

The Impact of Shopee's Free Shipping Feature on Consumer Loyalty

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This study examined the effect of the free-shipping feature on the Shopee application toward consumer loyalty among residents of Kelurahan Battang Km 07, Palopo City. A quantitative approach was used, with a questionnaire distributed to 40 respondents selected through incidental sampling from a population of 150 active Shopee users aged 18–45 years. The data were analyzed descriptively using a Likert scale and inferentially through simple linear regression, preceded by validity, reliability, and classical assumption tests. The results showed that the free-shipping feature had a positive and significant effect on consumer loyalty, with a regression equation of $Y = 0.489 + 0.939X$, a t-value of 8.679 (sig. 0.000), and an R Square of 0.665, indicating that 66.5% of the variance in consumer loyalty was explained by the free-shipping feature. These findings confirm that free shipping functions not merely as a short-term promotion but as a long-term marketing strategy that strengthens Shopee's competitive advantage, contributing practical insight for e-commerce platforms in designing sustainable promotional strategies.

Keywords: Free Shipping, Customer Loyalty, E-Commerce, Shopee, Repeat Purchase

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1. Introduction

The development of information and communication technology has transformed the consumption patterns of modern society, with the internet and mobile devices becoming integral parts of daily economic activities (Hidayat, 2023). This transformation has driven the rapid growth of e-commerce in Indonesia, which has proven to improve operational efficiency and expand market access (Widagdo, 2020), while also making high internet penetration a foundation for digital trade growth (Putri, 2023).

Fierce competition between e-commerce platforms has driven companies to introduce various promotional features to attract and maintain consumer loyalty. Susanti and Rohmah (2025) found that discount and free shipping strategies significantly influence Shopee consumers' purchasing decisions, with free shipping contributing 63.8 percent, significantly more than discounts. This finding confirms that free shipping is not merely a fleeting promotion, but rather an effective marketing strategy in influencing consumer behavior. Salsa Maharani et al. (2024) added that the simultaneous implementation of digital marketing and free shipping positively influences purchasing decisions on Shopee, while simultaneously building consumer loyalty.

As one of the largest e-commerce platforms in Southeast Asia, Shopee has been known for its aggressive free shipping program since entering the Indonesian market in 2015. However, important questions arise regarding the extent to which this feature truly impacts consumer loyalty, given that e-commerce customer loyalty is also influenced by product quality, price perception, and ease of use (Septiani & Junia, 2023). Free shipping is thought to strengthen positive price perceptions, thus contributing to loyalty, while customer loyalty itself is a crucial factor for business sustainability, formed from satisfaction, trust, and the value provided by the company (Sari, 2024).

Several previous studies have shown complementary results. Dewi et al. (2025) demonstrated that cashback promotions and free shipping simultaneously influenced Shopee user loyalty among Generation Z students. Conversely, Ningrum et al. (2025) found that although flash sales and free shipping were effective in attracting consumers, long-term loyalty was largely determined by satisfaction with overall service quality, including delivery speed and system security. The differing emphases in these studies suggest that the role of free shipping on consumer loyalty still needs to be tested in different contexts and populations.

Although various previous studies have examined the relationship between free shipping and Shopee consumer loyalty, most were conducted in large urban contexts or among university students (Dewi et al., 2025; Ningrum et al., 2025), thus not much has touched on the general public in small cities with different socio-economic characteristics. This gap is important to fill, considering that consumer behavior towards digital promotions can differ between regions depending on the level of digital literacy and the intensity of daily e-commerce use. This study attempts to fill this gap by placing the community of Battang Km 07 Village, Palopo City, as the unit of analysis, so that it is expected to provide a more representative picture of the role of free shipping on consumer loyalty in communities outside large cities. Thus, the novelty of this study lies in expanding the context of the study of free shipping and consumer loyalty to the general public in small cities, whose socio-economic characteristics and consumption patterns differ from those of urban university students as studied by Dewi et al. (2025) and urban online consumers as studied by Ningrum et al. (2025), so the findings of this study are expected to complete the understanding map regarding the generalization of the influence of free shipping on more diverse consumer segments.

This research focuses on the community of Battang Km 07 Village, Palopo City, an area with a fairly high level of internet and e-commerce application usage but has not been widely studied in academic literature. By placing the free shipping feature (X) as an independent variable and consumer loyalty (Y) as a dependent variable, this study aims to determine the effect of the free shipping feature on the Shopee application on consumer loyalty in the community of Battang Km 07 Village. Based on this description, the hypothesis proposed is that the free shipping feature on the Shopee application has a positive and significant effect on consumer loyalty in Battang Km 07 Village.

2. Method

This research uses a quantitative approach and was conducted in Battang Village Km 07, Palopo City, in April–June 2026. This location was chosen because the community actively uses the Shopee application for online shopping activities.

The research population was all residents of Battang Km 07 Village who used the Shopee application, aged 18–45 years, totaling 150 people (Sugiyono, 2018). The sample was determined at 40 respondents using the incidental sampling technique, referring to the provision of a minimum sample size of 30 respondents for the research results to be considered adequate (Gay, in Umar, 2005).

Data were collected through a closed-ended questionnaire with a Likert scale of 1–5, supported by observations and semi-structured interviews with active Shopee users and local community leaders (Creswell, 2018; Kvale et al., 2018). The independent variable (X) was the free shipping feature, measured through three indicators: repeat purchase intensity, satisfaction with the free shipping program, and the

tendency to choose Shopee over competitors (Susanti & Rohmah, 2025). The dependent variable (Y) was consumer loyalty, measured through three indicators: repeat purchase, retention, and referrals (Griffin, 2005).

The data were analyzed descriptively using a Likert scale to categorize respondents' perceptions, followed by validity and reliability tests (Sugiyono, 2022), classical assumption tests in the form of heteroscedasticity and normality tests (Ghozali, 2016), and simple linear regression analysis with the model $Y = a + bX + e$, where Y is consumer loyalty, X is the free shipping feature, a is a constant, b is the regression coefficient, and e is the error. Hypothesis testing was carried out through the t-test and the coefficient of determination (R^2) (Ghozali, 2016; Sugiyono, 2017).

The research instrument was prepared in the form of a closed questionnaire with a Likert scale of 1–5, with the highest score of 5 (Strongly Agree) and the lowest score of 1 (Strongly Disagree). The scale range was calculated using the formula (highest score – lowest score) divided by the number of categories, resulting in a range value of 0.8. Based on this value, five categories were compiled for interpreting the average respondent's answers, namely 1.00–1.80 (Strongly Disagree), 1.81–2.60 (Disagree), 2.61–3.40 (Quite Agree), 3.41–4.20 (Agree), and 4.21–5.00 (Strongly Agree). These categories were used consistently to interpret the average score for each indicator of the free shipping feature variable (X) and consumer loyalty (Y).

3. Results and Discussion

Research result

Respondent characteristics are shown in Table 1. Most respondents were female (67.5%), aged 18–26 years (45%), and had a high school education (62.5%).

Table 1. Respondent Characteristics

Characteristics	Category	Amount	Percentage
Gender	Man	13	32.5%
	Woman	27	67.5%
Age	18–26 years	18	45%
	27–35 years	14	35%
	36–45 years	8	20%
Last education	JUNIOR HIGH SCHOOL	8	20%
	SENIOR HIGH SCHOOL	25	62.5%
	S1	7	17.5%
Total		40	100%

Source: Processed Data (2026)

The predominance of female respondents in this study aligns with Kotler and Keller's (2016) view that gender differences can influence shopping patterns and how consumers respond to marketing strategies. Women are generally more active in purchasing fashion and household products online, making them more sensitive to incentives such as free shipping. The predominance of respondents in the productive age range of 18–26 is also relevant to the characteristics of the digital native generation who are accustomed to using online shopping applications in their daily lives. Meanwhile, the majority of respondents with a high school education indicated that the appeal of free shipping is broad and not limited to highly educated groups. As

Solomon (2020) noted, the higher a person's education level, the greater the tendency to consider product quality and benefits more critically before purchasing, while consumers with secondary education tend to focus more on immediate benefits such as shipping discounts.

The results of the descriptive analysis of the free shipping feature (X) and consumer loyalty (Y) variables are presented in Table 2. All indicators of the X variable are in the Agree category with an overall average of 4.07, while all indicators of the Y variable are also in the Agree category with an overall average of 3.92. This value indicates that respondents generally feel satisfied and encouraged to make repeat purchases because of the free shipping feature, while also showing a loyal attitude towards Shopee.

Table 2. Descriptive Summary of Research Variables

Variables	Indicator	Average	Category
Free Shipping Feature (X)	Repeat purchase intensity	4.12	Agree
	Satisfaction with the free shipping program	4.14	Agree
	Tendency to choose Shopee over competitors	3.96	Agree
	Average of Variable X	4.07	Agree
Consumer Loyalty (Y)	Repeat purchases (repeat purchases)	3.90	Agree
	Retention	3.90	Agree
	Recommendations (referrals)	3.97	Agree
	Average of Variable Y	3.92	Agree

Source: Processed Data (2026)

The results of the validity test on all statement items on the free shipping feature variable (X) and consumer loyalty (Y) are presented in Table 3. The test was conducted by comparing the calculated r value with the table r at a significance level of 5% and the number of respondents was 40, resulting in a table r value of 0.312. All items in both variables have a calculated r value that is much greater than the table r, with a range of 0.809 to 0.886 on the X variable and 0.856 to 0.967 on the Y variable, so that all items are declared valid and suitable for use to measure the intended construct.

Table 3. Validity Test Results

Item	r count	r table	Information
X1	0.886	0.312	Valid
X2	0.864	0.312	Valid
X3	0.869	0.312	Valid
X4	0.817	0.312	Valid
X5	0.863	0.312	Valid
X6	0.809	0.312	Valid
Y1	0.919	0.312	Valid
Y2	0.967	0.312	Valid
Y3	0.934	0.312	Valid
Y4	0.957	0.312	Valid
Y5	0.900	0.312	Valid
Y6	0.856	0.312	Valid

Source: Processed Data (2026)

The reliability test produced a Cronbach's Alpha value of 0.923 for variable X and 0.965 for variable Y (Table 4), both of which were well above the threshold of 0.60 so that the instrument was declared reliable (Sugiyono, 2022).

Table 4. Reliability Test Results

Variables	Cronbach's Alpha	Number of Items	Information
Free Shipping Feature (X)	0.923	6	Reliable
Consumer Loyalty (Y)	0.965	6	Reliable

Source: Processed Data (2026)

Prior to the regression analysis, a classical assumption test was performed to ensure the regression model met statistical requirements. The Kolmogorov-Smirnov normality test showed a significance value greater than 0.05, indicating a normally distributed residual data. Similarly, the Glejser heteroscedasticity test showed a significance value above 0.05, indicating no heteroscedasticity symptoms were found in the model. With both assumptions met, the simple linear regression model in this study was deemed suitable for use in examining the effect of free shipping on consumer loyalty.

The results of the simple linear regression analysis (Table 5) produce the equation $Y = 0.489 + 0.939X$. The constant value of 0.489 indicates that without the influence of free shipping, consumer loyalty is at that base point, while the regression coefficient of 0.939 indicates that every one unit increase in perception of free shipping will increase consumer loyalty by 0.939 points. The t-test produces a calculated t-value of 8.679 with a significance of 0.000 (<0.05), so the research hypothesis is accepted: the free shipping feature has a positive and significant effect on consumer loyalty.

Table 5. Results of Simple Linear Regression Analysis

Variables	Coefficient (B)	t count	Sig.
Constant	0.489	0.183	0.856
Free Shipping Feature (X)	0.939	8,679	0,000

Source: Processed Data (2026)

The coefficient of determination (Table 6) shows an R value of 0.815, R Square of 0.665, and Adjusted R Square of 0.656. This means that 66.5% of the variation in consumer loyalty can be explained by the free shipping feature, while the remaining 33.5% is explained by other factors outside this research model, such as service quality, system security, and delivery speed.

Table 6. Coefficient of Determination

R	R Square	Adjusted R Square	Standard Error of Estimate
0.815	0.665	0.656	2.48179

Source: Processed Data (2026)

Discussion

Based on the research results, it was found that the free shipping feature variable has a significant and positive effect on consumer loyalty, as indicated by the regression equation $Y = 0.489 + 0.939X$, a calculated t value of 8.679 at a significance level of 0.000 (<0.05), and a coefficient of determination (R Square) of 0.665. This means that every one unit increase in consumer perception of the free shipping feature will be followed by an increase in consumer loyalty of 0.939 points, and 66.5% of the variation in consumer loyalty in this study can be explained by the free shipping feature, while the remaining 33.5% is explained by other factors outside the model. In other words, the more positive consumer perceptions of

the free shipping program offered by Shopee, the higher the level of loyalty formed. This finding is in line with Susanti and Rohmah (2025) who stated that free shipping provides a dominant contribution to purchasing decisions, even higher than discounts, because consumers tend to be more sensitive to shipping costs than product discounts. This result also strengthens the research of Dewi et al. (2025) which shows that cashback and free shipping promotions simultaneously form Shopee user loyalty, especially among those who actively shop online, such as the Battang Km.07 community.

Further discussion can be traced through the achievement of each indicator of the free shipping feature (X) and consumer loyalty (Y) variables as presented in Table 2. In the free shipping feature variable, the indicator of consumer intensity in making repeat purchases due to free shipping obtained an average score of 4.12 in the Agree category. This indicates that the majority of respondents feel encouraged to return to shop at Shopee because of the free shipping incentive. This finding is in line with Susanti and Rohmah (2025) who emphasized that consumers who receive incentives in the form of free shipping are more likely to make repeat purchases, which then becomes the basis for forming loyalty. In other words, free shipping not only attracts first purchases, but also forms repeat shopping habits in the Battang Km.07 community.

The consumer satisfaction indicator for the free shipping program obtained the highest score among the X variable indicators, namely 4.14. This high score indicates that free shipping is not only perceived as an economic benefit, but also provides a sense of comfort and assistance for consumers in online shopping. This high satisfaction is relevant to the view of Chen and Zhang (2019) who positioned free shipping as a remover of barriers, namely removing psychological obstacles consumers in online transactions due to shipping costs that have been considered too high. When these barriers are removed, consumer satisfaction increases and in turn strengthens the foundation for the formation of loyalty, as also emphasized by Zahro and Santoso (2024) that free shipping can create a positive perception that makes consumers feel more economical and encouraged to shop again.

Meanwhile, the indicator of consumer tendency to choose Shopee over competitors due to this feature obtained the lowest score among the X variable indicators, namely 3.96, although it remains in the Agree category. This relatively lower score indicates that consumer preference for Shopee over Tokopedia, Lazada, or other platforms is not entirely determined by free shipping alone, but is also influenced by other factors such as product completeness and pre-established shopping habits. However, this finding remains consistent with Zahro and Santoso (2024) who stated that free shipping acts as a competitive advantage that differentiates Shopee from its competitors, although its differentiating power is not as strong as its influence on satisfaction and repeat purchases.

In the consumer loyalty variable, the repeat purchase indicator obtained an average score of 3.90 in the Agree category. Respondents indicated a willingness to continue shopping at Shopee repeatedly, which according to Griffin (2005) is the most basic form of loyalty in the form of tangible behavior. In the context of this study, free shipping is one of the main reasons consumers return to shop because it feels more economical and convenient. The retention indicator also obtained the same average score, namely 3.90, indicating that respondents continue to use Shopee despite attractive offers from competitors such as Tokopedia or Lazada. Griffin (2005) emphasized that retention reflects a deeper consumer commitment than simply repeat purchases, because it involves resisting the temptation to switch platforms. This

relatively high resilience indicates that free shipping has succeeded in becoming a binding factor (switching barrier) that makes Battang Km.07 consumers reluctant to switch to other platforms.

The recommendation indicator (referrals) obtained the highest average score among the Y variable indicators, namely 3.97. The high willingness of consumers to recommend Shopee to friends or family indicates that the loyalty formed is not solely transactional, but also affective. Griffin (2005) calls recommendations the highest form of loyalty because consumers are not only loyal, but also act as brand promoters. When examined through the two-dimensional loyalty framework of Dick and Basu (1994), which distinguishes loyalty based on relative attitude and repeat patronage patterns, the high recommendation score compared to repeat purchases and retention indicates a tendency towards true loyalty, not merely spurious loyalty. This means that consumers not only repurchase due to attachment to price incentives, but also have a sufficiently strong positive attitude towards Shopee that they are willing to promote it voluntarily.

Overall, the pattern of achievement across these six indicators reinforces Kotler and Keller's (2016) view that sales promotions provide temporary added value that, when implemented consistently, can shape long-term consumption habits. Shopee's consistent free shipping offering since its launch in Indonesia in 2015 appears to have shifted consumer perception from a fleeting promotion to an integral part of the platform's identity and core feature, as observed by Zahro and Santoso (2024) in their study of Shopee's "Free Shipping" tagline.

However, the Adjusted R Square value of 0.656 indicates that approximately one-third of the variation in consumer loyalty is still explained by factors other than free shipping. The findings of Ningrum et al. (2025) are relevant to explain this, stating that long-term loyalty is more influenced by satisfaction with overall service quality, including delivery speed and system security. This is also in line with Septiani and Junia (2023) who stated that e-commerce consumer loyalty is formed jointly by product quality, price perception, and ease of use, so free shipping should be understood as one of several determinants, not the only one. Thus, free shipping can be understood as an entry point to loyalty, as stated by Oliver (2019), namely an entry point that attracts initial interest and encourages repeat transactions, while its sustainability remains dependent on Shopee's overall service quality.

From a managerial perspective, these findings suggest that Shopee should not treat free shipping as a stand-alone program, but rather integrate it with improvements to core service quality, such as delivery speed, transaction security, and app usability, to build loyalty that is more resilient to competitors' offerings. For other e-commerce platforms that have not yet made free shipping a primary strategy, these findings indicate that investing in eliminating shipping fees has the potential to be more effective than simply offering product discounts, particularly for consumer segments with high shipping cost sensitivity, such as the Battang Km.07 community.

It should also be noted that these findings are limited by context. The sample size of 40 respondents and the limited coverage of one sub-district require caution when generalizing the results. Furthermore, because this study only considered one independent variable, the possibility of interactions between free shipping and other variables, such as consumer trust or service quality, could not be simultaneously tested. With this in mind, the results of this study still provide strong empirical evidence that free shipping is not simply a short-term financial incentive, but rather a marketing strategy capable of building long-term

relationships between Shopee and its consumers (Lovelock & Wirtz, 2018), while also providing strategic input for e-commerce platforms in designing sustainable promotional programs.

4. Conclusion

This study concludes that the free shipping feature on the Shopee application has a positive and significant impact on consumer loyalty in the Battang Village Km.07, Palopo City, with a contribution of 66.5% to the variation in consumer loyalty. Free shipping has been proven to encourage repeat purchase intensity, increase satisfaction, and strengthen the tendency of consumers to choose Shopee over competitors, which ultimately forms loyalty through repeat purchases, resilience, and recommendations to others. E-commerce businesses, particularly Shopee, are advised to maintain their free shipping program while combining it with other strategies such as cashback, vouchers, or premium memberships, and improve service quality, particularly in terms of delivery speed and system security, to foster sustainable consumer loyalty. Further research is recommended to expand the scope and include other variables, such as service quality and consumer trust, to obtain a more comprehensive picture of the determinants of e-commerce consumer loyalty. Theoretically, this study contributes by expanding empirical evidence on the role of free shipping on consumer loyalty beyond the context of big cities and students who have been the focus of many previous studies, while also strengthening the relevance of the two-dimensional loyalty framework of Dick and Basu (1994) in explaining that loyalty formed from free shipping tends to lead to true loyalty, not just spurious loyalty. For the public as consumers, it is recommended to utilize free shipping programs wisely by still considering the needs and quality of the products to be purchased, so that purchasing decisions are not only based on promotions alone, but also on rational considerations of the long-term benefits of an online shopping platform. Further research is also recommended to consider a mixed methods approach to delve deeper into the psychological reasons behind consumer preference for free shipping, as well as to test moderating variables such as digital literacy levels or frequency of application use, which have the potential to strengthen or weaken the relationship between free shipping and consumer loyalty in different regional contexts.

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