Promotional Innovation and User Experience: Determinants of Consumer Repurchase Intention in Lazada Medan

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A R T I C L E I N F O

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A B S T R A K

This study aims to analyze the influence of promotional innovation and user experience on repurchase intention of Lazada consumers in Medan, both partially and simultaneously. The phenomenon of intense competition in the e-commerce industry requires companies to not only offer competitive prices, but also create creative promotional strategies and optimal shopping experiences. This study uses a quantitative method with a survey approach. The research sample of 200 respondents was determined using a purposive sampling technique with the criteria of consumers who have shopped at Lazada more than once and are domiciled in Medan City. The results show that promotional innovation has a positive and significant effect on consumer repurchase intention. Similarly, user experience has a positive and significant effect on repurchase intention. Simultaneously, promotional innovation and user experience have a significant positive effect on repurchase intention of Lazada Medan consumers. These findings reinforce the view that innovative marketing strategies and satisfying shopping experiences are an important combination for building customer loyalty.

INTRODUCTION

The development of digital technology has driven significant changes in Indonesian consumption patterns. One example of this transformation is the increasing use of e-commerce platforms as the primary means for online buying and selling. According to a report by the Mandiri Institute, the value of e-commerce transactions in Indonesia has shown a consistent upward trend since 2017. Initially, e-commerce usage was relatively low, with a transaction value of IDR 42 trillion. Subsequently, in 2018, there was a significant surge to IDR 106 trillion, and this positive trend continued, reaching IDR 206 trillion in 2019. The following data can be seen in the graph:

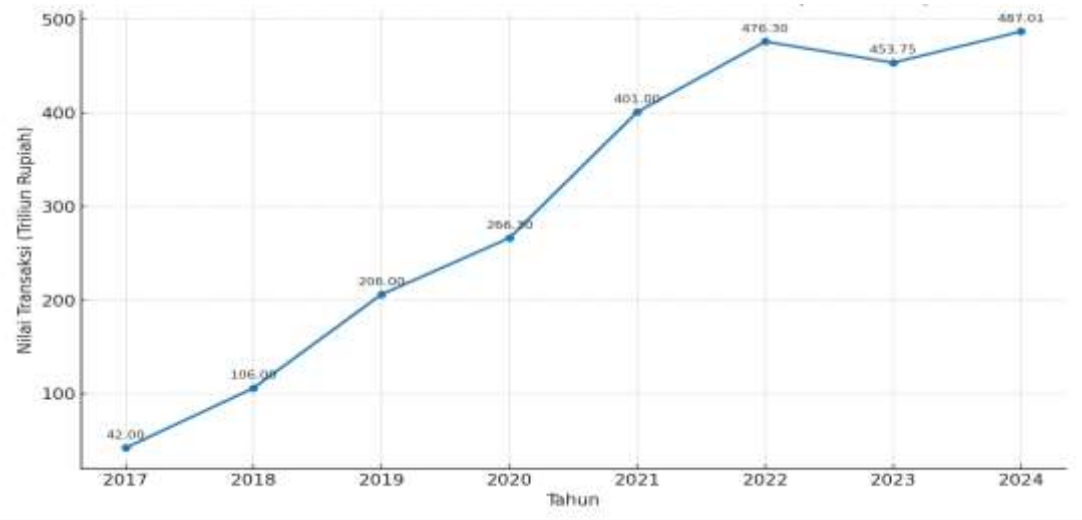


Figure 1.1. E-Commerce User Report in Indonesia from 2017 to 2025
(***Source: Mandiri Institute, 2025***)

It is known that 2020 recorded a further increase to IDR 253 trillion. Peak growth occurred in 2021, when the COVID-19 pandemic encouraged people to conduct more online transactions. That year, e-commerce transaction value surged to IDR 401 trillion and rose again to IDR 476 trillion in 2022.

However, in 2023, there was a slight decline of 4.7% to IDR 454 trillion. However, e-commerce transaction value recovered in 2024, increasing by 7.3% annually to IDR 487 trillion. This is certainly predicted to increase annually (Aliyah et al., 2019). This phenomenon not only demonstrates high technology adoption but also reflects changing consumer shopping preferences. Easy access, ease of payment, and a wide variety of products are the main attractions of e-commerce use. As the number of users increases, competition between e-commerce platforms is also intensifying. Each e-commerce platform must compete to increase consumer purchasing intention (Ayaumi & Komariah, 2021).

Repurchase intention is known to reflect a consumer's desire or tendency to reuse the same product or service in the future, based on previous experiences. A high level of repurchase intention is a positive indicator of the success of an online service, as it indicates that consumers are satisfied, have trust, and highly value the quality of the service they receive (Cahyani et al., 2019). Consumers with strong repurchase intention tend to become loyal customers, make repeat purchases, and even recommend the service to others. These recommendations, through word-of-mouth, contribute to an increase in the number of new users and support the service's continued growth.

One company operating in the information technology-based creative industry is Lazada. Lazada is a digital-based e-business platform accessible through a smartphone app or website. Early in its launch in Indonesia, Lazada was known as a pioneer in e-commerce services, focusing on the sale of electronics, fashion, and various household goods. Along with technological advancements and the growing consumer demand for convenient online shopping, Lazada continues to innovate by introducing various supporting features such as a digital payment system, algorithm-based promotions, internal logistics services (Lazada Logistics), and integration with seller centers to facilitate business owners in managing their online stores (Pratama et al., 2019).

In recent years, competition in the Indonesian e-commerce sector has intensified, particularly among major platforms like Shopee, Tokopedia, and Lazada. Various industry surveys and reports indicate that Lazada has experienced a decline in user visits, transaction volume, and market share, particularly when compared to Shopee, which currently dominates the Indonesian e-commerce market. This can be seen in IPSOS data, which shows the composition of e-commerce platform market share based on consumer usage as follows:

Table 1.1. E-commerce Competition Data in Indonesia in 2025

No.	Platform E-Commerce	Market Share (%)
1	Shopee	39%
2	Tokopedia	22%
3	TikTok Shop	15%
4	Lazada	12%
5	Bukalapak	7%
6	Blibli	5%

(Source: IPSOS, 2025)

The table above shows that Shopee still dominates the e-commerce market share in Indonesia until early 2025 with 39% of users. Tokopedia is in second place, followed by TikTok Shop, which has seen significant growth. Meanwhile, Lazada has begun to experience a decline compared to previous years. This decline may also indicate a phenomenon of decreasing consumer repurchase value on Lazada. The decline in consumer repurchase intention on the Lazada platform is indicative of the various challenges the company is currently facing in the competitive Indonesian e-commerce industry. It is known that Lazada is one of the long-standing and experienced players, currently its position is increasingly eroded by competitors such as Shopee, Tokopedia, and newcomers like TikTok Shop.

Two factors suspected of influencing consumers' low repurchase intentions on Lazada are a lack of innovation in promotional strategies and a suboptimal user experience during the app and transaction process. Consumers tend to choose platforms that offer not only the best prices but also an easy, fast, and enjoyable shopping experience. Therefore, this study is important to analyze how promotional innovation and user experience can influence consumers' repurchase intentions on Lazada (Haerani, et a., 2019). The results are expected to provide strategic input for companies in improving performance and customer loyalty amidst increasingly fierce e-commerce competition.

LITERATURE REVIEW

Promotional Innovation

Promotional innovation is the development and updating of promotional strategies or methods undertaken by companies to attract consumer attention, increase product competitiveness, and drive purchasing decisions more effectively and relevantly. Promotional innovation is not limited to the use of digital media, but also includes unique messaging, personalized promotional content, collaboration with influencers, interactive campaigns, and the use of technologies such as augmented reality (AR) and artificial intelligence (AI). Failure to implement promotional innovation can result in a decreased product appeal among consumers, a weakened brand position in the market, and even decreased sales (Firmansyah, 2018). Therefore, it is crucial for companies to continuously evaluate and develop their promotional strategies to remain relevant, competitive, and able to build long-term relationships with their consumers (Sasongko & Wuryaningsih, 2020).

User Experience

User experience is the overall perception, impression, and response of users when interacting with a product, service, or system, either directly or indirectly. In this context, user experience is a crucial factor in determining the success of a product or service in the market. Today's consumers judge a product not only by its functionality but also by how easy, convenient, and enjoyable their experience is when using it. User experience encompasses various aspects, from visual appearance and ease of navigation to speed of access and responsiveness of service. If these aspects are not well-designed, it can lead to user

frustration, decreased satisfaction, and ultimately reduced consumer loyalty and repurchase intentions (Fitriah, 2018).

Repurchase Intent

Repurchase intent is a consumer's desire or tendency to repurchase a product or service in the future based on their experience, satisfaction, and positive perception of the product. One key indicator of successful customer retention is repurchase intent, which is the consumer's tendency to repurchase the same product or use the same service in the future. Consumers with repurchase intent generally feel satisfied, trusting, and have a positive emotional connection with the brand (Qibtiyah, et al., 2021). In practice, many companies still focus on attracting new customers and overlook the importance of maintaining the loyalty of existing customers. However, the cost of retaining customers is much lower than the cost of acquiring new ones. Furthermore, customers with repurchase intent tend to provide positive reviews, recommend products to others, and become active advocates for brand growth (Hasibuan, 2020).

The variables in this study are promotional innovation and user experience as free or independent variables which are given the symbol X. Furthermore, for the bound or dependent variable, namely repurchase intention, it is given the symbol Y. From the description that has been explained, the conceptual framework for this study can be formulated as follows:

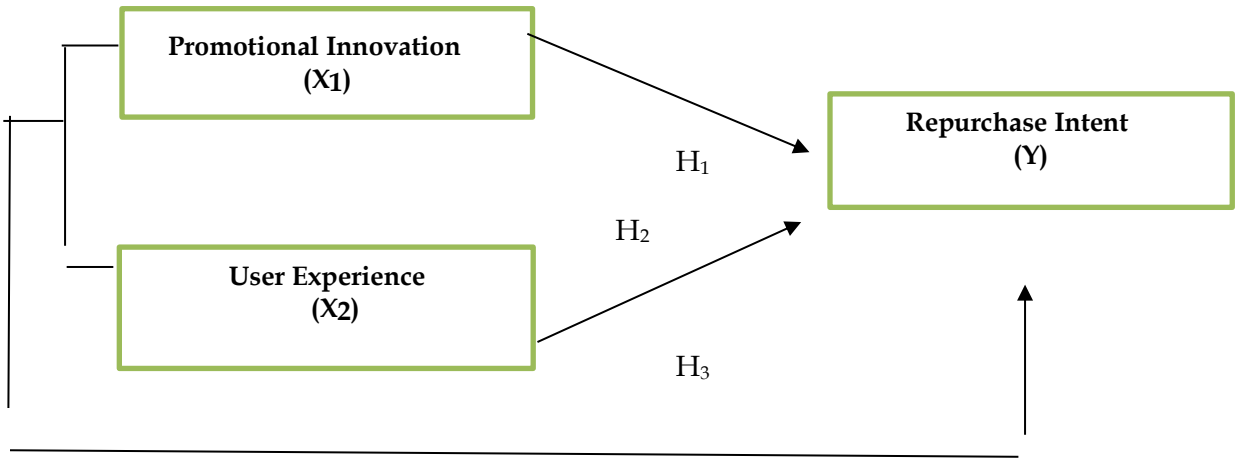


Figure 1.2. Teoritical Research

Based on the model or conceptual framework image above, several hypotheses can be formulated in this study, namely as follows:

H1: Promotional innovation has a positive and significant influence on the repurchase intention of Lazada Medan consumers.

H2: User experience has a positive and significant effect on repurchase intention of Lazada Medan consumers.

H3: Promotional innovation and user experience simultaneously have a positive and significant effect on repurchase intention of Lazada Medan consumers.

METHODOLOGY

This study uses an associative approach to analyze the relationships between variables formulated in the conceptual model. This research is quantitative, with data collection techniques using online and offline surveys. The collected data is then analyzed using statistical methods to obtain objective and measurable results.

The sampling method used was non-probability sampling with a purposive sampling approach. This approach was chosen because the sample must meet certain predetermined criteria. These criteria include: residing in Medan, being between 17 and 24 years old, and having used online shopping apps such as Lazada more than twice. The research sample size was 200 respondents.

RESULTS AND DISCUSSION

Testing the validity of research data is the process of assessing the extent to which a research instrument, such as a questionnaire, is capable of measuring the concept it is intended to measure. In other words, validity reflects the level of validity and accuracy of the data generated by the instrument in representing the variables being studied. Data analysis in this study used the Structural Equation Modeling (SEM) method based on Partial Least Squares (PLS), which was chosen because it is able to analyze the relationships between latent variables through systematic stages. The initial stage in this method is testing the outer model, which aims to evaluate the construct validity and reliability of the research instrument. The outer model ensures that each indicator used truly represents the latent variable that is the focus of the research (Jakson, 2021).

The results of the analysis of the research model related to the convergent validity test in this study are presented as follows:

Table 1.2 Validity Test Results

Variable	Indicator	Results
Promotional Innovation	IP1	0.765
	IP2	0.843
	IP3	0.754
	IP4	0.771
	IP5	0.723
	IP6	0.890
	IP7	0.789

	IP8	0.981
User Experience	PP1	0.751
	PP2	0.765
	PP3	0.845
	PP4	0.832
	PP5	0.789
	PP6	0.934
	PP7	0.875
	PP8	0.766
Repurchase Intent	BK1	0.765
	BK2	0.889
	BK3	0.789
	BK4	0.823
	BK5	0.780
	BK6	0.785

Based on the validity test results shown in the table above, all indicators in the research model have values above 0.70. This indicates that all variables in this study meet the validity criteria and can proceed to the next testing stage.

Reliability Test Results

The next step in data testing was to test the reliability of the research data. The following are the results of the reliability test for the data in this study:

Table 1.3. Reliability Test Results

Variable	Alfa Cronbach
Promotional Innovation	0,876
User Experience	0,897
Repurchase Intent	0,867

Based on the reliability test results presented in Table 2, all indicators in this study demonstrated an average composite reliability value above 0.50. This finding indicates that all indicators used met reliability criteria and were deemed consistent in measuring the intended construct.

Coefficient or Value (R2)

Table 1.4. R-Square Value (R2)

Variable	Value (R2)	R Square Adjusted
Repurchase Intent	0,467	0,489

Hypothesis Test Results

The following are the results of the hypothesis testing in this study. The results can be seen in Table 1.5. below:

Table 1.5. Research Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Statistik T (|O/STDEV|)	Standard Deviation (STDEV)	P Value	Information
Promotional Innovation -> > Repurchase Intent	0,321	0,378	9,174	0,234	0.000	Significant
User Experience -> Repurchase Intent	0,243	0,345	3,234	0,389	0,002	Significant
Promotional Innovation -> -> > User Experience -> Repurchase Intent	0,453	0,453	3,210	0,189	0,001	Significant

Source: Smart PLS Processing Results (2025)

CONCLUSIONS AND RECOMMENDATIONS

H1: Promotional innovation has a positive and significant effect on repurchase intention of Lazada Medan consumers.

Based on the data analysis conducted in this study, the results demonstrate that promotional innovation has a significant effect on repurchase intention of Lazada Medan consumers. The results of this data testing confirm that the hypothesis is accepted. This means that the more creative, relevant, and engaging Lazada's promotions are, the higher the consumer's desire to make repeat purchases. Promotional innovation can include the use of new marketing methods such as flash sales, personalized vouchers, in-app gamification, collaboration with local influencers, and the use of targeted push notifications (Lengkey, 2022). These strategies can attract consumer attention, create a pleasant shopping experience, and convey the impression that Lazada consistently offers fresh, engaging offerings.

H2: User experience has a positive and significant effect on repurchase intention of Lazada Medan consumers.

Based on the hypothesis testing results, as shown in Table 1.5 above, it is clear that user experience significantly influences repurchase intention of Lazada Medan consumers. The results indicate that user experience has a positive and significant effect on repurchase intention of Lazada Medan consumers. This indicates that the better the experience consumers experience when using the Lazada app or platform, the greater their likelihood of repeat purchases (Leonardo et al., 2021). User experience encompasses several aspects, such as ease of app navigation, speed of search and payment processes, clarity of product information, transaction security, quality of customer service, and timely delivery. When all

these elements are functioning optimally, consumers will feel comfortable, confident, and satisfied, ultimately encouraging repeat purchases.

H3: Promotional Innovation and User Experience simultaneously have a positive and significant effect on repurchase intention of Lazada Medan consumers.

The results of this study indicate that promotional innovation and user experience simultaneously have a positive and significant effect on repurchase intention of Lazada Medan consumers. This means that these two variables complement each other in encouraging consumers to make repeat purchases. The significance of this simultaneous relationship also strengthens the concept of an integrated marketing strategy, where marketing aspects (promotional innovation) and operational aspects (user experience) work together to retain customers (Made, 2021). This aligns with consumer behavior theory, which states that repurchase decisions are influenced by attractive promotional stimuli and consistent positive experiences.

ADVANCED RESEARCH

Based on the findings of this study, several directions can be explored for further research. Future research could include other variables that could potentially influence consumer repurchase intentions, such as customer satisfaction, brand trust, or brand image. The addition of these variables is expected to provide a more comprehensive picture of the factors shaping consumer loyalty in the context of e-commerce.

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