

Increasing Brand Awareness and Intention to Use Pospay Digital Wallet

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ABSTRACT: Indonesia has been actively doing digitalization, marked by the increase in mobile connections and internet users. In 2020, more people were using them due to the spread of the COVID-19. Because of the pandemic, government encourages the public to make transactions using cashless payments. One of the cashless payment methods that are growing is digital wallet. PT Pos Indonesia saw this as an opportunity to develop its digital wallet called Pospay. Since its launch, on 13th April 2021, Pospay has faced several challenges. 98.5% of Pospay's users are an employee of PT Pos Indonesia. It shows that brand awareness and intention to use of Pospay are still relatively low outside the company. This study will focus on how Pospay could increase its brand awareness and intention to use. The analysis was conducted using consumer analysis by distributing the questionnaire to the potential consumers. The quantitative data is processed using Smart PLS software with the SEM-PLS method. Then, the qualitative data will be used to analyze Value Proposition Canvas. The results show that Pospay can create a discount or cashback program and develop a new feature to help users transfer between digital wallets to increase brand awareness and intention to use.

KEYWORDS -marketing strategy, brand awareness, intention to use, digital wallet, SEM-PLS

I. INTRODUCTION

The global industry is experiencing a new digital era 4.0, and Indonesia is no exception. In this digital era, almost all public activities have shifted to digitalization, including payment activities that shifted to cashless payment methods from the conventional. One of the cashless methods that are growing in Indonesia is the digital wallet industry [1]. In 2020, there is COVID-19 that occurred in Indonesia and even in all parts of the world. The WHO warned the world's citizens that the COVID-19 virus could live and stick to inanimate objects, including money. This virus can live and survive for days on paper money. Therefore, WHO urges the public to use non-cash payment instruments when making transactions. Based on the statement of WHO, the Governor of Bank Indonesia, Perry Warjiyo, appealed to the public to transact using cashless payment when paying in-store, paying bills, or making purchases on delivery food, online transport, e-commerce, websites, or online shopping. This situation has led to a growth in the use of digital wallets.

As one of the financial service providers, Pos Indonesia saw this as an opportunity to develop. Pos Indonesia created a digital- based payment service that categorizes as a digital wallet called "Pospay" to make transactions easier for everyone, and it launched on April 13, 2021. Pospay offers several features payment such as QRIS, transfer, sharia services (BAZNAS and Rumah Zakat), bpjs, bpjstk, online shopping (mnc shop, Mataharimall, blibli.com, tokopedia, elevenia, and Bukalapak), multi-finance, cable tv, taxes, insurance, teacher's room, electricity, PDAM, gas, credit, data, and telco.

Since its launch, Pospay has faced several challenges competing in the digital wallet industry. Based on the number of accounts (NOA) data, 98.5% of Pospay's users are an employee of PT Pos Indonesia. It shows that Pospay's brand awareness and intention to use are still relatively low outside the company. Meanwhile, Pospay has the goal to be the top of mind of digital wallet in Indonesia. Curently, Pospay has reached 1.535.218 number of accounts (NOA) and planning to increase its number of accounts to 5 million users and target a new target market of people between 12-24 years old. In order to achieve its goal, the company needs to develop improved business and marketing strategies to increase its brand awareness and intention to use of Pospay applications.

II. LITERATURE REVIEW

Pospay was launch its applications on April 2022, it is counted as late if we compare to the competitors. Since its launch, Pospay has already operationing for one year and 2 months. In order to know the position of Pospay in the potential customer minds, we have to measuring the brand awareness. Brand awareness can be assessed on several levels such as unaware of brand, brand recognition, brand recall, top of mind and brand dominance (the only brand remembered). Brand awareness is the first and most important facet of the overall brand knowledge system[2].

In order to create brand awareness, we must enhance brand familiarity through repeated exposure to create brand awareness. The more a consumer "experiences" a brand through seeing, hearing, or thinking about it, the more likely they are to remember it strongly. The brand's elements, advertising and promotion, sponsorship and event marketing, publicity and public relations, and outdoor advertising are all things that the customer experiences[3]. According to what has been done by Pospay, the factors of brand elements, advertising and promotion, and event marketing will be used in this study.

Besides lacking on brand awareness, the intention to use of Pospay also still relatively low. According to Davis (1989), the cause of people using or not using an application is related to perceived usefulness and the extent they believe it will help their job perform better. Also, even though an application is helpful for potential users, it doesn't mean they would use it. Because at the same time, the potential users may believe that the application is not easy to use and the effort of using the app is not comparable with the benefits they get [4]. This is how usage is influenced by perceived ease of use.

Based on the Technology Acceptance Model (TAM), perceived usefulness and ease of use are the keys to technology acceptance or adoption. An extension of the classic TAM model by Leiva et al (2016) and Shalini Chandra et al (2010) show how trust is also considered a decisive factor in application adoption [5][6]. Furthermore, perceived security also influence the intention to use an application [7]. According to several literature, there are four factors that can influence the intention to use an applications which are perceived usefulness, perceived ease of use, trust and perceived security.

This study discusses how to create the most suitable business and marketing strategy for a company or a brand. In that case, we can't just look at the factors that affect brand awareness and intention to use the application. This study also uses Value Proposition Canvas to consider other factors such as the customer's gains and pains in using digital wallets. Value Proposition Canvas analysis is a tool to help ensure customer needs and wants are aligned with the products or services offered. In other words, it helps us to create value for the customers. This analysis consists of two sides which are the customer profile and the value map. Customer profile is used to clarify the understanding of the customer. Meanwhile, value map describes how we intend to create value for customers[8].

III. RESEARCH METHOD

This study uses a mixed-methods approach, in which qualitative and quantitative data will be collected and analyzed in parallel or sequential phases. Quantitative data is often closed-ended, as seen on surveys or psychological instruments, but qualitative data is frequently open-ended, with no predefined responses [9]. Qualitative data were collected to analyze the value proposition canvas and measuring the brand awareness. Meanwhile, quantitative data were collected to analyze the factors that influences brand awareness and intention to use the application. The quantitative carried out using Structural Equation Modeling (SEM) and using Partial Least Square (PLS) as a tool. The results of both analysis can be combine in order to find the best business and marketing strategy to increase brand awareness and its intention to use.

IV. RESULT AND DISCUSSION

According to the calculation, the questionnaires must to distributed to the 151 respondents using the unknown population. The limitations of respondents are people in 12-24 years old and have made transaction used digital wallet. The author distributed the questionnaire and obtained 155 respondents. The questionnaire using short answers and likert scale with the intervals of 1 to 5.

A. Results of Measuring Brand Awareness

B.

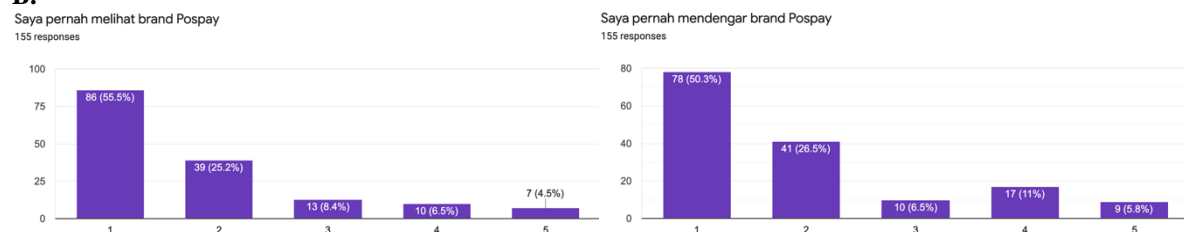


Figure 1. Brand recognition of Pospay

The author asked the respondents with two statements "I have seen Pospay brand before" and "I have heard Pospay brand before". Based on the results of Fig. 1, the result from the first statement is 80.7% of the respondents said they are disagree and strongly disagree that they have seen Pospay brand before. Then, the result from the second statement is 76.8% of the respondents said they are disagree and strongly disagree that they have hard Pospay brand before. This indicates that most of the respondents are they do not know about Pospay. Based on this surveyed, Pospay in brand awareness pyramid is categorize as unaware of the brand.

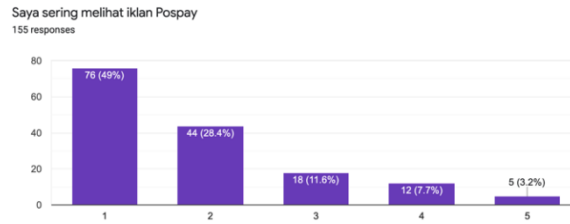


Figure 2. Potential customer respond on advertisement of Pospay

The author asked the respondents with the statement “I often see Pospay ads”. Based on the Fig. 2, 77.4% of respondents disagreed and 11.6% of respondents said neutral with the statements. It shows that respondents rarely see the advertisements of Pospay and the digital marketing that already done by Pospay not reach the potential customer yet.

C. Results of Value Proposition Canvas Analysis

Customer Profile

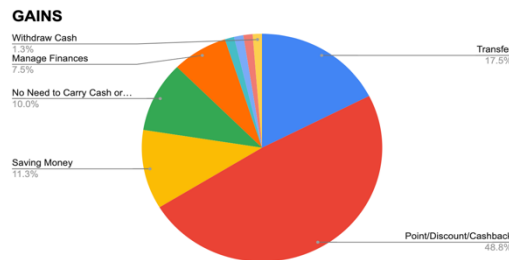


Figure 3. Customer’s gains of digital wallet users

Gains tell what customers want or the benefit they are looking for from products or services. The question in this research for gain analysis is “What benefits do you get from using a digital wallet other than making payments?”. The question is related to the desired gains, these gains describe beyond what we expected from a solution but would love to have if we could. Based on the survey conducted, three main gains that customers expect are getting points or discounts or cashback, transfer to the bank and saving money.

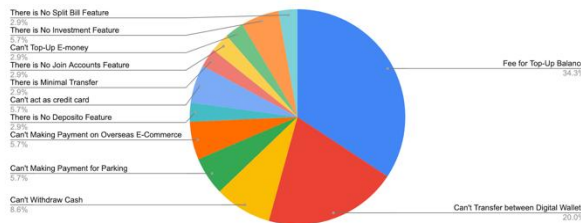


Figure 4. Customer’s pains of digital wallet users

Pains tell what annoys the customer before, during and after trying to use the products or services. The question in this research for pain analysis is “Is there something you need that the digital wallets you've tried haven't been able to fulfill?”. Based on the survey conducted, there are several different answers from the customers. The main pains that customers feel when using digital wallets are it has fees for top-up balance, can not transfer between digital wallets and can not withdraw the cash.

The last is about customer jobs that explain about the task they are attempting to accomplish, the problems to solve, or the needs to satisfy. The question in this research for customer job analysis is “As a digital wallet user, what services or payments do you usually use?”. Based on the survey conducted, the main customer jobs that respondent willing to do are payment in merchant (QRIS), transfer, shopping, bills (electricity, water, tax, bpjs, internet), food delivery, top-up phone credit and e-money.

Value Map

• **Gain Creators**

Based on the customer profile, Pospay has all the customer gains such as getting points, transfer to the bank, saving money, no need to carry cash, manage finances and withdrawing cash except that pospay does not have discount or cashback for making a payment in merchants or it’s payment channels.

• **Pain Relievers**

Based on the customer profile, the pains for the customers of digital wallets are fees for top-up balance, can not transfer between digital wallets, can not withdraw the cash, can not making payment for parking, can not making payment on overseas e-commerce, there is no deposito feature, can not act as credit card, there is a minimum transfer, there is no join accounts feature, can not top-up e-money, there is no investment feature,

and there is no split bill feature. Among all the customer pains, there are just two pains that can be relived by Pospay which are withdrawing the cash and top-up e-money.

• **Products and Services**

Based on the gain creators and pain relievers, we can see that there are several customer’s needs in digital payment services that can be fulfill yet by Pospay. There are discount or cashback for making a payment in merchants or it’s payment channels, fees for top-up balance, can not transfer between digital wallets, can not making payment for parking, can not making payment on overseas e-commerce, there is no deposito feature, can not act as credit card, there is a minimum transfer, there is no join accounts feature, there is no investment feature, and there is no split bill feature. This can be use as new strategy in order to attract the potential customers.

D. Results of Quantitative Data Analysis

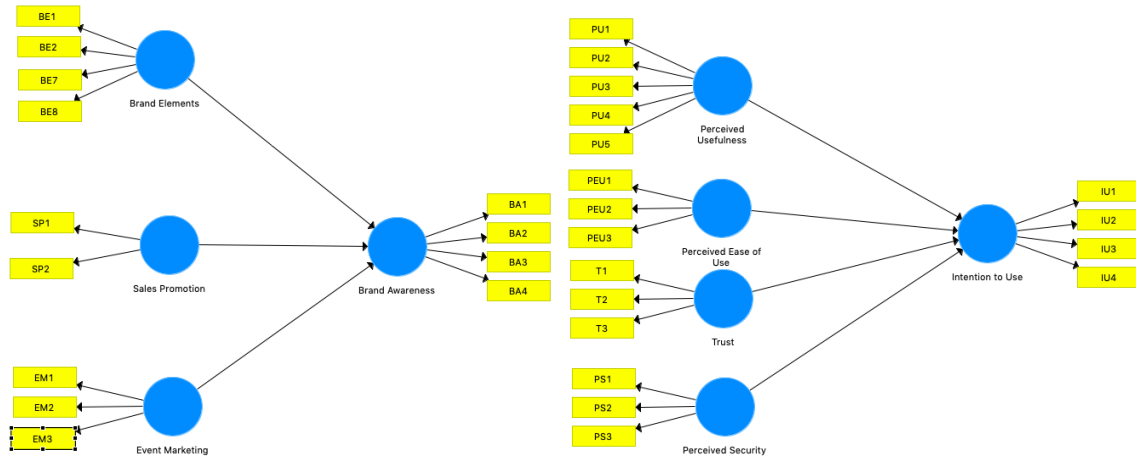


Figure 5. Brand awareness and intention to use path model

The results of analysis reliability and validity using Smart PLS on brand awareness shows that some indicators and variables are not reliable to include in this model. Therefore some variables and indicators have to be eliminated, the variable that has been eliminated is advertising. The indicators that have been eliminated are BE3, BE4, BE5, BE6, and BE 9. So the result of the path model for brand awareness is the figure above (left). Meanwhile, all of the indicators and variables on intention to use are reliable to include in this model. It can be seen on the right figure above.

Construct Reliability (Composite Reliability & Cronbach’s Alpha)

Table 1. Composite Reliability and Cronbach’s Alpha of Brand Awareness

	Cronbach’s Alpha	Rho A	Composite Reliability
Brand Elements	0.827	1.180	0.861
Event Marketing	0.912	0.941	0.944
Sales Promotion	0.852	0.927	0.929
Brand Awareness	0.935	0.945	0.954

Table 2. Composite Reliability and Cronbach’s Alpha of Intention to Use

	Cronbach’s Alpha	Rho A	Composite Reliability
Perceived Usefulness	0.971	0.971	0.978
Perceived Ease of Use	0.935	0.938	0.959
Trust	0.904	0.915	0.939
Perceived Security	0.909	0.910	0.943
Intention to Use	0.950	0.952	0.964

Based on the result show above in the Table 1 and Table 2, it can be seen that the Cronbach alpha and composite reliability in each construct value is greater than 0,7. It shows that the the internal consistency value of reliability in this research model is reliable.

Convergent Validity

Table 3. Outer Loading of Brand Awareness

	Brand Elements	Event Marketing	Sales Promotion	Brand Awareness
BE 1	0.898			
BE 2	0.752			
BE 7	0.746			
BE 8	0.716			
EM1		0.955		
EM2		0.954		
EM3		0.854		
SP1			0.907	
SP2			0.955	
BA1				0.908
BA2				0.933
BA3				0.947
BA4				0.871

Table 4. Outer Loading of Intention to Use

	Perceived Usefulness	Perceived Ease of Use	Trust	Perceived Security	Intention to Use
PU1	0.927				
PU2	0.954				
PU3	0.944				
PU4	0.955				
PU5	0.956				
PEU1		0.944			
PEU2		0.935			
PEU3		0.944			
T1			0.893		
T2			0.941		
T3			0.912		

	Perceived Usefulness	Perceived Ease of Use	Trust	Perceived Security	Intention to Use
PS1				0.915	
PS2				0.926	
PS3				0.919	
IU1					0.927
IU2					0.940
IU3					0.933
IU4					0.928

Based on the results of outer loading value in table above, it shows that the value of outer loading is more than 0.708. It indicates that all the indicators have high outer loading. High outer loading indicates that the indicators have much in common with the construct. In other words, the indicators are works on its measurement model.

Table 5. Average Variance Extracted (AVE) of Brand Awareness

	Average Variance Extracted (AVE)
Brand Elements	0.610
Event Marketing	0.850
Sales Promotion	0.867
Brand Awareness	0.838

Table 6. Average Variance Extracted (AVE) of Intention to Use

	Average Variance Extracted (AVE)
Perceived Usefulness	0.898
Perceived Ease of Use	0.886
Trust	0.838
Perceived Security	0.846
Intention to Use	0.869

Based on the Table 5 and Table 6, it show that the value of average variance extracted (AVE) on all construct is greater than 0.5. It indicates that the model that use in this research is a good model.

Discriminant Validity

Table 7. Cross Loading of Brand Awareness

	Brand Elements	Event Marketing	Sales Promotion	Brand Awareness
BE 1	0.898	0.231	0.342	0.371
BE 2	0.752	0.240	0.409	0.133
BE 7	0.746	0.300	0.434	0.147
BE 8	0.716	0.244	0.346	0.089

	Brand Elements	Event Marketing	Sales Promotion	Brand Awareness
EM1	0.265	0.955	0.332	0.269
EM2	0.252	0.954	0.261	0.299
EM3	0.342	0.854	0.338	0.211
SP1	0.378	0.285	0.907	0.025
SP2	0.459	0.326	0.955	0.035
BA1	0.285	0.191	0.080	0.908
BA2	0.315	0.242	0.028	0.933
BA3	0.283	0.332	0.050	0.947
BA4	0.230	0.263	0.031	0.871

Table 8. Cross Loading of Intention to Use

	Perceived Usefulness	Perceived Ease of Use	Trust	Perceived Security	Intention to Use
PU1	0.927	0.758	0.580	0.552	0.719
PU2	0.954	0.752	0.612	0.569	0.721
PU3	0.944	0.753	0.584	0.551	0.705
PU4	0.955	0.760	0.576	0.546	0.700
PU5	0.956	0.776	0.581	0.563	0.726
PEU1	0.750	0.944	0.594	0.552	0.641
PEU2	0.745	0.935	0.605	0.597	0.592
PEU3	0.768	0.944	0.606	0.531	0.663
T1	0.520	0.542	0.893	0.647	0.532
T2	0.548	0.587	0.941	0.671	0.628
T3	0.623	0.620	0.912	0.633	0.672
PS1	0.556	0.530	0.631	0.915	0.610
PS2	0.549	0.576	0.657	0.926	0.636
PS3	0.513	0.531	0.669	0.919	0.589
IU1	0.712	0.628	0.665	0.628	0.927
IU2	0.740	0.645	0.680	0.668	0.940
IU3	0.685	0.601	0.536	0.576	0.933
IU4	0.670	0.633	0.615	0.605	0.928

Based on the Table 7 and Table 8, it shows that the value of interrelated constructions is greater than other constructions. It can be concluded that there is no discriminant validity problem in the model on this study.
Comparing AVE Root and Latent Variable Correlation

Table 9. Latent Variable Correlation of Brand Awareness

	Brand Elements	Event Marketing	Sales Promotion	Brand Awareness
Brand Elements	1.000	0.303	0.455	0.304
Event Marketing	0.303	1.000	0.330	0.286
Sales Promotion	0.455	0.330	1.000	0.033
Brand Awareness	0.304	0.286	0.033	1.000

Table 10. Latent Variable Correlation of Intention to Use

	Perceived Usefulness	Perceived Ease of Use	Trust	Perceived Security	Intention to Use
Perceived Usefulness	1.000	0.802	0.619	0.587	0.754
Perceived Ease of Use	0.802	1.000	0.639	0.594	0.673
Trust	0.619	0.639	1.000	0.709	0.672
Perceived Security	0.587	0.594	0.709	1.000	0.666
Intention to Use	0.754	0.673	0.672	0.666	1.000

Table 11, AVE Root of Brand Awareness

	Average Variance Extracted (AVE) Root
Brand Elements	0.781
Event Marketing	0.922
Sales Promotion	0.931
Brand Awareness	0.915

Table 12. AVE Root of Intention to Use

	Average Variance Extracted (AVE) Root
Perceived Usefulness	0.948
Perceived Ease of Use	0.941
Trust	0.915
Perceived Security	0.920
Intention to Use	0.932

Based on the table above, the author compare the value of AVE root and latent variable correlation. The result is all the value of AVE root is higher than latent variable correlation. For example, the correlation between perceived usefulness and intention to use is 0.754. Then, the AVE root of perceived usefulness is 0.948. It can be concluded that the construct in this study has good discriminant validity.

Value of Variance Inflation Factor (VIF)

Table 13. VIF Value of Brand Awareness

	Brand Elements	Event Marketing	Sales Promotion	Brand Awareness
Brand Elements				1.304
Event Marketing				1.161
Sales Promotion				1.330
Brand Awareness				

Table 14. VIF Value of Intention to Use

	Perceived Usefulness	Perceived Ease of Use	Trust	Perceived Security	Intention to Use
Perceived Usefulness					3.014
Perceived Ease of Use					3.126
Trust					2.404
Perceived Security					2.193
Intention to Use					

Based on the Table 13 and Table 14, it shows that all the value of Variance Inflation Factor (VIF) is below 05.00. It indicates that this structural model has no collinearity, so there is no need to eliminate the construct, and the model can proceed to the next step.

Significance and Relevance of Structural Model

Table 15. Mean, STDEV, T-Values, P-Values of Brand Awareness

	Original Sample (O)	Sample Mean (M)	Standard Deviation ((O/STDEV))	T Statistics (O/STDEV)	P Values	
Brand Elements -> Brand Awareness	0.316	0.323	0.065	4.588	0.041	Accepted
Event Marketing -> Brand Awareness	0.254	0.245	0.065	4.065	0.000	Accepted
Sales Promotion -> Brand Awareness	-0.195	-0.168	0.112	1.796	0.000	Accepted

Based on the analysis results in the Table 15, it shows that the P value has a smaller number than the level significance 0.5. It indicates that brand elements, event marketing and sales promotion have a significant effect on brand awareness. Then, the T values can be compare with the T table at significance level of 5% (one tailed=1.645). The table results show that all the T values has a higher number than 1.645. It indicates that brand elements, event marketing and sales promotion are influence the brand awareness positively. Overall, if the list if being rank the variable that most influence the brand awareness are brand elements, event marketing and sales promotion.

Table 16. Mean, STDEV, T-Values, P-Values of Intention to Use

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	
Perceived Usefulness -> Intention to Use	0.470	0.473	0.095	4.929	0.000	Accepted
Perceived Ease of Use -> Intention to Use	0.034	0.035	0.108	0.312	0.378	Rejected
Trust -> Intention to Use	0.196	0.178	0.088	2.232	0.013	Accepted
Perceived Security -> Intention to Use	0.231	0.243	0.095	2.422	0.008	Accepted

Based on the analysis results in the Table 16, it shows that perceived usefulness, trust and perceived security have a significant effect on intention to use because the p values is smaller than the level significance 0.05. The same results also show when comparing the T values and T table. The T values of perceived usefulness, trust and perceived security have a higher number that 1.645. It indicates that perceived usefulness, trust and perceived security are influence on intention to use positively.

Meanwhile, the p values of perceived ease of use is 0.378 bigger than 0.05. It indicates that perceived ease of use do not have a significant effect on intention to use. The same result also show when comparing the T values and T table. The T values of perceived ease of use are smaller than T table of 1.654. It indicates that perceived ease of use do not influence on intention to use. Overall, if the list if being rank the variable that most influence the intention to use are perceived usefulness, perceived security and trust.

R Square

Table 17. Coefficient Determinacy (R2) of Brand Awareness

	R Square	R Square Adjusted
Brand Awareness	0.162	0.146

Based on the Table 17, it can be seen that R2 value of variable brand awareness in this model is 0.146. It indicates that the model of questionnaire for brand awareness in this research is classified as weak.

Table 18. Coefficient Determinacy (R2) of Intention to Use

	R Square	R Square Adjusted
Intention to Use	0.662	0.653

Based on the table 18, it can be seen that R2 value of intention to use in this model is 0.653. It indicates that the model of questionnaire for intention to use in this research is classified as moderate.

V. CONCLUSION

Pospay needs to develop its business and marketing strategy. To increase brand awareness, Pospay must be concerned about its brand elements, event marketing and sales promotion. Perceived usefulness, perceived security and trust are the factors that should be a concern to increase the intention to use Pospay applications. More specifically, based on the Value Proposition Canvas, there are several alternative strategies to attract potential customers of digital wallet users based on their gains and pains. Pospay can create a discount or cashback program for payment in merchants or its payment channels to develop its sales promotion. Then, Pospay can develop a new feature to help users transfer between digital wallets. It is related and can expand Pospay usefulness for users.

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