed by an analysis and discussion of the results in relation to the research objectives.

5. Chapter V: Conclusion

Provides a summary of the research findings, along with recommendations for future studies and strategic suggestions for companies in developing their brand strategies.