

FEEL OF LOYALTY FOR OVO USERS IN KUPANG CITY

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ABSTRACT

Technology is a part of human life. Almost all mechanical work. The high use of smartphones makes the banking industry more competitive in marketing products using mobile phones, helping customers in the banking business everywhere and all the time. This research aims to analyze the impact of perceived service quality, perceived usefulness, perceived convenience, perceived security, and OVO users' satisfaction and trust. This study classifies it as descriptive analysis with samples and questions as the main tools. The sample for this study is an e-cash user. Respondents were selected using non-probability and convenience sampling methods. The results of the analysis using the structural equation modeling (SEM) and the results will appear as follows: the results of agreement have a positive effect on satisfaction in use, perceived benefits in use have a significant effect on satisfaction in use. 4. The effect of perceived security has a positive effect on satisfaction in use, and the effect of satisfaction has a positive effect on justice in use.

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1. INTRODUCTION

Technology is a need of every generation. Technology makes it easier and faster to complete tasks, make it easier to communicate with others in different places, and make it easier to access information. The increase in smartphone users can be seen from the data obtained. In Indonesia, the number of smartphone users increased from 65.2 million to 92 million users from 2016 to 2019, while computers account for 15% and tablets are 4% of them (www.ddatakata.co.id accessed on May 11, 2022 at 20:20). 57 TSO). People's dependence on mobile phones and their activities is a good opportunity to participate in these activities in Indonesia.

The rapid development of technology makes everything easier. A recent technological development is the emergence of electronic money and electronic wallets. Electronic funds are prepaid products that collect income from electronic products owned by an individual. Like Flazz BCA, Mandiri E-money, Brizzi BRI and others. (www.handbook.fca.org.uk Accessed May 10 2022, 21:19 WITA). With the increasing acceptance of electronic money by the wider community, many start-ups are now building their businesses in the financial sector or fintech. It is very easy to use electronic wallets for customers because the system is already connected to the Internet. A digital wallet is a server-based electronic currency that customers need to connect to a service provider's server and use the Internet. Unlike electronic money, which uses chips, digital wallets use apps.

Table 1. The number of electronic money circulation in Indonesia

Period	2016	2017	2018	2019	2020
Amount Instrument	51,204,58	90.003.84	167,205.57	292,299,32	313,785,298

Source: (<http://www.bi.go.id/> accessed 10 May 20 22 at 21:47 WITA)

Table 1 shows that the development of e-money in Indonesia is very fast. The potential for e-money users means that providers and banks compete in the creation and delivery of e-money. With the spread of electronic money, the e-wallet market in Indonesia has reached INR 21 trillion and is expected to increase to INR 355 trillion by 2023, according to the data obtained. WITA).

The development of a cashless society has collided with the culture of the Indonesian people, including the city of Kupang, that is, the culture of communal cash holding, even though the proportion of cash transactions in economic activity is still large. The use of digital wallet payment instruments has

increased significantly in recent years. Therefore, e-wallets as a new payment system in the future tend towards effectiveness.

Based on his 2019 data from APP Annie, the top 5 most popular e-wallet applications with the highest number of monthly active users from 2017 to 2019 are:

Table 2. Ranking of the Most Popular and Most Popular Digital Wallets in Indonesia

Rating	E-wallet
1	Go-Pay
2	OVO
3	Fund
4	LinkAja
5	genius

Source: www.iprice.co.id (2019)

OVO Digital Wallet is a server-based electronic wallet that uses mobile devices and USSD or mobile money, allowing users to easily make payments without interrupting the payment process. money. OVO's digital wallet is part of a digital financial product designed to reduce the use of cash and facilitate financial transactions for the underprivileged. OVO's digital wallet is a product that helps governments distribute aid to communities. According to Bank Indonesia data, OVO has a market share of 37% of all digital wallets in Indonesia. With the development of OVO, app downloads fell from the second place to the third place in 2018 and back to the second place in 2019, but OVO increased one place in 2018 LinkAja said that monthly user. Although many people use OVO digital wallet in Indonesia, not all Indonesians use OVO, especially in Kupang. Residents of Kupang are still unsure about the security of personal information of customers, and some do not attach importance to the ease of use of their OVO Digital Wallet or the benefits of using their OVO Digital Wallet. The quality of service found by users of the OVO digital wallet is not complete and does not satisfy users. Therefore, Lippo Group must create a strategy to satisfy users and not rely on other digital wallets (honest). Perceived service quality, perceived usefulness, and perceived safety are more related to customer satisfaction, while perceived ease of use and perceived risk are greater impact on satisfaction. [1].

Customer satisfaction has a positive effect on customer loyalty. [2]. The author published the title of the paper on the impact of perceived service quality, perceived usefulness, perceived ease of use, and perceived trustworthiness of satisfaction with the impact for the loyalty of OVO digital wallet users.

2. METHOD

2.1 Types and Data Source

This study is a descriptive study. The design of this survey is a cross-sectional design and the nature of the survey design is that he collects information about a specific sample of population items only once. [3]. The cross-sectional sampling design is a cross-sectional one, the response sample is taken from the target population, and the data is extracted from the sample only once. [3].

2.2 Analysis Method

The method to be used is a quantitative method, which is an inductive, objective and scientific method of research in which the data obtained is in the form of numbers (degrees, significance) or data that is evaluated and evaluated by statistical analysis. The information in this study was collected using the research method, which means that the distribution of questions that were given to the respondents and designed to create specific information. The questionnaire will be given to the respondents of OVO users in the city of Kupang. Then the results of the questionnaire were processed by the researchers using the statistical method of Semi-Analysis (SEM) using AMOS 24 software. This study obtained the model by following the concept [4], each estimate of exogenous and endogenous variables is approximately 5-10 observations, with the number of observations Well around 150-300. A sample of 150 people was collected for this study. Sampling was done by using simple sampling based on the availability and convenience of the samples.

3. RESULT AND DISCUSSION

3.1 Measurement Model

Constructive validity is the validity associated with the ability of a measure or meter to measure the latent variable it is measured. According to Hair et al. (2010)[4], the difference is valid if the normal loading is 0.50, the best is 0.70. Reliability is the consistency of measurement. Reliability indicates that the index has consistency in the underlying measurement. [4].

Table 3. Validity and Reliability Test Results

Latent Variable	Indicator	Validity test			Reliability Test	
		Loading Factor	Information	AVE 0.5	CR 0.7	Information
Perceived Service Quality	PSQ1	0.763	Valid	0.622	0.908	Reliable
	PSQ2	0.831	Valid			
	PSQ3	0.842	Valid			
	PSQ4	0.860	Valid			
	PSQ5	0.664	Valid			
	PSQ6	0.756	Valid			
Perceived Usefulness	PU1	0.763	Valid	0.678	0.913	Reliable
	PU2	0.754	Valid			
	PU3	0.897	Valid			
	PU4	0.902	Valid			
	PU5	0.787	Valid			
Perceived Ease Of Use	PEOU1	0.814	Valid	0.591	0.804	Reliable
	PEOU2	0.927	Valid			
	PEOU3	0.500	Valid			
Perceived Credibility	PC1	0.848	Valid	0.760	0.926	Reliable
	PC2	0.812	Valid			
	PC3	0.940	Valid			
	PC4	0.881	Valid			
Satisfaction	SAT1	0.862	Valid	0.860	0.951	Reliable
	SAT2	0.946	Valid			
	SAT3	0.915	Valid			
	SAT4	0.919	Valid			
Loyalty	L1	0.887	Valid	0.844	0.942	Reliable
	L2	0.974	Valid			
	L3	0.892	Valid			

Table 3 shows that all the indices have a load value of 0.5, indicating that all the indices have been validated and all the variables really measure what they measure. Table 3 can also explain the reliability of the AVE and CR measures that meet the requirements, so we know that the developed indicators can explain the underlying changes.

3.2 Structural Model

3.2.1 Measurement of Goodness of Fit (GOF)

Table 4. Research Results of the Goodness of Fit . Index

GOF	Match Rate	The calculation results	Conclusion
CMIN/df	CMIN/df 5.00 (<i>good fit</i>)	2, 703	<i>good fit</i>
RMSEA	RMSEA 0.08 (<i>good fit</i>) 0.08	0.1 49	<i>poor fit</i>
	RMSEA 0.10 (<i>marginal fit</i>)		
CFI	RMSEA 0.10 (<i>poor fit</i>) CFI 0.90 (<i>good fit</i>)		
	0.80 CFI 0.90 (<i>marginal fit</i>)		

CFI 0.80 (*poor fit*)

0.773 _

Marginal fit

Table 4 shows that the three GOF scales including CMIN/df, RMSEA and CFI show a measure with positive, negative and negative samples. According to Hight et al., (2010) [4], it is said that if one or more parameters are not suitable, the model is declared as appropriate. The model in this study is reported to be reasonable.

3.2.2 Hypothesis Testing Results in Structural Model Fit

Analyzing the entire sample will determine the level of significance by looking at the p-value. The value of the estimated parameter shows that the results are in agreement with the hypothesis and the significance level is $p < 0.05$, then the hypothesis is acceptable which means that the data is supported, even however, if the measured value does not agree with the assumption and the value. significance level $p > 0.05$ then the hypothesis is acceptable means that it is not satisfied with the data. The results of the theoretical analysis of the general model can be seen in Table 5 below:

Table 5. Output Regression Weights

Hypothesis	Path	Estimate	P	Conclusion
1	SAT <--- PSQ	0.084	0.10	Received
2	SAT <--- PU	0.304	***	Received
3	SAT <--- PEOU	0.415	***	Received
4	SAT <--- PC	0.284	***	Received
5	L <--- SAT	0.844	***	Received

Table 5 above, the five hypotheses that have been proven, namely H1, H2, H3, H4 and H5 have a positive and significant effect.

3.3 Discussion

3.3.1 Result of Perceived Service Quality Test on Satisfaction

The results showed that service quality had a positive effect on satisfaction. These findings are consistent with research by Ravindran (2012) [1], who stated that two variables have a positive effect on satisfaction. *The good service* provided by a bank or service company can make someone feel the *perceived service quality* that makes consumers *satisfied*. The majority of respondents in this study have a bachelor's education background (S1) of 78 respondents, so for respondents the quality of service is very important because respondents are smart to assess and assess the *perceived service quality* that they feel and in accordance with what they expect or not, and consumers measure service quality of a company based on the pleasure they get after using or feeling the service [5]. Respondents will definitely compare and evaluate the *perceived service quality* of a company compared to other service providers.

3.3.2 Perceived Usefulness Test Results on Satisfaction

The results of this study show that perceived value has a positive effect on satisfaction. This study is in line with research by [6], which states that agreement has a positive effect on satisfaction. According to the available data, most respondents between the ages of 17 and 23 years benefit from using OVO. Make respondents can make banking transactions using OVO without having to go to branch offices, sub-branches and ATMs. According to Kahandawa & Wijayanayake (2014) [7], when the OVO service offers the *perceived usefulness* of the previous technology, it will increase *satisfaction*.

3.3.3 Result of Perceived Ease Of Use Test on Satisfaction

The results of this study show that perceived ease of use does not have a significant impact on satisfaction. This study is based on previous research by Ravindran (2012) [1], who stated that perceived ease of use has a positive effect on satisfaction. OVO is a cashless product that helps millennials who prefer to pay more easily so that it has an impact on the user's perceived ease of use leading to social interaction. According to respondents with income of 500,000-1,000,000 IDR OVO needs ease of use, it makes the participants feel good about OVO.

3.3.4 Results of the Perceived credibility test on Satisfaction

The results of this study show that trust has a positive effect on satisfaction. This study is based on research [8], which stated that perceived trust has a positive effect on satisfaction. According to the respondent data of 78 respondents with recent university education (S1), respondents with higher education are concerned about the level of security first do business, because the respondents are worried that their personal information will be used by others, showing trust is one of the factors affecting satisfaction in using OVO.

3.3.5 Satisfaction Test Results on Loyalty

The results of this study indicate that *satisfaction* has a significant effect on *loyalty*. The results of this study show the same results from previous research conducted by Thakur (2014) [2], which says that *satisfaction* has a significant impact on *loyalty*. According to Keller (2009) [9] which says that highly satisfied customers will be loyal for a long time. Most of the respondents' jobs are students, feel *satisfaction* in using independent *e-cash*. Features in OVO which makes respondents feel *satisfaction* and will continue to use OVO in the future.

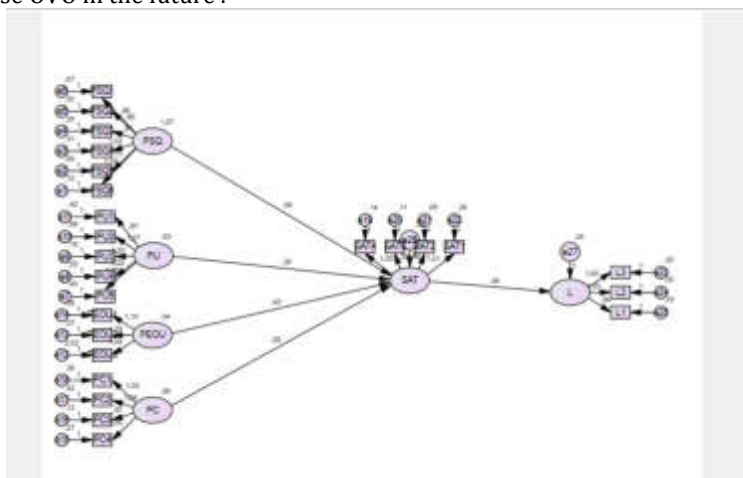


Figure 1. Structural Model

4. CONCLUSION

This study was conducted to examine the role of perceived service quality, perceived usefulness, perceived ease of use, and perceived trust in satisfaction and their effect on the integrity of independent cashiers. The results of the data analysis using SEM analysis showed that the five hypotheses had a positive effect. The conclusion is that perceived service quality has a positive effect on OVO user satisfaction, knowledge of utility has a positive effect on OVO user satisfaction, found Ease of use has had little impact on OVO users' satisfaction, and perceived reliability has been beneficial. of OVO user satisfaction, for satisfaction The positive impact on the loyalty of OVO users. This research still has shortcomings, so it still needs to be improved for future research. Some suggestions that will make further research and for the company is to increase the satisfaction of customers by warning about the risk of fraud, when changes enter one password that is required during the transaction, for example the third of the 6-digit password The password can be supplemented with OTP (One-Time Password) which is confirmed, improved technology to reduce problems or errors in the business that put customers at risk and cooperate with service providers to reduce the problems in accessing OVO, making OVO more convenient and make electronic money more attractive. . OVO companies must satisfy OVO users so that OVO users do not use other apps or move away from OVO. What the company needs to do is increase cooperation with merchants by providing the most popular (food) and improve the features in OVO.

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