**Problem Statement:**

Shopee, an online shopping platform, faces stiff competition and struggles to attract and retain customers while increasing order volumes and seller engagement. High shipping costs deter potential customers, and the platform needs to differentiate itself in a crowded market. The challenge is to find a solution that addresses these issues and improves customer acquisition, retention, satisfaction, and seller engagement.

**Metrics:**

1. Customer Acquisition Rate: Percentage increase in new customers during the promotion.
2. Customer Retention Rate: Percentage increase in repeat customers during the promotion.
3. Order Volume Increase: Percentage increase in orders during the promotion.
4. Customer Satisfaction Score: Average satisfaction score during the promotion.
5. Seller Engagement Rate: Percentage increase in new sellers listing products during the promotion.
6. Return on Investment (ROI): Ratio of total benefits to the cost of the promotion.
7. Average Order Value (AOV): Average value of orders during the promotion.
8. Customer Lifetime Value (CLV): Predicted net profit from a customer's entire relationship with Shopee.

**Cost Simulation**

Assumptions for Simulation (in IDR):

1. Cost of Implementing the Free Shipping Promotion: Rp 10,000,000

2. Promotional Marketing Expenses: Rp 5,000,000

3. Logistical Expenses for Shipping: Rp 7,000,000

4. Customer Support Resources: Rp 3,000,000

Expected Benefits:

1. Increased customer acquisition and retention: 10% increase in new customers and 5% increase in repeat customers.

2. Higher order volume leading to increased revenue: 15% increase in orders during the promotion period.

3. Enhanced customer satisfaction and positive brand image: 20% improvement in customer satisfaction scores.

4. Competitive advantage over other online shopping platforms: Attract 5% more sellers to list their products on Shopee.

Simulation Results:

Cost (in IDR):

Total Cost of the Promotion:

Rp 10,000,000 (Cost of Implementing Free Shipping) +

Rp 5,000,000 (Promotional Marketing Expenses) +

Rp 7,000,000 (Logistical Expenses for Shipping) +

Rp 3,000,000 (Customer Support Resources) = Rp 25,000,000

Benefits (in IDR):

Increase in New Customers: Assuming the current number of customers is 100,000

New Customers: 100,000 + (10% \* 100,000) = 110,000

Increase in Repeat Customers: Assuming the current number of repeat customers is 50,000

Repeat Customers: 50,000 + (5% \* 50,000) = 52,500

Increase in Orders: Assuming the current number of orders is 200,000

New Orders: 200,000 + (15% \* 200,000) = 230,000

Customer Satisfaction Improvement: Assuming the current satisfaction score is 8.0 out of 10

Improved Satisfaction Score: 8.0 + (20% \* 8.0) = 9.6 (rounded to one decimal place)

Increase in Shopee Sellers: Assuming the current number of sellers is 5,000

New Sellers: 5,000 + (5% \* 5,000) = 5,250

Return on Investment (ROI) (in IDR):

Total Benefit = Revenue from Increased Orders + Potential Revenue from New Customers + Potential Revenue from Repeat Customers

Assuming average order value is Rp 750,000:

Revenue from Increased Orders: 230,000 \* Rp 750,000 = Rp 172,500,000,000

Assuming average order value is Rp 900,000 for new customers and Rp 825,000 for repeat customers:

Potential Revenue from New Customers: 10,000 \* Rp 900,000 = Rp 9,000,000,000

Potential Revenue from Repeat Customers: 2,500 \* Rp 825,000 = Rp 2,062,500,000

Total Benefit: Rp 172,500,000,000 + Rp 9,000,000,000 + Rp 2,062,500,000 = Rp 183,562,500,000

ROI = (Total Benefit - Total Cost) / Total Cost \* 100

ROI = (Rp 183,562,500,000 - Rp 25,000,000) / Rp 25,000,000 \* 100 ≈ 734,250%

In this simulation, the expected Return on Investment (ROI) for the "Free Shipping on Shopee Online Shopping" project is approximately 734,250%. This indicates a highly positive return on the investment made for the promotion, making it a potentially successful endeavor.