The Influence of Perceived Usefulness, Perceived Ease of Use, and Sales Promotions Exposure on the Purchase Intention of OVO

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ABSTRACT

The usage of digital wallets and non-cash purchase transaction are becoming increasingly popular among Indonesians. It showed by the increased number of economic transactions using online payment, that Bank Indonesia claimed has grown 20% on November 2020. One famous brands for this digital money service is OVO. Due to its partnership with Tokopedia, an Indonesian e-commerce site, OVO has been the most prominent digital payment brand Since 2019 for e-commerce payment. Whilst now the digital payment services become more competitive, OVO's position as the market leader has been overtook by GoPay in 2021, and then now by ShopeePay. Thus, this study aims to determine the effect of OVO's perceived usefulness, perceived ease of use and sales promotion on the purchase intention using OVO.

The hypotheses in this study are derived from the theory of Technology Acceptance Model and Advertisement Theory This study used online survey to 100 males and females, aged 22-35 years old, in Indonesia and used e-wallets which were chosen by the method of non-probability sampling technique.

The results showed that the hypothesis about perceived usefulness and perceived ease of use is accepted with a significance value of 0.000, indicating there is a significant influence on purchase intention but only perceived usefulness significantly influences purchase intention. Furthermore, the second hypothesis is rejected where OVO's sales promotion exposure has a significance value of 0.755, meaning there is no significant influence.

Keywords: E-wallet, Perceived Usefulness, Perceived Ease of Use, Sales Promotion Exposure, OVO

Background

The development of business in financial technology in Indonesia is accelerating, giving rise to several e-wallet start-ups such as OVO, GoPay, DANA, and others. Some e-wallets are particularly associated with e-commerce in order to broaden their platform. The most recent research by Medcom.id (2022) shows that digital wallets are becoming increasingly popular among Indonesians. The number of transactions using this online payment tool is growing by the day. People can use digital wallets to complete online transactions without meeting the merchant in person. Payments for a variety of purposes, ranging from online shopping to monthly electricity bills, can be made using a digital wallet account in which a certain amount of money is placed. Bank Indonesia even reported a growth of up to 20 percent in non-cash transactions until November 2020.

According to Bank Indonesia, the integration of the fintech ecosystem will encourage and assist the digitalization trend (Bigalpha.id, 2021). In Indonesia, 23.22 percent of the population have used e-wallet (Databoks, 2021). Even though the technological era gives numerous benefits to society, the community does not readily adapt to all existing technology because accepting this new technology requires time and adjustment. Davis (1989), in his research journal entitled "Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology." Users' perceptions of the utility and ease of use influence their interest in utilizing technology. Kotler and Armstrong (2015:179) describe perception as how we choose, interpret, and comprehend information to construct meaningful experiences. "The Technology Acceptance Model and The World Wild Web" by Lederer et al. (2000) claims that the perceived usability and utility of technology have a correlation in attitudes about its use. According to Xendit, e-wallet usage accounted for as much as 43 percent of digital transactions in 2021.

When deciding on a sort of digital service, people consider several factors, including whether or not to employ a digital payment system service. The public takes into account the perception of usefulness when using a digital payment system service. Someone will use a technology if it can provide them with usefulness. By Cho (2015), consumers' perceptions of online retailers' ease of use are favorably associated with their desire to shop online. Perceived usefulness also had a statistically significant impact on customers' online purchase intention.

There are 5 largest digital wallets that compete in e-wallet competition in Indonesia, namely ShopeePay, OVO, GoPay, DANA and LinkAja. In the e-wallet competition, GoPay has topped the active users' list from 2019-2020, followed by OVO and Dana on the top three lists. In a survey conducted by Ipsos, 58 percent of respondents identified GoPay as their most familiar e-wallet, followed by 29 percent for OVO, 9 percent for DANA, and 4 percent for Link Aja (Iprice, 2020).
OVO is one of the businesses that has offered e-wallet services since 2017. OVO has two affiliated payment options that can be used; OVO Cash and OVO Points. Customers that pay with OVO Cash at OVO partner merchants earn OVO Points, a form of customer loyalty reward.

OVO's year-on-year growth is inextricably linked to its partnership with Tokopedia, one of Indonesia's top e-commerce sites. Tokopedia has held more than 35 percent of OVO shares since 2019, and OVO is a payment method on Tokopedia. This collaboration expands OVO's application to e-commerce, making OVO the most prominent digital payment platform in Indonesia. According to Kumparan, OVO was able to cover 93 percent of Indonesian districts by collaborating with Tokopedia. In the first year of the partnership, they were able to generate 80 million monthlies active Tokopedia users among the 60 million OVO users (Marketeers, 2018).

In the first quarter of 2021, OVO overcame GoPay's rating. However, OVO has yet to win the number 1 place, which a newcomer, ShopeePay, now holds. According to the poll results, ShopeePay has an enormous market penetration with 68 percent, followed by OVO with 62 percent, Dana with 54 percent, GoPay with 53 percent, and LinkAja with 23 percent (Katadata, 2021).

Despite being active in Indonesia for less than a year, ShopeePay is the market leader in digital payments for online shopping. The emergence of ShopeePay made digital wallet competition more intense in the first quarter of 2021. The emergence

of GoTo generates a slew of interesting questions, one of which is about the fate of OVO since Gojek also has its own digital wallet, Gopay. GIn May 2021, Tokopedia officially announced its merger with Gojek into GoTo. GoTo's merger raises some assumptions that OVO's presence on Tokopedia can go down since OVO is now not the primary payment system for Tokopedia.

In addition to considering the benefits and conveniences, the development of e-wallets is also inseparable from various promotions. Not only focused on providing ease and continually innovating to expand its benefits so that users can transact anywhere and for anything by collaborating with local merchants, but OVO also offers various monthly sales promotions. According to Kompas, IIpsos'2020 research results showed that 71 percent of respondents who use digital wallets use e-wallets because they are enticed by the numerous promotions offered by each e-wallet.

Kotler dan Armstrong (2015:501) defined sales promotion as a short-term stimulus to trigger purchasing products and services. OVO's sales promotion strategies include partnering with e-commerce and online transportation to become a payment platform for users of transportation and e-commerce services, along with several restaurants that offer cash back promotions ranging from 10 percent to 30 percent off with OVO payment, where the points earned are in the form of cash in the form of points that can be spent at outlets that also collaborate with OVO.

State of The Art

Perceived Usefulness

To develop an accurate picture of the world, people use a process known as perception, which involves selecting, organizing, and interpreting information data. Perception is important in marketing because it influences consumers' behavior. The senses of sight, hearing, smell, taste, and emotion all play a role in how customers absorb information (Kotler and Keller, 2016: 97). Davis (1989:320) defines perceived usefulness as when users believe that utilizing technology can enhance their work. According to Venkatesh and Davis (2003:426), these are the indicators of perceived usefulness:

1. Effectiveness means that users can save time by using a system.
2. Accomplishing faster is when a job can be finished more quickly due to the system's presence.
3. How much a system can benefit someone's actions.
4. Advantageous means the users can gain advantages by using a system.

Perceived Ease of Use

Davis (1989:320 defines it as the condition where the user thinks using information technology is simple and does not require much work. This concept encompasses both the user's clarity of goal and the ease with which the system can be used to accomplish that purpose. Davis (1989:320) presents the following indicators of perceived usability in information technology:

1. Easy to use.
2. Easy to learn.
3. Work easily according to what users want.
4. Easy to operate

Sales Promotion Exposure

Advertising Exposure is a condition when the target consumer sees or hears a message or information through a media regarding the promotion of goods or services delivered by the marketer, and the target consumer can remember and understand the content of the message (Peter and Olson, 2009: 525).

OVO employs adverts on its Instagram and YouTube accounts to carry out promotions. OVO's promotion involves offering rewards, cashback, and incentives to customers who use OVO to make payments.

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Sales promotion exposure is the consumer's impression after perceiving all promotional activities to stimulate short-term buyer behavior to promote immediate sales. When it comes to marketing, sales promotion is about adding value to the core benefits that a customer receives when purchasing a product or service (Shimp, 2008:512). People who are exposed to sales promotions get information and knowledge about the incentives offered by the company.

According to Vreese and Neijens (2016: 71), self-report questionnaires can quantify media exposure. These questionnaires invariably ask respondents to recall or recognize some message to assess exposure. Respondents' ability to recognize or recall a message or campaign's specifics is typically used to measure exposure in self-reports.

Purchase Intention

In the words of Spears and Singh (2004: 56), a person's deliberate intention to purchase a brand is what they mean by the term purchase intention. Customers will have the intention as they respond to the advertisement, whether it is a positive or negative action. Purchase intention, according to Belch and Belch (2013:120), is defined as the predisposition to purchase a specific brand or product, one that is premised on the correlating of purchase motives with the attributes or features of the brands under deliberation. According to Peter and Olson (2009:150), forecasting and marketing planning are crucial to predicting consumer behavior accurately. When it comes to predicting future purchases, it is typically advisable to use measures of buy intent.

According to Till and Busler (2000: 6), Impossible or likely, improbable or probable, and absolutely not or definitely would be all ways to evaluate a buyer's intent to buy. According to Harris and Goode in Praptono and Haryanto (2016: 107), purchase intention can be measured by the user's planning to purchase. In Arifani & Haryanto (2018: 3), Yoo B, Donthu N, and Lee S define purchase intention as the customer's future purpose to purchase goods or services.

Research Method

This explanatory research uses quantitative methods to investigate the cause-effects between observable variables. This research would look for the influence of perceptions of usability and utility and sales promotion on consumer intention to utilize OVO as an electronic money service.

Young adults aged 20 to 35 made up most of those using an e-wallet service. (https://iprice.co.id/trend/insights/e-wallet-terbaik-di-indonesia) Therefore, the population for this research is between the ages of 20 and 35, and the population size is unknown. In this study, the number of samples used was 100 respondents. This is because, according to Roscoe (Sekaran, 2016: 295), the minimum sample size needed in research is between 30 to 500 samples. This research uses primary data, in which the data is retrieved from the respondents through answers to questionnaires that have already been distributed and filled out. The technique used data in this interview with a questionnaire as an instrument. It uses a self-administer questionnaire, which means giving questionnaires to respondents and asking them to fill in.

Results and Discussion

Correlation Test and Coefficient of Determination

Table 1. Hypothesis Test Results between Perceived Usefulness (X1), Perceived Ease of Use (X2), and Purchase Intention (Y).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,597[a]	**,356**	,344	,91595

a. Predictors: (Constant), Perceived Usefulness, Perceived Ease of Use
b. Dependent Variable: Purchase Intention

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48,678	2	24,339	29,011	**,000**[b]
	Residual	88,090	105	,839		
	Total	136,769	107			

a. Dependent Variable: Purchase Intention
b. Predictors: (Constant), Perceived Usefulness, Perceived Ease of Use

Coefficients

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
(Constant)	-3,100	1,201		-2,581	,011		
Perceived Usefulness	**,194**	,026	,620	7,353	**,000**	,863	1,158
Perceived Ease of Use	-,021	,024	-,073	-,870	**,386**	,863	1,158

a. Dependent Variable: Purchase Intention

The Anova table results show that the hypothesis is accepted, with a significance value of 0.000 < 0.05. However, of the two independent variables tested, only perceived usefulness (X1) has an influence on purchase intention (Y). The perceived usefulness variable is very dominant in influencing purchase intention with a significance value of 0.000, whereas perceived ease of use does not influence purchase intention.

The coefficient of determination serves to find out what percentage of the influence of the independent variables simultaneously on the dependent variable. The output shows that the coefficient of determination R Square is 0.356, indicating that the influence of variables X1 and X2 on variable Y is 35.6 percent.

The coefficients table then shows that the perceived use variable positively influences purchase intention using OVO, whereas the perceived ease of use variable has no influence.

Table 2. Hypothesis Test Results between Sales Promotion Exposure (X3) on Purchase Intention (Y).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,030[a]	,001	-,009	1,13538

a. Predictors: (Constant), Sales Promotion Exposure
b. Dependent Variable: Purchase Intention

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,126	1	,126	,098	,755[b]
	Residual	136,643	106	1,289		
	Total	136,769	107			

a. Dependent Variable: Purchase Intention
b. Predictors: (Constant), Sales Promotion Exposure

Coefficients

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
(Constant)	2,473	,259		9,533	,000		
Sales Promotion Exposure	,011	,037	,030	,312	,755	1,000	1,000

a. Dependent Variable: Purchase Intention

A simple linear regression test with one independent variable and one dependent variable is used to evaluate the second hypothesis. Based on the findings of a simple linear regression test for the influence of sales promotion exposure (X3) on purchase intention (Y) results in a significant value of 0.755 > 0.05. Meaning that the sales promotion exposure variable (X3) does not influence intent to purchase via OVO (Y). As a result, the research **hypothesis** stating that exposure to sales promotions influences purchase intention of using OVO **is rejected.**

Discussion

The results of the first hypothesis test show that perceived ease of use influences purchasing intention, whereas perceived ease of use does not influence purchasing intention. These findings suggest that the Technology Acceptance Model, which claims that technology can be utilized as a cause for someone to behave or as the criterion for adopting technology, partially applies in this study.

The influence of perceived usefulness on purchase intention in using the OVO application is significant, indicating that respondents are aware of the OVO application's benefits, which stimulates intention in using the OVO application. This is attributable to respondents' awareness and knowledge of the benefits of electronic money, as well as information regarding the benefits of OVO promotions chapter 3.3. According to Finansial Bisnis in 2022, people tend to prioritize perceptions that involve selecting, organizing, and interpreting data to absorb information. Davis (1989:320) argues that users will utilize a technology that they believe can increase the effectiveness and efficiency of their work. Related to this, the survey results with 109 samples found that the perceived usefulness variable influences the intention in transactions using OVO.

The widespread usage of numerous types of e-wallets encourages users to be selective in selecting the correct e-wallet for everyday transactions; yet, the ease of use of OVO as one of Indonesia's largest e-wallets does not influence someone's desire to conduct transactions using this application. The influence of ease of use on intention in using the OVO application has no significant influence, indicating that respondents' awareness of the ease of use in utilizing the OVO application is low and hence does not stimulate intention in using the OVO application. This is due to the fact that the respondents in this study were 21-25 years old, or that age was the millennial generation category, which was born at a period when technology was rapidly advancing, so they were accustomed to using various technologies. As a result, based on the insignificancy of perceived ease of use on purchase intention, ease of use is no longer a metric or consideration for someone or the millennial generation when it comes to using or operating server-based electronic money, like OVO.

Users are also already familiar with how to use an e-wallet since all processes are nearly identical from one brand to another, so perceived ease of use no longer plays an important role in making people believe in choosing one brand of e-wallet over another. According to a 2020 Databoks survey, consumers' primary reason for using digital wallets is convenience. Consumers also use digital wallets for security reasons, such as the existence of transaction records and the ease of blocking accounts if a cell phone is lost.

In this study, the second hypothesis test was a simple linear regression test using exposure to sales promotion as the independent variable and purchase intention as the dependent variable. According to the data related to the hypothesis test above, the significance value is 0.755, which indicates that there is no influence between variable X3 and variable Y, indicating that the second hypothesis is rejected.

This suggests that OVO's promotions, which include offers of rewards, cashback, and incentives to customers who utilize OVO to make purchases, do not influence their transaction intention. This contradicts the Advertising Exposure theory proposed by Batra, Mayer, and Aaker, which states that when consumers are exposed to advertising, certain feelings and attitudes toward the brand are created, which then move and direct consumers to decide to buy a product. However, OVO uses advertisements on Instagram accounts and their applications as a form of promotion, so many people use this e-wallet.

Each e-wallet competes by offering its users the most promotional offers. According to Ipsos research from the end of 2020, as many as 71% of e-wallet users were initially motivated to use digital wallets because of promotional offers. This reason, however, began to shift over time. According to the findings, ShopeePay was present as a new player and provided a fairly large promotion, but this did not affect increasing the number of user bases or users. According to Ipsos research, users are growingly concerned about security, which means that e-wallet service providers must be responsive and capable of educating and assisting customers if there are issues with the funds they stash in their e-wallets. According to Databoks's research in 2020, consumers will continue to transact with digital wallets even though various valid promotions have been discontinued. The sales promotions carried out by OVO no longer influence the consumer's intention to do transactions using its digital wallet.

Conclusion and Recommendation

The hypothesis of the influence of perceived usefulness and perceived ease of use on purchase intention showed a significance value of 0.000, which is considered significant. As a result, the model that perceived usefulness and perceived ease of use influence purchase intention to use OVO is accepted. However, only perceived usefulness significantly influences purchase intention, with the coefficient of determination R Square being 0.356. This means that perceived usefulness positively influences purchase intention, but perceived ease of use does not influence purchase intention.

The hypothesis test of the influence of sales promotion exposure on OVO purchase intention showed a significance value of 0.755, indicating that it is insignificant because the significance value is greater than 0.05. As a result, the hypothesis that there is an influence of sales promotion exposure on OVO purchase intention is rejected.

According to the findings of this study, the perception of ease of use and exposure to sales promotions do not influence purchase intention. As e-wallet users are already accustomed to using the e-wallet application, each e-wallet offers a similar amount and type of sales promotions. As a result, perceived ease of use and sales promotion exposure no longer play a significant role in influencing users to choose one brand of e-wallet over another. Instead of competing in the realm of offering sales promotions, e-wallet service providers could focus on improving the features of their e-wallet to make it more effective and improve user performance in activities, particularly when making payments.

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