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## Analysing Promotion Mix and Perceived Usefulness of e-Wallets: A case of Linkaja applications in Indonesia

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### Abstract

*In the future, there will be more people who switch transactions in non-cash, so this research is important to make the street service provider better understand consumers better. Linkaja is one of the e-wallets established by the merger of five State-Owned Enterprises in one platform. This study aims to determine the influence of promotion mix and benefits of perception in increasing re-use of linkaja applications for consumers in the city of Bandung. The method of collecting data in this study is to use a questionnaire given to 115 respondents Linkaja users in the city of Bandung. The data analysis technique used is linear regression model. The results of the questionnaire were processed using the spss for windows version 25 program. The results of the study showed that the influence of the promotion mix variable on Linkaja e-wallet repurchase intention was 68.4% and for the influence of perceived usefulness variables on Linkaja e-wallet repurchase intention was 71.17%. Whereas for the simultaneous effect it was obtained the result of 51.4% and the remaining 49.6% was influenced by other factors.*

**Keywords:** Promotion mix; Benefits of perception; Re-purchase intention

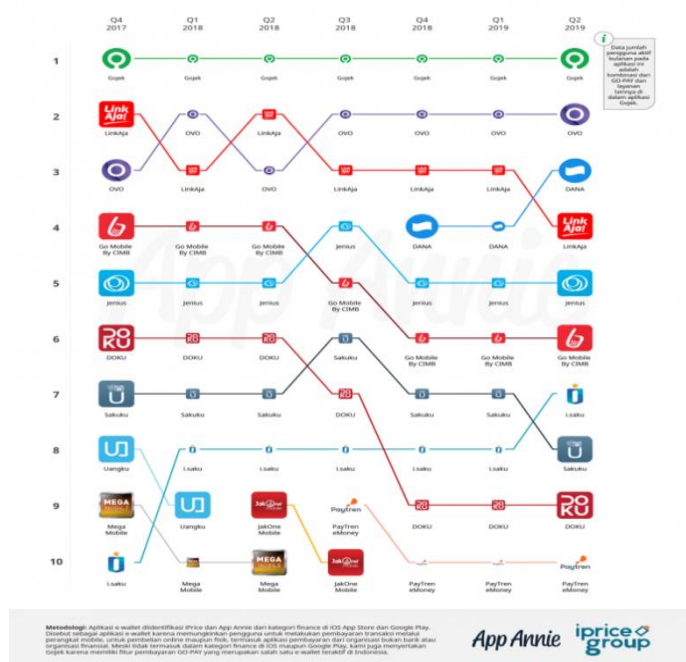
**JEL Classifications:** G20; G30; G40

## Introduction

The rapid development of internet technology can provide various facilities in accessing various things from the internet. According to the survey results of the Indonesian Internet Services Association (APJII) in 2018 internet user penetration in Indonesia reached 171.17 million people, equivalent to 64.18% of the total population of Indonesia. The presence of non-cash payment instruments or e-wallet is inseparable with the innovations issued by the banking sector and is also driven by the needs of the community now especially for millennials who want to get an easy, safe, and efficient payment instrument. In Indonesia, there are many e-wallets that can be used, each e-wallet has advantages and disadvantages of each.

Linkaja is an amalgamation of various electronic payment services for five state-owned enterprises in one platform. These companies include PT Telekomunikasi Seluler, Bank Mandiri, Bank Rakyat Indonesia, Bank Negara Indonesia, Bank Tabungan Negara, PT Pertamina and also PT Asuransi Jiwasraya. In the Iprice.co.id site, there are 10 e-wallets with the most users in Indonesia (See Figure 1). Using data on the number of application downloads and monthly active users, this research presents more concrete statistics to find out who the e-wallet applications are in Indonesia and the main findings of the most popular e-wallet applications in Indonesia.

The results of a survey conducted by iprice in collaboration with App Annie, obtained data from the fourth quarter of 2017 gojek or gopay is still the most popular e-wallet until the second quarter of 2019, while ovo rose in rank from the fourth quarter of 2017 upward ranking from position 3 up to position 2 in the second quarter of 2019, new Funds that appeared in the fourth quarter of 2018 that won the 4th position rose one rank to the 3rd position in the second quarter of 2019. And several other e-wallets that experienced ups and downs from the fourth quarter of 2017 until the second quarter of 2019. While Linkaja in data released in the fourth quarter of 2017 until the second quarter of 2019 decreased 2 positions from the 2nd position down to the 4th position.



**Figure 1:** The most popular e-wallet application in Indonesia  
Source: Iprice.co.id

Some companies use promotions to support their companies. Some of the strategies undertaken by Linkaja include advertisements either through print media or promotion through social media with the theme "Beres Tanpa Cash" where users can make various payments without having to make payments in cash. And also the promotion carried out by Linkaja by giving cash back to Linkaja users.

Linkaja is one of the e-wallets that offers benefits to its users by providing various features offered in the application among which give complete features, convenience, many attractive promos and can also pay various electricity bills, pulses, PDAM, internet, insurance and can send money easily (See Figure 2). And with the cooperation with PT. Pertamina as part of linkaja, consumers can easily buy fuel available at gas stations simply by scanning a bar code.



**Figure 2:** Linkaja Promo

Source: [www.linkaja.id](http://www.linkaja.id)

With the many benefits and promotions provided by linkaja it is hoped that there will be repeated purchases made by linkaja consumers. If consumers feel the great benefits of linkaja, it will use and make purchases on an ongoing basis. In addition to the benefits of promotion, the promotion has an important role in the company's progress. If the promotion is done in an increasing manner and benefit consumers. Based on the description above, the author intends to research, analyze, and find out the promotion strategy that affects Repurchase Intention through the perception of benefits. For this reason, the authors conducted a study with the title: "The Influence of Promotion Mix and Perceived Usefulness in Improving Repurchase Intention of Linkaja Applications".

## Literature Review

Promotion refers to motivational methods to make consumers buy products. Promotion is referred to as "any communication used to inform, persuade and / or remind people of goods, services, images, ideas, community involvement, or the impact of the organization on society". According to Kotler (2015), promotion is to inform, influence and persuade and remind target customers about the company and its marketing mix.

According to Kotler and Keller (2015) interpret the promotional mix (promotional communication mix) is a specific blend of advertising, sales promotion, public relations, personal selling, and direct marketing that companies use to communicate customer value persuasively and build customer relationships. In communicating products or services to consumers, companies can do this through several promotional tools known as promotional mixes. A promotional mix is a set of tools used by companies to communicate a product or service to consumers. According to Kotler and Keller (2016: 582), there are eight dimensions of the promotion mix, namely (1) advertising, (2) sales promotion, (3) events and experience, (4) public relations and publicity, (5) online media marketing and social, (6) mobile marketing, (7) direct marketing and database, and (8) personal selling. Of the eight, researchers chose 4 dimensions that are relevant to the promotional mix used by Linkaja, including advertising, sales promotion, social media marketing and online, and mobile marketing.

Perceived Usefulness refers to "the extent to which a person believes that using a particular technology will enhance her/his job performance," (Davis 1989). In other words, it is the extent to which users of a system are optimistic that their productivity and effectiveness in their work could be improved through the use of the system (Rouibah & Abbas, 2006; Mou, Shin, & Cohen, 2016). Perceived usefulness refers to the degree to which a person believes that using the system will enhance their performance (Koksal, 2015).

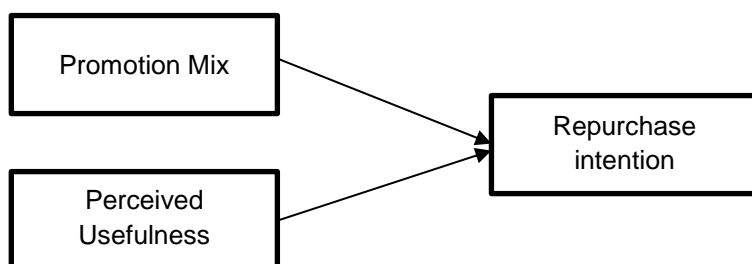
Usefulness is a subjective probability that using technology will improve the way the user can accomplish a given task. Liao and Cheung in Yoon C. Cho and Esen Sagynov (2015) defined perceived usefulness as a subjective probability that utilizing a certain pieces of technology will refine the way of an individual completing certain activity. According to Vankatesh et al. perceptions of usefulness can be measured through indicators including 1) improving job performance, 2) increase productivity, 3) increase effectiveness and 4) this system is useful.

Repurchase intention could be defined as “individual’s judgment about buying a service again, the decision to engage in future activity with a service provider and what form this activity will take” (Chen and Chen, 2017; Wilson, 2019). Moreover, Moslehpur et al. (2017) defined repurchase intention as “consumers’ consideration to purchase again a particular product. Repurchase intention is often perceived as one of the factors which can measure a customer’s loyalty toward a company. Therefore, it is important for a company to formulate and implement several strategies in order to ensure that its customers engage in repurchase behavior (Chinomona and Dubihlela 2014; Wilson 2019). Yan and Yu (2013) suggest that there are 3 indicators in calculating repurchase interest, namely: (1) willingness to buy, is someone's desire to repurchase a product (2) tend to repurchase, describe the behavior of someone likely to buy back a product in the future, (3) more purchase, describe a person's desire to continue to add to the purchase of product variations.

## Research and Methodology

The method used for this research is descriptive and verification analysis, where the results will be processed and conclusions drawn. By using the research method, a significant relationship between the variables studied will be known. And produce conclusions that will clarify the picture of the object under study so that it will produce conclusions that will clarify the picture of the object under study.

Based on the description above, it can be seen that the research paradigm is as follows (See Figure 3):



**Figure 3:** Paradigm Research

The research hypothesis can be formulated as follow:

- Hypothesis 1 : There is an influence of the mix promotion on the interest of repurchase intention Linkaja e-wallets
- Hypothesis 2 : There is an effect of perceptions of benefits on the interest of using Linkaja e-wallet
- Hypothesis 3 : There is an effect of promoting mix of perceived benefits on the interest of using Linkaja e-wallets simultaneously

Descriptive research aims to find out how consumers respond to promotions, perceived benefits, and interest in repurchase intention e-wallet links. Verification research is used to determine the effect of promotion dimensions and perceived benefits on the interest of Repurchase Intention the Aja e-wallet link together or individually. To strengthen the qualitative analysis, a quantitative analysis is needed to test the hypothesis of the effect of promotion and perceived benefits on interest in re-buying the e-wallet link. The research model used is multiple linear regression, this is used to test whether the promotion variable (X1), perceived benefits (X2) affect the interest in repurchasing (Y) e-wallet links in Bandung, as well as testing the hypothesis whether the hypothesis is accepted or rejected.

To measure the strength of the relationship between two or more variables, also indicate the direction of the relationship between dependent and independent variables, then this study uses multiple regression analyses. As for the equation of linear regression in the study is as follows :

$$Y = a + b_1X_1 + b_2X_2 + e \quad (1)$$

Information:

$Y$  = Repurchase Intention

$\alpha$  = A Constant

$X_1$  = Promotion Mix

$X_2$  = Perceived Usefulness

$b_1 - b_2$  = Multiple Regression Coefficient

$e$  = Error Term

According to Ghozali (2016) Test (t-test) is used to test the hypothesis partially to show the effect of each independent variable individually on the dependent variable. The steps for testing using the t test are:

- a. Determine the level of significance

This study uses a significance level of 0.05 or 5%, meaning that most likely the results of the conclusion have 95% profitability or 5% error tolerance

- b. Calculating test  $t$

T test formula:

$$t = r \frac{\sqrt{n-2}}{\sqrt{1-r^2}} \quad (2)$$

Information :

$t$  :  $t$  test value ( $t_{\text{count}}$ )

$r$  : correlation coefficient

$r^2$  : coefficient of determination

$n$  : number of samples studied

*Assessment criteria*

- $H_0$  accepted , if  $t_{\text{count}} > t_{\text{table}}$  or probability  $< \alpha$
- $H_0$  rejected jika  $t_{\text{count}} \leq t_{\text{table}}$  or probability  $> \alpha$

T table value is obtained from :  $df = n - (k + 1)$

Information :

$n$  : number of samples studied

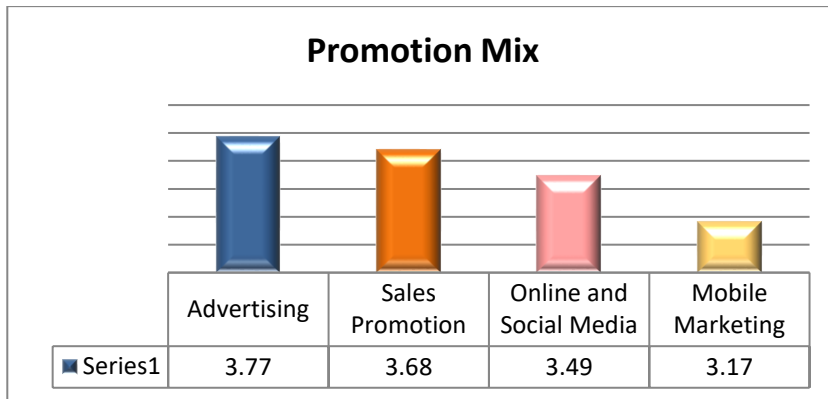
$k$  : number of independent variable

## Results and Discussions

The determination of the sample size used for this study was calculated using the iteration method. According to Sitepu (1994: 108), in the journal Lisdayanti (2019), the use of iteration method is in accordance with the analytical tool used in hypothesis testing, namely multiple regression analysis which is basically calculated from the correlation coefficient between variables. The calculation uses a calculation of three iterations so that the minimum sample obtained in this study is 115 respondents.

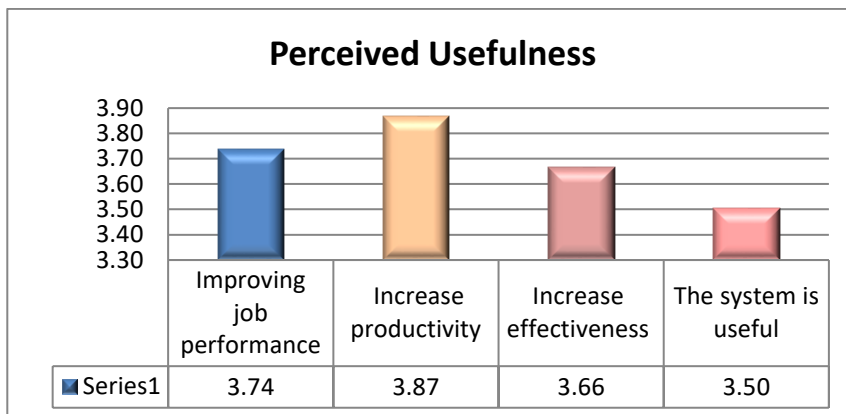
The sampling method used in this study is non-probability sampling, where each object in a homogeneous population has the same opportunity to be used as a research sample. The sampling technique used is purposive sampling. This shows that the sample was taken with a specific purpose or objective. Someone is taken as a sample because researchers assume that someone has the information needed in the study. The criteria determined for sampling in this study were people who used the Linkaja application.

Based on the results of descriptive data processing, the following are the results of data processing presented in the Figure 4.



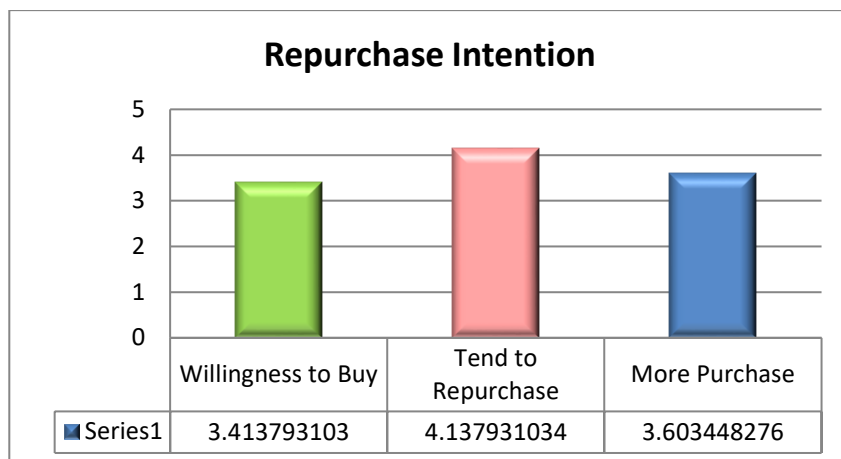
**Figure 4:** Recapitulation Promotion Mix  
 Source: Data Processing by author, 2020

Based on the Figure 4, graph shows the recapitulation of the promotion mix on Linkaja e-wallet products, where the respondents in this study are consumers who have used the product. The results showed that the advertising dimension has the highest value valued by consumers, this is because the delivery of information about the products offered by Linkaja can be conveyed or received by Linkaja consumers, the delivery of the message can be print, broadcast media, network media, media electronic and display media.



**Figure 5:** Recapitulation of Perceived Usefulness  
 Source: Data Processing by author, 2020

The recapitulation results regarding the perceived usefulness of Linkaja e-wallet products show the Figure 5, the results of the study showed that the dimension of increasing productivity has the highest value valued by consumers, this shows that Linkaja e-wallet products can increase the level of productivity of Linkaja consumers.



**Figure 6:** Recapitulation of Repurchase Intention

Source: Data Processing by author, 2020

The recapitulation of repurchase intention on Linkaja e-wallet products show the Figure 6, the results of the study showed that the dimension of tend to purchase has the highest value assessed by consumers, this shows that Linkaja e-wallet products are good in terms of promotion and also the perception of benefits that have been felt by Linkaja consumers have an effect on the behavior of consumers who are inclined to repurchase Linkaja products in the future.

To analyze the pattern of causal relationships between variables with the aim to determine the effect of the promotion mix (X1), the perception of benefits (X2) on the interest of repurchase intention the e-wallet Linkaja (Y), correlation analysis is used which then calculates the coefficient of determination to determine the effect of each each variable is independent of the dependent variable as shown in Table 1.

**Table 1:** Correlations

	Y	X1	X2
Y	1.000	.684	.717
X1	.684	1.000	.955
X2	.717	.955	1.000

Source: Output SPSS 25

The way to know the magnitude of an independent variable's influence on the dependent variable can be determined via the determination coefficient (KD), with equations (3) :

$$Kd = rs^2 \times 100\% \quad (3)$$

Then it can be seen that the influence of the promotion mix (X1) on the interest in repurchase intention e-wallet Linkaja (Y) is 46.78%. And the effect of perceived benefits (X2) on interest in repurchase intention e-wallet Linkaja (Y) is 51.4%.

In correlation analysis there is a number called the coefficient of determination which is often called the determinant coefficient, because the magnitude is the square of the correlation coefficient ( $r^2$ ). So this coefficient is useful to find out the influence of brand awareness, perceived quality and brand association. of consumer repurchase interests, here are the results of SPSS 25 calculations: In correlation analysis there is a number called the coefficient of determination which is often called the determinant coefficient, because the magnitude is the square of the correlation coefficient ( $r^2$ ). So this coefficient is useful to find out the influence of brand awareness, perceived quality and brand association. of consumer repurchase interests, Table 2 are the results of SPSS 25 calculations :



**Table 2:** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics F Change	df1	df2	Sig. F Change
1	.717 <sup>a</sup>	.514	.505	.46645	.514	59.733	2	113	.000

a. Predictors: (Constant), X2, X1;

b. Dependent Variable: Y;

From the Table 2, it can be seen that the value of R2 is at 51.4%, meaning that the promotion mix variable and perceived benefits affect the variable interest in Repurchase Intention Other e-wallet at 51.4% while 49.6% is influenced by other factors not included in the variables tested, such as brand image and product quality.

## Conclusion

The results showed that the effect of the promotion mix variable (X1) on Linkaja e-wallet repurchase intention (Y) was 68.4%. The influence of perceived usefulness variables on Linkaja e-wallet repurchase intention is 71.17%. Based on the results of the study show that the influence of the promotion mix variable (X1) and perceived usefulness variable (X2) on Linkaja e-wallet repurchase intention (Y) is 51.4% while 49.6% is influenced by other factors. Based on the results of the study shows that the influence of the promotion mix variable (X1) is already quite good, with promotion through more attractive advertisements that will be able to further increase the use of Linkaja e-wallet is increasing.

The results show that the effect of the repurchase intention variable is already classified as good but on the dimension of the system is usefull shows a lower number it would be nice if Linkaja added features or by utilizing banks that have collaborated with Linkaja to be able to transfer money for free by using Linkaja, so that in the future consumers can feel the full benefits. So this research suggests to the management to evaluate the features offered, as the research finds that there are consumers who are less satisfied with the existing top up features available. Consumers in this study felt that there was a limitation in top up balances in Linkaja, thus making them have to pay a bank administration fee and it made them unhappy.

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