THE EFFECT OF VIRTUAL TRY-ON ON REPURCHASE INTENTION WITH CUSTOMER SATISFACTION AND IMMERSIVE EXPERIENCE AS MEDIATING VARIABLES (A STUDY ON SHOPEE'S BEAUTYCAM FEATURE IN INDONESIA)

THESIS

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MANAGEMENT STUDY PROGRAM

FACULTY OF ECONOMICS AND BUSINESS

UNIVERSITY OF TANJUNGPURA

2026

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PENGARUH *VIRTUAL TRY-ON* TERHADAP NIAT PEMBELIAN ULANG DENGAN KEPUASAN PELANGGAN DAN PENGALAMAN IMERSIF SEBAGAI VARIABEL MEDIASI (STUDI PADA FITUR *BEAUTYCAM* Shopee DI INDONESIA)

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Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh *Virtual Try-On (VTO)* terhadap *Repurchase Intention* dengan *Customer Satisfaction* dan *Immersive Experience* sebagai variabel mediasi pada pengguna fitur *BeautyCam* Shopee di Indonesia. Penelitian ini menggunakan pendekatan kuantitatif dengan metode *explanatory research*. Data dikumpulkan melalui penyebaran kuesioner online kepada 160 responden Generasi Z di Indonesia yang pernah menggunakan fitur *BeautyCam* untuk mencoba produk kosmetik secara virtual dan melakukan pembelian kosmetik melalui platform Shopee. Teknik analisis data yang digunakan adalah *Partial Least Squares-Structural Equation Modeling (PLS-SEM)* dengan bantuan software *SmartPLS 4.0*.

Hasil penelitian menunjukkan bahwa *Virtual Try-On* berpengaruh positif dan signifikan terhadap *Immersive Experience*, *Customer Satisfaction*, dan *Repurchase Intention*. Selain itu, *Immersive Experience* berpengaruh positif dan signifikan terhadap *Repurchase Intention*, sedangkan *Customer Satisfaction* tidak berpengaruh signifikan terhadap Repurchase Intention. Penelitian ini juga membuktikan bahwa *Immersive Experience* mampu memediasi pengaruh *Virtual Try-On* terhadap *Repurchase Intention* secara signifikan, sedangkan *Customer Satisfaction* tidak mampu memediasi pengaruh tersebut secara signifikan. Temuan ini menunjukkan bahwa penggunaan teknologi *Virtual Try-On* melalui fitur *BeautyCam* lebih efektif dalam meningkatkan niat pembelian ulang melalui pengalaman belanja yang imersif dibandingkan melalui kepuasan pelanggan.

Kata Kunci: *Virtual Try-On, Immersive Experience, Customer Satisfaction, Repurchase Intention, BeautyCam, E-commerce* Kecantikan

THE EFFECT OF VIRTUAL TRY-ON ON REPURCHASE INTENTION WITH CUSTOMER SATISFACTION AND IMMERSIVE EXPERIENCE AS MEDIATING VARIABLES (A STUDY ON Shopee'S BEAUTYCAM FEATURE IN INDONESIA)

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Abstract

This study aims to analyze the effect of Virtual Try-On (VTO) on Repurchase Intention with Customer Satisfaction and Immersive Experience as mediating variables among users of Shopee's BeautyCam feature in Indonesia. This research employed a quantitative approach using an explanatory research method. Data were collected through online questionnaires distributed to 160 Generation Z respondents in Indonesia who had used the BeautyCam feature to virtually try cosmetic products and purchase cosmetics through the Shopee platform. The data analysis technique used was Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0 software.

The results indicate that Virtual Try-On has a positive and significant effect on Immersive Experience, Customer Satisfaction, and Repurchase Intention. Furthermore, Immersive Experience has a positive and significant effect on Repurchase Intention, while Customer Satisfaction does not have a significant effect on Repurchase Intention. The findings also reveal that Immersive Experience significantly mediates the relationship between Virtual Try-On and Repurchase Intention, whereas Customer Satisfaction does not significantly mediate the relationship. These findings suggest that Virtual Try-On technology through the BeautyCam feature is more effective in encouraging repurchase intention through immersive shopping experiences rather than through customer satisfaction.

Keywords: Virtual Try-On, Immersive Experience, Customer Satisfaction, Repurchase Intention, BeautyCam, Beauty E-commerce

PENGARUH *VIRTUAL TRY-ON* TERHADAP NIAT PEMBELIAN ULANG DENGAN KEPUASAN PELANGGAN DAN PENGALAMAN IMERSIF SEBAGAI VARIABEL MEDIASI (STUDI PADA FITUR *BEAUTYCAM* Shopee DI INDONESIA)

RINGKASAN

A. Latar Belakang dan Tujuan Penelitian

Perkembangan teknologi digital telah membawa perubahan besar dalam perilaku konsumen, terutama dalam aktivitas belanja online. Salah satu inovasi yang berkembang pesat adalah teknologi *Augmented Reality (AR)* yang memungkinkan konsumen berinteraksi dengan produk secara virtual melalui fitur *Virtual Try-On (VTO)*. Dalam industri kecantikan, teknologi ini menjadi sangat relevan karena produk kosmetik membutuhkan tingkat personalisasi yang tinggi, seperti kecocokan warna, tekstur, dan hasil akhir yang sulit dinilai hanya melalui gambar katalog.

Di Indonesia, pertumbuhan *e-commerce* yang semakin pesat juga mendorong meningkatnya penggunaan teknologi digital dalam pengalaman belanja online. Salah satu platform e-commerce yang menerapkan teknologi *Virtual Try-On* adalah Shopee melalui fitur *BeautyCam* yang memungkinkan pengguna mencoba berbagai produk kosmetik secara *virtual* menggunakan kamera *smartphone*. Kehadiran fitur ini diharapkan mampu meningkatkan pengalaman belanja yang lebih interaktif, realistis, dan menyenangkan bagi konsumen.

Namun, meskipun teknologi *Virtual Try-On* dinilai mampu meningkatkan visualisasi produk dan interaksi konsumen, masih terdapat keterbatasan penelitian yang membahas pengaruh teknologi tersebut terhadap *Repurchase Intention* melalui variabel mediasi *Immersive Experience* dan *Customer Satisfaction*, khususnya pada konteks industri kecantikan *digital* di Indonesia. Selain itu, hasil penelitian sebelumnya terkait peran *Customer Satisfaction* sebagai variabel mediasi juga masih menunjukkan hasil yang beragam. Oleh karena itu, penelitian ini dilakukan untuk menganalisis pengaruh *Virtual Try-On* terhadap *Repurchase*

Intention dengan *Customer Satisfaction* dan *Immersive Experience* sebagai variabel mediasi pada pengguna fitur *BeautyCam* Shopee di Indonesia.

B. Pertanyaan Penelitian

1. Apakah *Virtual Try-On (VTO)* berpengaruh terhadap *Immersive Experience*?
2. Apakah *Virtual Try-On (VTO)* berpengaruh terhadap *Customer Satisfaction*?
3. Apakah *Virtual Try-On (VTO)* berpengaruh terhadap *Repurchase Intention*?
4. Apakah *Immersive Experience* berpengaruh terhadap *Repurchase Intention*?
5. Apakah *Customer Satisfaction* berpengaruh terhadap *Repurchase Intention*?
6. Apakah *Immersive Experience* memediasi pengaruh *Virtual Try-On* terhadap *Repurchase Intention*?
7. Apakah *Customer Satisfaction* memediasi pengaruh *Virtual Try-On* terhadap *Repurchase Intention*?

C. Tujuan Penelitian

1. Untuk menguji dan menganalisis pengaruh *Virtual Try-On (VTO)* terhadap *Immersive Experience*.
2. Untuk menguji dan menganalisis pengaruh *Virtual Try-On (VTO)* terhadap *Customer Satisfaction.*
3. Untuk menguji dan menganalisis pengaruh *Virtual Try-On (VTO)* terhadap *Repurchase Intention*.
4. Untuk menguji dan menganalisis pengaruh *Immersive Experience* terhadap *Repurchase Intention*.
5. Untuk menguji dan menganalisis pengaruh *Customer Satisfaction* terhadap *Repurchase Intention*.
6. Untuk menguji dan menganalisis pengaruh *Immersive Experience* dalam memediasi hubungan antara *Virtual Try-On* dan *Repurchase Intention*.
7. Untuk menguji dan menganalisis pengaruh *Customer Satisfaction* dalam memediasi hubungan antara *Virtual Try-On* dan *Repurchase Intention*.

E. Metode Penelitian

Penelitian ini menggunakan metode kuantitatif dengan pendekatan *explanatory research*. Jumlah sampel dalam penelitian ini sebanyak 160 responden Generasi Z di Indonesia yang pernah menggunakan fitur *BeautyCam* Shopee untuk mencoba produk kosmetik secara virtual dan melakukan pembelian kosmetik melalui *platform* Shopee. Teknik pengambilan sampel menggunakan *non-probability sampling* dalam bentuk purposive sampling. Pengolahan data dilakukan menggunakan teknik analisis *PLS-SEM (Partial Least Squares-Structural Equation Modeling)* dengan bantuan aplikasi *SmartPLS 4.0*.

F. Hasil dan Pembahasan

1. Pada penelitian ini, pengaruh antara *Virtual Try-On (VTO)* terhadap *Customer Satisfaction (CS)* memperoleh nilai *T-Statistics* sebesar 5.097 > 1.96 dan *p-value* sebesar 0.000 < 0.05. Hasil tersebut menunjukkan bahwa *Virtual Try-On* berpengaruh positif dan signifikan terhadap *Customer Satisfaction*. Dengan demikian, hipotesis 1 diterima.
2. Pada penelitian ini, pengaruh antara *Virtual Try-On (VTO)* terhadap *Immersive Experience (IE)* memperoleh nilai *T-Statistics* sebesar 6.310 > 1.96 dan *p-value* sebesar 0.000 < 0.05. Hasil tersebut menunjukkan bahwa *Virtual Try-On* berpengaruh positif dan signifikan terhadap *Immersive Experience*. Dengan demikian, hipotesis 2 diterima.
3. Pada penelitian ini, pengaruh antara *Virtual Try-On (VTO)* terhadap *Repurchase Intention (RI)* memperoleh nilai *T-Statistics* sebesar 3.450 > 1.96 dan *p-value* sebesar 0.000 < 0.05. Hasil tersebut menunjukkan bahwa *Virtual Try-On* berpengaruh positif dan signifikan terhadap *Repurchase Intention*. Dengan demikian, hipotesis 3 diterima.
4. Pada penelitian ini, pengaruh antara *Immersive Experience (IE)* terhadap *Repurchase Intention (RI)* memperoleh nilai *T-Statistics* sebesar 5.891 > 1.96 dan *p-value* sebesar 0.000 < 0.05. Hasil tersebut menunjukkan bahwa *Immersive Experience* berpengaruh positif dan signifikan terhadap *Repurchase Intention*. Dengan demikian, hipotesis 4 diterima.

5. Pada penelitian ini, hubungan antara *Customer Satisfaction (CS)* terhadap *Repurchase Intention (RI)* memperoleh nilai *T-Statistics* sebesar 1.530 < 1.96 dan *p-value* sebesar 0.063 > 0.05. Hasil tersebut menunjukkan bahwa *Customer Satisfaction* tidak berpengaruh signifikan terhadap *Repurchase Intention*. Dengan demikian, hipotesis 5 ditolak.
6. Pada penelitian ini, pengaruh antara *Virtual Try-On (VTO)* terhadap *Repurchase Intention (RI)* yang dimediasi oleh *Immersive Experience (IE)* memperoleh nilai *T-Statistics* sebesar 4.342 > 1.96 dan *p-value* sebesar 0.000 < 0.05. Hasil tersebut menunjukkan bahwa *Immersive Experience* mampu memediasi pengaruh *Virtual Try-On* terhadap *Repurchase Intention* secara signifikan. Dengan demikian, hipotesis 6 diterima.
7. Pada penelitian ini, pengaruh antara *Virtual Try-On (VTO)* terhadap *Repurchase Intention (RI)* yang dimediasi oleh *Customer Satisfaction (CS)* memperoleh nilai *T-Statistics* sebesar 1.389 < 1.96 dan *p-value* sebesar 0.082 > 0.05. Hasil tersebut menunjukkan bahwa Customer Satisfaction tidak mampu memediasi pengaruh *Virtual Try-On* terhadap *Repurchase Intention* secara signifikan. Dengan demikian, hipotesis 7 ditolak.

G. Kesimpulan dan Rekomendasi

Kesimpulan

1. Hasil analisis deskriptif menunjukkan bahwa variabel *Virtual Try-On* (X), *Immersive Experience* (Z1), *Customer Satisfaction* (Z2), dan *Repurchase Intention* (Y) termasuk dalam kategori sangat tinggi. Pada variabel *Virtual Try-On*, indikator dengan nilai rata-rata tertinggi adalah *Perceived Usefulness*. Pada variabel *Immersive Experience*, indikator dengan nilai rata-rata tertinggi adalah *Visual Realism*. Pada variabel *Customer Satisfaction*, indikator dengan nilai rata-rata tertinggi adalah *Overall Satisfaction Feeling*. Sedangkan pada variabel *Repurchase Intention*, indikator dengan nilai rata-rata tertinggi adalah *Transactional Intention*.
2. Hasil uji hipotesis menunjukkan bahwa *Virtual Try-On* berpengaruh positif dan signifikan terhadap *Immersive Experience*, *Customer Satisfaction*, dan

Repurchase Intention. Selain itu, *Immersive Experience* juga berpengaruh positif dan signifikan terhadap *Repurchase Intention*, sedangkan *Customer Satisfaction* tidak berpengaruh signifikan terhadap *Repurchase Intention*. Dengan demikian, hipotesis 1 sampai hipotesis 4 diterima, sedangkan hipotesis 5 ditolak.

3. Hasil analisis uji mediasi *specific indirect effects* menunjukkan bahwa *Immersive Experience* mampu memediasi pengaruh *Virtual Try-On* terhadap *Repurchase Intention* secara positif dan signifikan. Namun, *Customer Satisfaction* tidak mampu memediasi pengaruh *Virtual Try-On* terhadap *Repurchase Intention* secara signifikan karena nilai *T-Statistics* lebih kecil dari 1.96 dan *p-value* lebih besar dari 0.05. Hal ini menunjukkan bahwa pengalaman imersif memiliki peran yang lebih dominan dibandingkan kepuasan pelanggan dalam mendorong niat pembelian ulang pada pengguna fitur *BeautyCam* Shopee. Dengan demikian, hipotesis 6 diterima sedangkan hipotesis 7 ditolak.

Rekomendasi

1. Hasil penelitian menunjukkan bahwa penggunaan teknologi *Virtual Try-On* melalui fitur *BeautyCam* Shopee mampu meningkatkan pengalaman belanja yang lebih interaktif, realistis, dan menyenangkan sehingga dapat mendorong niat pembelian ulang konsumen melalui pengalaman yang imersif. Oleh karena itu, perusahaan *e-commerce* dan *brand* kosmetik disarankan untuk terus mengembangkan fitur *Virtual Try-On* dengan kualitas visual yang lebih realistis, responsif, dan mudah digunakan agar konsumen dapat memperoleh pengalaman digital yang lebih mendalam dan menarik.
2. Penelitian ini menggunakan populasi Generasi Z di Indonesia dengan jumlah sampel sebanyak 160 responden. Untuk penelitian selanjutnya disarankan menggunakan populasi yang lebih luas atau membandingkan perilaku konsumen antar negara agar memperoleh hasil yang lebih komprehensif. Selain itu, penelitian selanjutnya juga dapat menambahkan variabel lain seperti *Brand Trust*, *Perceived Enjoyment*, atau *Consumer Engagement* untuk

memperluas model penelitian terkait penggunaan teknologi *Virtual Try-On* dalam *e-commerce* kecantikan.

THE EFFECT OF VIRTUAL TRY-ON ON REPURCHASE INTENTION WITH CUSTOMER SATISFACTION AND IMMERSIVE EXPERIENCE AS MEDIATING VARIABLES (A STUDY ON Shopee's BEAUTYCAM FEATURE IN INDONESIA)

SUMMARY

A. Research Background and Objectives

The development of digital technology has brought significant changes to consumer behavior, especially in online shopping activities. One of the rapidly growing innovations is Augmented Reality (AR) technology, which allows consumers to interact with products virtually through the Virtual Try-On (VTO) feature. In the beauty industry, this technology has become highly relevant because cosmetic products require a high level of personalization, such as color matching, texture, and final appearance, which are difficult to evaluate solely through catalog images.

In Indonesia, the rapid growth of e-commerce has also encouraged the increasing use of digital technology in online shopping experiences. One of the e-commerce platforms implementing Virtual Try-On technology is Shopee through its BeautyCam feature, which allows users to virtually try various cosmetic products using a smartphone camera. The presence of this feature is expected to create a more interactive, realistic, and enjoyable shopping experience for consumers.

However, although Virtual Try-On technology is considered capable of improving product visualization and consumer interaction, there is still limited research discussing its effect on Repurchase Intention through the mediating variables of Immersive Experience and Customer Satisfaction, especially in the context of Indonesia's digital beauty industry. In addition, previous studies regarding the role of Customer Satisfaction as a mediating variable still show inconsistent findings. Therefore, this study was conducted to analyze the effect of Virtual Try-On on Repurchase Intention with Customer Satisfaction and

Immersive Experience as mediating variables among users of Shopee's BeautyCam feature in Indonesia.

B. Research Questions

1. Does Virtual Try-On (VTO) affect Immersive Experience?
2. Does Virtual Try-On (VTO) affect Customer Satisfaction?
3. Does Virtual Try-On (VTO) affect Repurchase Intention?
4. Does Immersive Experience affect Repurchase Intention?
5. Does Customer Satisfaction affect Repurchase Intention?
6. Does Immersive Experience mediate the effect of Virtual Try-On on Repurchase Intention?
7. Does Customer Satisfaction mediate the effect of Virtual Try-On on Repurchase Intention?

C. Research Objectives

1. To examine and analyze the effect of Virtual Try-On (VTO) on Immersive Experience.
2. To examine and analyze the effect of Virtual Try-On (VTO) on Customer Satisfaction.
3. To examine and analyze the effect of Virtual Try-On (VTO) on Repurchase Intention.
4. To examine and analyze the effect of Immersive Experience on Repurchase Intention.
5. To examine and analyze the effect of Customer Satisfaction on Repurchase Intention.
6. To examine and analyze the mediating role of Immersive Experience in the relationship between Virtual Try-On and Repurchase Intention.
7. To examine and analyze the mediating role of Customer Satisfaction in the relationship between Virtual Try-On and Repurchase Intention.

E. Research Method

This study employed a quantitative method with an explanatory research approach. The sample consisted of 160 Generation Z respondents in Indonesia who had used the BeautyCam feature on Shopee to virtually try cosmetic products and purchase cosmetics through the Shopee platform. The sampling technique used was non-probability sampling in the form of purposive sampling. Data processing was conducted using the PLS-SEM (Partial Least Squares-Structural Equation Modeling) analysis technique with SmartPLS 4.0 software.

F. Results and Discussion

1. In this study, the effect of Virtual Try-On (VTO) on Customer Satisfaction (CS) obtained a T-Statistics value of 5.097 > 1.96 and a p-value value of 0.000 < 0.05. These results indicate that Virtual Try-On has a positive and significant effect on Customer Satisfaction. Therefore, hypothesis 1 is accepted.
2. In this study, the effect of Virtual Try-On (VTO) on Immersive Experience (IE) obtained a T-Statistics value of 6.310 > 1.96 and a p-value value of 0.000 < 0.05. These results indicate that Virtual Try-On has a positive and significant effect on Immersive Experience. Therefore, hypothesis 2 is accepted.
3. In this study, the effect of Virtual Try-On (VTO) on Repurchase Intention (RI) obtained a T-Statistics value of 3.450 > 1.96 and a p-value value of 0.000 < 0.05. These results indicate that Virtual Try-On has a positive and significant effect on Repurchase Intention. Therefore, hypothesis 3 is accepted.
4. In this study, the effect of Immersive Experience (IE) on Repurchase Intention (RI) obtained a T-Statistics value of 5.891 > 1.96 and a p-value value of 0.000 < 0.05. These results indicate that Immersive Experience has a positive and significant effect on Repurchase Intention. Therefore, hypothesis 4 is accepted.

5. In this study, the relationship between Customer Satisfaction (CS) and Repurchase Intention (RI) obtained a T-Statistics value of 1.530 < 1.96 and a p-value value of 0.063 > 0.05. These results indicate that Customer Satisfaction does not have a significant effect on Repurchase Intention. Therefore, hypothesis 5 is rejected.
6. In this study, the effect of Virtual Try-On (VTO) on Repurchase Intention (RI) mediated by Immersive Experience (IE) obtained a T-Statistics value of 4.342 > 1.96 and a p-value value of 0.000 < 0.05. These results indicate that Immersive Experience significantly mediates the effect of Virtual Try-On on Repurchase Intention. Therefore, hypothesis 6 is accepted.
7. In this study, the effect of Virtual Try-On (VTO) on Repurchase Intention (RI) mediated by Customer Satisfaction (CS) obtained a T-Statistics value of 1.389 < 1.96 and a p-value value of 0.082 > 0.05. These results indicate that Customer Satisfaction does not significantly mediate the effect of Virtual Try-On on Repurchase Intention. Therefore, hypothesis 7 is rejected.

G. Conclusions and Recommendations

Conclusions

1. The descriptive analysis results indicate that the variables Virtual Try-On (X), Immersive Experience (Z1), Customer Satisfaction (Z2), and Repurchase Intention (Y) are categorized as very high. In the Virtual Try-On variable, the indicator with the highest average score is Perceived Usefulness. In the Immersive Experience variable, the indicator with the highest average score is Visual Realism. In the Customer Satisfaction variable, the indicator with the highest average score is Overall Satisfaction Feeling. Meanwhile, in the Repurchase Intention variable, the indicator with the highest average score is Transactional Intention.
2. The results of the hypothesis testing indicate that Virtual Try-On has a positive and significant effect on Immersive Experience, Customer Satisfaction, and Repurchase Intention. In addition, Immersive Experience also has a positive and significant effect on Repurchase Intention, while

Customer Satisfaction does not have a significant effect on Repurchase Intention. Therefore, Hypotheses 1 through 4 are accepted, while Hypothesis 5 is rejected.

3. The results of the mediation analysis of specific indirect effects show that Immersive Experience mediates the effect of Virtual Try-On on Repurchase Intention in a positive and significant manner. However, Customer Satisfaction does not significantly mediate the effect of Virtual Try-On on Repurchase Intention because the T-statistic value is less than 1.96 and the p-value is greater than 0.05. This indicates that Immersive Experience plays a more dominant role than customer satisfaction in driving repurchase intention among users of Shopee's BeautyCam feature. Therefore, Hypothesis 6 is accepted, while Hypothesis 7 is rejected.

Recommendations

1. The results of this study indicate that the implementation of Virtual Try-On technology through the BeautyCam feature on Shopee can create a more interactive, realistic, and enjoyable shopping experience, thereby encouraging repurchase intention through immersive shopping experiences. Therefore, e-commerce companies and cosmetic brands are recommended to continuously improve Virtual Try-On features with more realistic visuals, responsive systems, and user-friendly interfaces to enhance consumer experience.
2. This study used Generation Z consumers in Indonesia with a sample size of 160 respondents. Future studies are recommended to use a broader population or compare consumer behavior across countries to obtain more comprehensive results. In addition, future research may include other variables such as Brand Trust, Perceived Enjoyment, or Consumer Engagement to expand the research model related to the use of Virtual Try-On technology in beauty e-commerce.

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CHAPTER 1
INTRODUCTION

1.1 Background

The growth of digital technology has brought about major changes in various aspects of life, for example, how consumers interact with products. One clear example of this rapid growth is the presence of Augmented Reality (AR) technology. This technology combines virtual elements with the real world in real time, providing a more immersive and informative interactive experience. The growth in the use of this technology can be seen from the increase in the number of Augmented Reality (AR) users globally. According to Statista data cited by Fardila Soliha & Wicaksono (2024), the number of AR users globally has increased dramatically from 350 million in 2019 to 1.6 billion in 2024.

The increase in the adoption of Augmented Reality (AR) technology is evident not only from the growing number of users, but also from its widespread application in various industries such as fashion, furniture, and automotive. In the fashion industry, brands such as Zara, Gucci, and Warby Parker utilize the Virtual Try-On (VTO) feature to allow consumers to try on products virtually. Meanwhile, IKEA has pioneered the furniture sector through its IKEA Place app, and car manufacturers such as BMW and Toyota are using AR to showcase vehicle features before purchase.

Among these industries, the cosmetics sector has experienced the most significant impact in e-commerce because cosmetic products require a high degree of personalization, such as color, texture, or compatibility, which are difficult to assess when viewed online. In this context, Virtual Try-On (VTO) has emerged as a strategic innovation that not only improves product visualization but also strengthens consumer confidence and decision-making before purchasing. Research by Hwangbo et al. (2020) shows that the use of VTO can increase sales while reducing product return rates, confirming the importance of this technology in digital business. Additionally, in the beauty industry, VTO provides significant added value by allowing consumers to try products such as lipstick, foundation,

and eyeshadow directly and in real-time on their faces using a phone camera, delivering a realistic and personalized experience similar to trying products in a store (Morabet et al., 2021)

The relevance of Virtual Try-On (VTO) is growing stronger with the increasing penetration of e-commerce in Indonesia. According to a report by Google (2023) in e-Conomy SEA 2023, Indonesia's e-commerce market is worth USD 59 billion and is projected to continue growing over the next few years, making it one of the largest markets in Southeast Asia. Among various categories, the beauty segment has emerged as one of the fastest-growing categories, driven by increasing demand for cosmetics online. However, the high variety of products will certainly pose a new challenge in the form of confusion for consumers in choosing the right product. Virtual Try-On (VTO) answers this question by providing a more accurate, personalized, and enjoyable shopping experience, thereby increasing consumer confidence in interacting with products on digital platforms.

The cosmetics industry in Indonesia is currently experiencing rapid growth, with a market value estimated to reach IDR 34.6 trillion by 2025 and an annual growth rate of around 4.7% (Kementrian Perindustrian, 2025). The number of businesses in this sector continues to surge, from 726 companies in 2020 to 1,292 in 2024, dominated by the growth of small and micro companies that are increasingly driving product innovation (DuniaIndustri, 2025). Data from GMIRESEARCH and Kementrian Perindustrian also confirms the bright prospects for the Indonesian cosmetics industry in the coming years, with a CAGR estimated at 5.7% until 2032, supported by digitalization, people's purchasing power, halal product trends, and aggressive e-commerce-based marketing strategies (GMI Research, 2025; Kementrian Perindustrian, 2025). The increasing adoption of digital technologies such as Virtual Try-On is one of the determinants of competitiveness and new market opportunities in the national beauty industry.



Figure 1.1 Indonesia Cosmetic Market Opportunities & Forecast
Source: GMI Research (2025)

In addition to the growth of the e-commerce market, the behavior of Indonesian digital consumers also shows a strong dependence on mobile and visual aspects when shopping online. According to We Are Social (2024), around 81% of web traffic to shopping and auction sites in Indonesia comes from mobile devices, while 68.5% of internet users research brands online before making a purchase. These findings indicate that product visuals and digital interactivity play an important role in influencing purchasing decisions. Therefore, technology-based features such as Virtual Try-On (VTO) can be a relevant solution to enhance a realistic and personalized shopping experience for consumers.

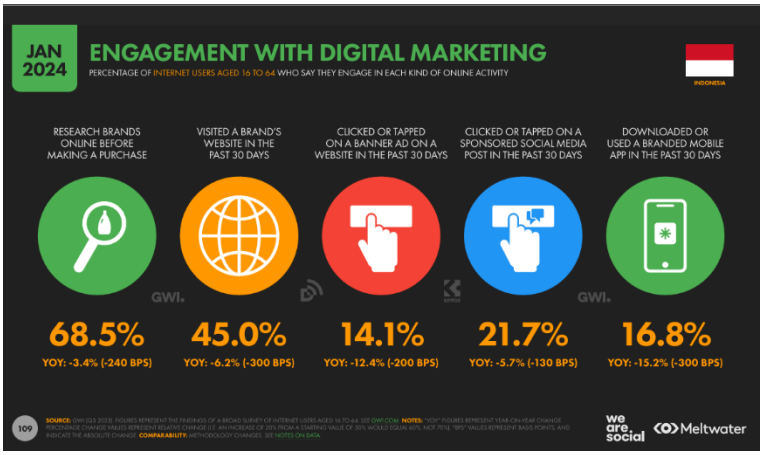


Figure 1.2 Engagement with Digital Marketing
Source: We Are Social (2024)

Within various consumer segments, Generation Z is one of the most relevant groups to study the adoption of Virtual Try-On (VTO) technology in the beauty e-commerce industry. As digital natives, Generation Z has grown up alongside the

internet, smartphones, and social media, making them highly familiar with interactive digital technologies and online shopping platforms. Compared to previous generations, Generation Z relies more heavily on digital content, visual information, and social media when searching for product information, evaluating various alternatives, and making purchasing decisions (Singh & Agrawal, 2024). In the beauty industry, Generation Z has become one of the primary target markets because their purchasing decisions are increasingly influenced by digital experiences, online reviews, and interactive technologies that can reduce consumer uncertainty before making a purchase decision (Lubis & Hayu, 2025). Therefore, Generation Z provides an ideal context for investigating consumer responses to Virtual Try-On (VTO) technology in Indonesia's beauty e-commerce sector. Based on this, this study focuses on Generation Z consumers in Indonesia who have used Shopee's BeautyCam feature to shop for cosmetic products.

Given the growing importance of Generation Z in the digital beauty market, e-commerce platforms are increasingly adopting interactive technologies to meet the expectations of this consumer segment. One of the pioneers in the application of Virtual Try-On (VTO) technology in the Indonesian beauty industry is the Shopee app through its BeautyCam feature. First introduced in 2019, this feature allows users to virtually try out various cosmetic products such as lipstick, foundation, and eyeshadow using their smartphone cameras. Various brands, both international ones such as L'Oréal, Maybelline, and NYX, as well as local ones such as Luxcrime, have utilized BeautyCam to expand their market and increase consumer engagement. This technology not only brings innovation to the cosmetic shopping experience but also addresses one of the main challenges of online shopping: product personalization.

Table 1.1
E-commerce in Indonesia that Adopts Augmented Reality (AR) or Virtual Try-On (VTO) Features

No	E-Commerce Platform	Type of Product	Feature Name	Year
1	Shopee (Jakartakita, 2019)	Cosmetics, beauty	BeautyCam	2019
2	Tokopedia (Liputan6, 2023)	Cosmetics	AR Makeup Try-On (L'Oreal x Tokopedia)	2021
3	Lazada Indonesia (Merahputih, 2023)	Fashion, beauty	LazBeauty AR Try-On	2022
4	IKEA Indonesia (Yangcanggih, 2017)	Furniture	IKEA Place App	2017

Source: Data Processed by Researchers (2025)

Based on Table 1.1, although several platforms have adopted similar technologies, Shopee BeautyCam has several strategic advantages that make it most relevant to this study. Shopee holds the largest market share in Indonesia, and the BeautyCam feature is integrated directly into the main application without requiring additional installation, making it more accessible and encouraging high adoption rates. BeautyCam's collaboration with various major brands, both international and local, also contributes to a wider variety of products. The combination of a large user base, ease of access, and product diversity strengthens BeautyCam's position as the most dominant and representative VTO implementation in the Indonesian digital beauty market.

After seeing the potential of Virtual Try-On (VTO) in the beauty industry, it is important to note that purchasing cosmetics has its own challenges. Beauty products such as foundation and lipstick are highly dependent on color matching, texture, and final results, which can be very difficult to assess based solely on catalog images (Dharmendra Chahar & Professor, 2013; Pappas, 2017). In this context, Virtual Try-On (VTO) appears as a solution to this challenge, with technology that provides accurate and interactive visualization, enabling consumers to evaluate products more realistically before purchasing. This

technology helps simplify the product selection process by providing digital product try-on visualizations, which in turn makes consumers feel more confident about their decisions (Barta et al., 2023; Whang et al., 2021). Furthermore, Virtual Try-On also serves as a bridge between physical and digital shopping experiences, creating greater emotional engagement and confidence, thereby forming a more immersive and satisfying shopping experience.

When consumers find products that match their preferences and the selection process runs smoothly, this creates satisfaction with the shopping experience (Tsai et al., 2015). This satisfaction does not only come from the final product, but also from an easier decision-making process that is free from doubt (Willman-Iivarinen, 2017). Virtual Try-On (VTO), with its ability to provide a clear and realistic picture, makes consumers feel that the decisions they make are right, thereby building a positive shopping experience for the product and brand. This ultimately increases the likelihood of consumers making repeat purchases in the future.

On the other hand, Virtual Try-On (VTO) is also capable of creating an immersive experience, where consumers feel fully involved in the process of trying out products virtually (Scholz & Smith, 2016) Through realistic and personal interactions, consumers can “play” with various product options and feel as if they are in a store trying out the products directly. This immersive experience builds an emotional connection with the brand, making shopping more enjoyable and encouraging greater engagement between consumers and brands. This is in line with the findings of Anifa & Sanaji (2022), which show that the use of Augmented Reality (AR) can create an enjoyable shopping experience and increase consumer interaction with brands through a more immersive customer experience. Thus, both satisfaction and immersive experiences can be viewed as psychological mechanisms that bridge the influence of Virtual Try-On (VTO) technology on repurchase intention.

Virtual Try-On (VTO) technology has been proven to have a close relationship with key consumer experience variables, namely Immersive Experience, Customer Satisfaction, and Repurchase Intention, which are the main focus of this

study. Through its real-time and interactive simulation features, Virtual Try-On (VTO) plays a crucial role in creating a more immersive and enjoyable experience (Yim et al., 2017), resulting in increased user presence and emotional engagement with the product. In addition, Virtual Try-On (VTO) significantly contributes to customer satisfaction by reducing uncertainty in online cosmetics purchases and helping consumers gain confidence in their decisions (J. Kim & Forsythe, 2008). Positive experiences with Virtual Try-On (VTO) can strengthen consumers' positive attitudes toward e-commerce platforms and encourage future repurchase intentions (Bonetti et al., 2018).

In addition, the relationship between these variables reveals complex mediation mechanisms. A high level of immersive experience can foster feelings of trust and enjoyment, which strongly encourage repurchase intention (Jin et al., 2021). Similarly, customer satisfaction acts as a key predictor of long-term loyalty, as satisfied consumers tend to exhibit sustained positive behavior toward a brand (Anderson & Srinivasan, 2003). Previous studies indicate that the influence of Virtual Try-On (VTO) on repurchase intention is not only direct but also mediated by immersive experience and customer satisfaction (Hinsch et al., 2020; Yim et al., 2017). This mediating effect highlights that Virtual Try-On (VTO) not only provides functional benefits through product visualization but also psychological value that enhances satisfaction, trust, and ultimately, consumer loyalty.

Competition in the beauty industry is becoming increasingly fierce due to the growth of e-commerce and the massive launch of new products. In this situation, companies are not only required to attract new customers but also retain existing ones. One indicator of the success of this strategy is repurchase intention, which is the consumer's intention to buy a product again after a previous experience, reflecting loyalty and becoming a crucial factor for business sustainability (Bing et al., 2024; Ebrahim et al., 2016).

Virtual Try-On (VTO) technology has become an important innovation that can build trust and provide a satisfying shopping experience. Through immersive and realistic interactions, Virtual Try-On (VTO) can create emotional engagement and increase customer satisfaction, which in turn can encourage repeat purchases.

Previous studies have examined the relationship between Virtual Try-On (VTO) and various aspects of consumer behavior, but the focus and findings of these studies still show inconsistency. Several studies (Bonetti et al., 2018; Hwangbo et al., 2020; Yim et al., 2017) show that the implementation of Virtual Try-On (VTO) positively increases consumer engagement, satisfaction, and purchase intention, thus proving its effectiveness in improving the online shopping experience. Conversely, other findings indicate that although Virtual Try-On (VTO) can improve visualization accuracy and interaction with products, it does not always result in long-term behaviors such as repurchase intention (tom Dieck et al., 2023). This implies that psychological mechanisms such as immersive experiences and customer satisfaction may be necessary to maintain consumer loyalty.

Despite the growing body of literature, empirical research specifically examining how Virtual Try-On (VTO) affects repurchase intention through immersive experiences and customer satisfaction is still limited, especially in the context of the beauty e-commerce industry in Indonesia, as most previous studies have focused more on purchase intention than repurchase behavior, which reflects long-term loyalty (Ngo et al., 2025; Rahman Rofi & Kurniawati, 2025). Furthermore, research that specifically examines the impact of Virtual Try-On (VTO) technology on Generation Z consumers in the context of beauty e-commerce in Indonesia remains relatively limited, even though this demographic is one of the primary users of digital beauty technology and e-commerce platforms.

These various findings indicate that empirical evidence regarding the impact of Virtual Try-On (VTO) on consumer behavior still remains varied, highlighting the need for further research in various contexts.

Based on this gap, this study is titled **"The Effect of Virtual Try-On on Repurchase Intention with Customer Satisfaction and Immersive Experience as Mediating Variables (A Study on Shopee's BeautyCam Feature in Indonesia)"**.

1.2 Problem Formulation

1.2.1 Problem Statement

Based on the background discussion, advances in digital technology, particularly in the e-commerce sector, have led to innovations such as Virtual Try-On (VTO), which allows consumers to try products virtually before making a purchase. In the beauty industry, this technology is expected to provide a more interactive and personalized shopping experience. However, consumers are still hesitant to buy cosmetic products online due to concerns that the results may not meet their expectations.

The BeautyCam feature in the Shopee app is one of the most outstanding implementations of Virtual Try-On (VTO) in Indonesia. Considering that Generation Z is one of the largest consumer groups in Indonesia's digital beauty market and one of the primary users of digital shopping technology, understanding how Virtual Try-On technology influences their repurchase intentions is becoming increasingly important. However, academic research examining how Virtual Try-On (VTO) affects repurchase intention through the mediating role of immersive experience and customer satisfaction is still limited. Therefore, this study aims to analyze the relationship between these variables in the context of Generation Z consumer behavior in Indonesia's digital beauty industry.

1.2.2 Research Questions

Based on the description of the problem above, this study is formulated into the following research questions as the main focus:

1. Does Virtual Try-On (VTO) affect Immersive Experience?
2. Does Virtual Try-On (VTO) affect Customer Satisfaction?
3. Does Virtual Try-On (VTO) affect Repurchase Intention?
4. Does Immersive Experience affect Repurchase Intention?
5. Does Customer Satisfaction affect Repurchase Intention?
6. Does Immersive Experience mediate the influence of Virtual Try-On (VTO) on Repurchase Intention?

7. Does Customer Satisfaction mediate the influence of Virtual Try-On (VTO) on Repurchase Intention?

1.3 Research Objectives

Based on the above problem formulation, the objectives of this study are as follows:

1. To examine the effect of Virtual Try-On (VTO) on Immersive Experience.
2. To examine the effect of Virtual Try-On (VTO) on Customer Satisfaction.
3. To examine the effect of Virtual Try-On (VTO) on Repurchase Intention.
4. To examine the effect of Immersive Experience on Repurchase Intention.
5. To examine the effect of Customer Satisfaction on Repurchase Intention.
6. Analyzing the mediating role of Immersive Experience in influencing the relationship between Virtual Try-On (VTO) and Repurchase Intention.
7. Analyzing the mediating role of Customer Satisfaction in influencing the relationship between Virtual Try-On (VTO) and Repurchase Intention.

1.4 Research Contributions

The following are the benefits of this research in relation to the objectives to be achieved.

1.4.1 Theoretical Contributions

This study is expected to enhance understanding of how Virtual Try-On (VTO) technology influences repurchase intent through the mediating roles of immersive experience and customer satisfaction. Additionally, this study enriches the literature on digital marketing, consumer behavior, and e-commerce technology by providing empirical evidence from the beauty industry in Indonesia. Particularly, this study contributes to the literature on Generation Z consumer behavior in augmented reality (AR)-based beauty e-commerce by providing insights into how this digitally oriented consumer segment responds to Virtual Try-On (VTO) technology. Therefore, this study is expected to provide a reference

for future research examining consumer behavior and the application of emerging digital technologies in similar contexts.

1.4.2 Practical Contributions

This research is expected to provide useful input for e-commerce users and cosmetic brands, especially Shopee, in utilizing Virtual Try-On (VTO) technology to improve consumer experience and satisfaction. Furthermore, it is hoped that this research can also assist in business decision-making, such as developing interactive features, improving digital services, and marketing strategies to encourage loyalty and repeat purchases.

1.5 Conceptual Overview

Shopee is one of the largest e-commerce platforms in Indonesia that continues to innovate to provide an interactive shopping experience for its users. One of its outstanding innovations is the BeautyCam feature, which uses Virtual Try-On (VTO) technology to allow users to try various cosmetic products virtually using only their smartphone cameras. This feature was first introduced in 2019 and has become one of the most popular VTO technology implementations in Indonesia's digital beauty market.

BeautyCam was developed to address the main challenge in online cosmetics shopping, which is the difficulty consumers have in determining the color, texture, and final result of a product based purely on catalog images. Using Augmented Reality (AR) technology, BeautyCam provides real-time visualization of cosmetic products such as lipstick, foundation, and eyeshadow, allowing users to immediately see how the product looks on their face.



Figure 1.3 Current BeautyCam display
Source: shopee.co.id

Since its initial launch, BeautyCam has continued to evolve, both in terms of interface features and product variety. Shopee collaborates with leading beauty brands such as L'Oréal, Maybelline, NYX, and local brands such as Luxcrime, to expand the range of products available for users to try. Through this collaboration, Shopee not only enriches its beauty product catalog but also increases consumer engagement by offering a more personalized and interactive shopping experience.



Figure 1.4 Brands that have joined BeautyCam
Source: shopee.co.id

The popularity of this feature is in line with the growth of the e-commerce market in Indonesia and the behavior of digital consumers who are highly dependent on visual aspects and the use of mobile devices when shopping online. According to a report by We Are Social (2024), around 81% of web traffic to shopping and auction sites in Indonesia comes from mobile devices, while 68.5% of internet users search for brand information online before making a purchase. These findings indicate that product visuals and digital interactivity play an important role in influencing purchasing decisions. Therefore, technology-based

features such as Virtual Try-On (VTO) presented through BeautyCam are a relevant solution to enhance a realistic and personalized shopping experience for consumers.

In addition to making it easier to choose products, BeautyCam also plays a role in building customer satisfaction and trust. Accurate visualization helps increase confidence in purchasing decisions and strengthens the emotional connection between consumers and brands, encouraging loyalty and repeat purchase intent. Overall, BeautyCam illustrates how technological innovation can align with modern consumer behavior, enhancing the immersive experience and customer satisfaction on the Shopee e-commerce platform.