

THE FEASIBILITY OF REFERRAL REWARD FOR SEREY TO ENTER THE INDONESIAN MARKET

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ABSTRACT

A referral reward system is an effective way to get new user. This method is critical to the company's marketing success since it can increase customer purchase intention and company brand image. A referral reward system is a consumer procedure of sending a company's marketing message to friends, family members, and coworkers via online media. When a person has strong social links in his or her online community. After the user done this, they will get a financial incentive from the company. Cryptocurrency will be the financial incentives since the company, serey is a blockchain based platform. This research studies the feasibility of Serey as a company entering Indonesian market using referral reward system. The study also gives information and difficulties for entering the Indonesian market by evaluating journals and scholarly articles and conducting a questionnaire-based survey. After conducting research, it is feasible to implement this method for Serey to enter Indonesian market. The respondent of questionnaire responds positively on this method. The majority have experiencing referral reward and interest to use this method.

Keywords: Blockchain, Referral Reward, e-referral, Social Media Marketing, The Indonesian E-Wallet

PENDAHULUAN

Customer referral programs are marketer-directed word-of-mouth initiatives that encourage existing customers to suggest friends, family members, and business contacts to become new customers (Kumar, Petersen, & Leone, 2010). Marketers often prefer using customer referral programs as opposed to pure word of mouth due to the ability to use incentives to stimulate referrals and to have greater control over message content. The US company called drobox succeed to expand its customer base from 100,000 to 4 million users in a 15-month period using referral marketing method. Dropbox used a simple referral reward system, giving 500MB increases in storage to both the referrer and the referred party when the latter signed up for any level of service (Veerasamy, 2014). referral reward activities tend to increase brand image and consumer purchase intentions. The reason consumers buy products is that they get referrals from friends, colleagues, family, or companies that are trusted through social networks or with other online media. People who get positive recommendations tend to have a good image of products and will be interested in purchasing the recommended product in the future and will even recommend it to other consumers.

Blockchain is the fundamental technology underlying the emerging cryptocurrencies including Bitcoin. The key advantage of blockchain is widely considered to be decentralization, and it can help establish intermediary peer to-peer (P2P) transactions, coordination, and cooperation in distributed systems without mutual trust and centralized control among individual nodes, based on such techniques as data encryption, time stamping, distributed consensus algorithms, and economic incentive mechanisms

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(Yong Yuan, 2017). Blockchain could be regarded as a public ledger and all committed transactions are stored in a list of blocks. The blockchain technology generally has key characteristics of decentralization, persistency, anonymity, and auditability (Zibin Zheng, 2017).

The Ministry of Communication and Information (Kemenkominfo) revealed that internet users in Indonesia currently reach 63 million people. Of this figure, 95 percent use the internet to access social networks. The Minister of Communication and Information (Menkominfo) Johnny G. Plate revealed, until January 2021, the number of internet users in Indonesia reached 202.6 million people. Jeth Soetoyo, CEO & founder of Pintu, said that the penetration of the crypto market in Indonesia is growing very rapidly. he is confident that the crypto market will continue to accelerate. That's because the legal umbrella from the Indonesian government regarding the cryptocurrency industry, namely Bappebti Regulation Number 5 of 2019 makes people more confident that investing in the industry is safe. It is projected that the bitcoin cs market can reach 1-2 percent of the population in Indonesia or reach 2 million people (CNBC,2021).

This research will be focusing on Serey Compnay. Serey is a blockchain-based startup that believes in neutral and agnostic approaches to provide equal access to all. Serey (2020). Chhay Lin, one of Serey's founders, feels that Serey fosters creativity, self-development, and individuality. Serey's goal is to create an open platform where anyone, anywhere in the globe, can freely engage in discourse and be paid for the originality they bring to the platform. The platform aspires to replace legacy corporations that are inefficient and unfair, such as Google and Facebook. Serey (2020). The blockchain platform supports five major decentralized applications. First, Serey has a payment-based system called Serey wallet and its cryptocurrency called Serey Coin, both of which can be used on its marketplace platform, which has linked all of its blockchain applications into one ecosystem (Serey, 2020). The second option is the Serey Lottery platform. The third, Serey Marketplace is a decentralized market platform with a built-in blockchain-based voting and rating system. The fourth application is Serey Sour, which is a question-and-answer app. Finally, Serey decentralized exchange is essentially a cryptocurrency trading platform.

Serey is planning to make additional feature to attract new users from Indonesia. The solution can be achieved by offering new feature called referral reward program. This program will help serey to expand and gain new users. Motioned before this program positively can attract new users. In Indonesia, several start-ups have already completed this program, such as tokopedia, bukalapak, bli-bli, and others. The number of users of information technology, particularly mobile users, is expanding substantially. As a result, blockchain integration has enormous promise in this field. Simultaneously, Serey must broaden its market reach by introducing new features. Regardless, Serey can join the Indonesian market by launching a referral reward scheme. Serey's issue is that they must build financial incentives in relation to the referral reward system in order to achieve maximum user attractiveness in Indonesia.

KERANGKA PEMIKIRAN TEORITIS DAN PERUMUSAN HIPOTESIS

Blockchain

The phrase blockchain might be perplexing because it is frequently used in conjunction with the term Bitcoin. The term Bitcoin is frequently used to refer to three separate things at the same time (Swan, 2015). First, it refers to the blockchain technology that underpins it. Second, it can refer to the protocol that runs on top of the underlying blockchain technology and describes how assets are exchanged on the blockchain. Third, it is used for the digital money Bitcoin, which is currently the world's largest cryptocurrency.

The original application of blockchain was for money transmission. It has the potential to be used as a mechanism of transferring value and is generally recognized as cryptocurrencies. Bitcoin is the most well-known cryptocurrency to date. However, there are other cases in which blockchain could add value by allowing programmable transactions. This is referred to as Blockchain 2.0. A condition or collection of criteria can change the outcome of these interactions. Because blockchain isn't just for cryptocurrencies, it opens up a slew of new possibilities. Smart contracts are scripts that run in a blockchain context; their source code is available to all, and anybody may validate the programme's execution. Miners in the blockchain environment perform the verification. This ensures that the deal is carried out honestly (Christidis Devetsikiotis, 2016). These smart contracts provide a number of benefits (Christidis & Devetsikiotis, 2016): Accuracy; because all transactions are kept in the blockchain, smart contracts have a high level of accuracy.

Electronic referral (e-referral)

reference group is a person or group of persons with whom one has had direct contact and who have influenced one's attitude or behavior. Reference groups have an impact on a person's attitude or behavior by putting pressure on them to adapt, which can influence their product and brand selections (Kotler & Armstrong, 2018). An e-referral is a consumer procedure of sending a company's marketing message to friends, family members, and coworkers via online media. When a person has strong social links in his or her online community, this is known as e-referral (Abubakar et al., 2016). E-referrals are significantly more effective in online marketing than traditional marketing due to the rapid development of social media and interactive technology (Bataneh, 2015). E-referrals are positive online material about products or companies that consumers get and then distribute to others via the internet (Mahapatra & Mishra, 2017).

The intention to acquire a thing in the future is an implicit pledge to ourselves. Knowing a brand's purchasing intention is critical since it reveals how customers feel about the product (Tariq et al., 2013). According to Anggi & Ellyawati (2015), purpose is one of the psychological factors that can have a significant impact on behavior. One of the psychological characteristics that arises from the sentiments and ideas about an object or service desired is the intention to buy. The attitude of another person is frequently a deciding element in a consumer's purchasing decision. It also has the potential to reduce customer preferences. The more vehemently others feel about a brand, and the closer that person is to the consumer, the more likely the consumer will ignore or divert his buying intentions (Kotler & Keller, 2016)

Information derived from relationships and strong social ties is regarded as more reliable than information derived from other sources. A good source of knowledge will eventually become a referral. Referrals are now easier to contact potential customers because to the phenomenal growth of digital media. With the advent of the internet, numerous media networks, sometimes known as e-referrals, have evolved that can connect communication among customers. The availability of e-referrals has the potential to affect consumer behavior and interests in purchasing a specific product or brand. Consumer impression of image and symbolic values inherent in a company's product and brand is characterized as brand image (Schiffman & Wisenblit, 2019a). The better and more positive a product's or brand's image is, the more likely it is to be remembered by consumers. Companies must have a positive image from the start in order to be successful in the market (Chakraborty & Bhat, 2018). Consumer buying intentions are influenced by a product's brand image (Abubakar et al., 2016).

Social Media Marketing

Social media engagement may be the key to successful branding and marketing. Among Indonesians, Instagram, Twitter, and Discord are among the most popular social media platforms. (Alanko & Laaksonen, 2020). Instagram is one of the most popular social media networks for young people, as opposed to Facebook, which caters to more older audiences. Because Instagram has the largest user base of young people, it gives a fantastic chance for businesses to reach out to potential clients. One survey found that 83% of Instagram users discovered new items and services while using the app (Alanko & Laaksonen, 2020). Instagram also has four times the engagement rates of Facebook.

If Instagram is a tool for reaching out to potential audiences, Twitter is a platform for businesses to communicate with their customers on a social level. It's an excellent way to keep clients informed about the latest news or developments. Twitter helps businesses interact with their customers and is good for brand communication (Alanko & Laaksonen, 2020).

The Indonesian E-Wallet

An e-wallet is a platform for keeping money in a pre-paid account for future transactions. Users in Indonesia can keep virtual cash, coupons, or offers on hand to make cash withdrawals or payments, making it the most convenient payment instrument in the country. E-wallets are accepted in both physical and online retailers. According to the Indonesia Internet Services Association, 143.26 million people in Indonesia utilize the internet, accounting for nearly 55 percent of the population. Even if the figure is growing year after year, it is still far short of their goal of 75 percent, prompting fintech companies to enhance internet and mobile phone penetration to increase financial inclusion and the establishment of e-wallets (Syifa & Tohang, 2020). In Indonesia's "Payment – Cashless World" category, e-wallets are the fastest growing type of financial technology. This growth reflects a shift in user preferences away from traditional banks and toward new technology. This demonstrated that e-wallets had played a role in financial inclusion in Indonesia. Cashless payments, unlike before the emergence of e-wallets, can only be made using more complicated debit and credit cards. Individuals can now easily use an e-wallet to shop online or offline, as more stores accept e-wallet payments. QR-codes, NFC readers, and other new technological integrations make e-wallet payments more accessible. Buyers planned to take advantage of special deals that allowed them to save money, according to the study's findings

Serey Wallet

People may use the Serey Wallet to make payments and store their cryptocurrencies, which helps to increase adoption. The Serey Wallet is unique in that it does not employ difficult long wallet addresses, but rather Serey username handles. This is considerably more user-friendly, especially for non-technologists. Users are also introduced to a wide range of additional dApps. People who want to play games or browse the Serey Marketplace can do it with a single click from the Wallet. By including other cryptocurrencies within the Serey Wallet, the Wallet positions itself for greater adoption from other crypto communities. Users from Steemit, for example, are drawn to Serey by the addition of Steem money and the ability to fully control the capabilities of their currency. They are thus automatically registered on the Serey Platform and hence exposed to other Serey dApps. Bitcoin, Bitcoin Cash, and Steem are all available on the Serey Wallet. Other coins will be added in the near future. By doing so, the user can convert their serey coin into Bitcoin then convert it to Indonesian Rupiah using Crypto Wallet.

METODE PENELITIAN

This research will be qualitative and quantitative because it will be rich in market research on the Indonesian market and referral incentive design. To gather the data, it will be held a survey which asking people point of view using questionnaire. By That, I hope to acquire more information about the feasibility of designing referral systems and referral reward schemes for the Indonesian market. This analysis is based on both primary and secondary data. Primary data can be collected using the online Survey method. The targeted subject for the Survey will be some customers who had an experience to use referral reward program in Indonesia. Secondary data can be obtained by gathering information, data, or relevant knowledge from literature such as search engines, publications, papers, and other sources discussed further below.

HASIL PENELITIAN DAN PEMBAHASAN

Referral Reward Design

The simpler the referral program that is developed, the easier it is for the referral member to share the referral. Furthermore, the program's simplicity may help the recommended member understand the program in which he is participating. Members will find it easier to recommend the products and services of companies that participate in the referral program as a result. The respondent said that one of the most important things that made them want to use or share referral code aside from the incentives is simplicity. Asking the user to have an account or login into an account would be the only requirement that the user need to do. Moreover, the respondent would reluctantly to share the referral code to other if the requirement is complicated such as asking about ID card and pay to have an account.

Companies might offer rewards to the user who share the referral code that they have. This reward has been shown to be effective in enticing new user to join the Serey. This incentive may increase consumer motivation to continue providing product reviews and recommendations through referrals. Based on the data given, getting a reward after they share the referral code is the main goal by doing this. The existing financial incentives that Serey provide is already meet the demand of the Indonesian market. Aside from giving financial incentive, giving a product upgrade or a free gift could be another way to give a reward to the users.

The Marketing

In terms of marketing, Serey should use social media to deliver this referral reward technique, as social media involvement may be the key to successful branding and marketing. Instagram, Twitter, and Discord are among the most popular social media platforms among Indonesians. Based on the data given, they prefer to share the referral reward through social media. Promoting your business on Instagram and Twitter is a great way to reach out to new customers while also participating with the community. Indonesians are also engaged on social media platforms such as Twitter and Instagram, making them excellent for social media interaction. With the existing social media, referral codes are easily spread to consumers via the internet, resulting in a viral effect. With that being said it will be very helpful for Serey to gain new user from Indonesia.

The exchange

E-wallets are the fastest growing type of financial technology in Indonesia's "Payment – Cashless World" category. This expansion reflects a shift in consumer preferences away from traditional banks and toward new technology. This demonstrated how e-wallets aided financial inclusion in Indonesia. Although, the majority of the respondent have a crypto wallet, but there are several people still do not have this thing.

When they do not have crypto wallet means that they cannot convert their financial incentive to the Rupiah since the incentive is cryptocurrency. The platform should accept E-wallets as a payment method because they are the most popular among Indonesians. In order to attract customer, the platform should accept cryptocurrencies as payment and offer direct cryptocurrency-to-E-wallet conversion. Serey will comply with Indonesian legislation by first converting cryptocurrencies to rupiah, thereby legalizing the site.

KESIMPULAN

In the case of Serey, a few suggestions may be useful in the future . To begin, Serey should exchange cryptocurrencies for Rupiah in an E-wallet in order to distribute the reward to its subscribers. Using this strategy, the site can take cryptocurrencies as payment while still complying with Indonesian legislation. Legality is critical for seamless operation, as Serey did not want the platform to be restricted and shut down by the Indonesian government. Aside from legal issues, this method will overcome the problem that not all Indonesian have cryptocurrency wallet. By this all user who share or use their referral code could get financial incentives from Serey. Secondly, Serey should consider other incentives to be given to their user. Giving a voucher that can be used in Serey marketplace or make a free gift for their user for the reward could also overcome the crypto wallet problem. By doing this for those who do not have any kind to convert crypto currency into Rupiah will also share or use the referral code and still gain the reward.

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