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The Relationship of Cashback, Discount, and Voucher toward Decision to Use Digital Payment in Indonesia

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Abstract*:* In the globalization era, technological development (e-wallet) plays an important in supporting the business society and indirectly increase the economic growth of the country. Of these, in the current paper is written to investigate the effectiveness of marketing management through cashback, discount, and voucher strategies in attracting the Z generation (Gen-Z) using the e-wallet. This quantitative study used a self-administered questionnaire involved as much as 100 respondents that born after 1995 and e-wallet users. The data analyzed using structural equation modeling (SEM) by assisting the statistical software, namely Analysis of Moments Structure (AMOS). The results of this study found the variable of cashback, discounts, and vouchers have a positive and significant relationship on the decision of Gen-Z to use e-wallet in their daily business transaction. Also, this study found that female is higher the decision to use e-wallet compared than male respondents. In conclusion, the application of cashback, discount, and voucher in marketing strategy are effectively to attract the Gen-Z to use e-wallet in their daily transaction. Females decided to use the e-wallet may be caused by safety reasons, and they can go anywhere without bringing cash.

I. INTRODUCTION

The development of the era is increasingly developing in the direction of technological developments that continue to develop, especially transactions online (Jung et al., 2014). Technology that is experiencing development also has an impact on human life (Foster et al., 2019). One that has an impact is the financial sector (Chew Beng & Eze, 2010). Finance is always side by side with human life because every human activity is always related to money. Every human being almost every day transactions with money so that money is very important in supporting human activities.

At present, the development of online transactions is far more interactive than conventional transactions (Vasic et al., 2019). Indonesia currently has several electronic money (e-wallets) circulating in Indonesia. E-wallet companies are aggressively promoting products, providing many different forms of discounted prices when buying several types of products in collaboration with certain e-wallets. The

development of e-wallets continues to grow, and new e-wallets appear in the field. The e-wallet is separately a payment instrument and is separate from credit cards, debit cards (Lai, 2016).

Some restaurants, cafes, or snack and beverage shops collaborate with several e-wallets and provide pricing promotion; pricing promotion makes consumers not think long to buy something (Aydinli et al., 2014; Ahmad & Ahmad, 2019). E-wallets are competing to become the rulers of e-wallets in Indonesia by continuing to carry out various promotions in many places of the crowd. Some e-wallets continue to grow in Indonesia and continue to provide services that benefit users. Current technological developments do provide a positive impact on all aspects, including business activities (Pinem, 2019).

Nowadays, the hustle and bustle of community activities today make people want to do everything by the practical and facilitate the work. Buying and selling online is still very effective, and the implementation of various marketing strategies (Ahmad & Ahmad, 2018; Duffy, 2005). One of them is in the case of payment of a purchase transaction for a product or service. Conventional payments using real money might be considered too complicated, now with the emergence of e-wallets making people make payments more comfortable and more practical. Paying a transaction can be done with a smartphone without real money and can be done anytime and anywhere.

E-wallet is one of the answers to people's desire to make transactions faster and practical enough to use a smartphone. Besides the convenience that is obtained by using an e-wallet, many people also doubt the benefits of e-wallet both the security of money in an e-wallet, data security, and even more comfortable using conventional methods. Using e-wallet requires registering personal data, it is necessary to use a pin for security in each transaction so that for some people, it is considered complicated and uses conventional methods of transaction. E-wallets in Indonesia are experiencing fluctuations, Gojek is the most stable e-wallet followed by Ovo, and the other e-wallets tend to be very volatile.

Table 1. List of the Largest E-Wallet Applications in Indonesia

E-wallet	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
Ranking 1	Gojek	Gojek	Gojek	Gojek	Gojek	Gojek	Gojek
Ranking 2	LinkAja	Ovo	LinkAja	Ovo	Ovo	Ovo	Ovo
Ranking 3	Ovo	LinkAja	Ovo	LinkAja	LinkAja	LinkAja	Dana
Ranking 4	Go Mobile	Go Mobile	Go Mobile	Jenius	Dana	Dana	LinkAja
Ranking 5	Jenius	Jenius	Jenius	Go Mobile	Jenius	Jenius	Jenius

Source: iPrice Group 2019

E-wallet that continues to grow will certainly emerge new competitors amid the increasing public demand for an e-wallet. Based on the background formulation above, the writer wants to examine the effect of cashback, accounting, and vouchers on behavioral intention to use an e-wallet.

II. LITERATURE REVIEW

The application of technology in social and economic is a very complex integrated system (Fu et al., 2013). Japan is one of the countries that successfully use e-wallets; this success is a

guideline for countries that want to use e-wallets (Halpin & Moore, 2009). (Fu et al., 2013). Japan is one of the countries that successfully use e-wallets; this success is a guideline for countries that want to use e-wallets (Halpin & Moore, 2009; Ahmad & Sahar, 2019). E-wallet is a financial transaction that is carried out through an electronic terminal, and all transaction activities are carried out online, which in essence, provide convenience for transactions (Jiang et al., 2013). (Jiang et al., 2013). E-wallet makes it easy because all transaction activities are online enough to make it easy for users (Tella, 2012).

Cashback

Nowadays, so many e-wallets provide cashback to attract new users and to retain customers and will continue to grow (Chad Ho et al., 2013). (Chad Ho et al., 2013). Cashback is money that is returned in a certain amount, both in cash and virtual. Cashback usually has restrictions for cash and virtual refunds. Cashback is one of the marketing strategies (Ballestar et al., 2016). (Ballestar et al., 2016). Cashback is a marketing strategy that is still very relevant and effective in attracting consumers (Ballestar et al., 2016; Vana et al., 2018).

Discount

One marketing strategy that is decided at the executive level of the company is a discount for the purchase of products or services sold (Shah & Dixit, 2005). (Shah & Dixit, 2005). Discount policy is given to buyers with a certain number of purchases or higher than they should (Shah & Dixit, 2005). As in general, the discount is an attraction for potential consumers who want to buy products or services, including the amount of the discount (Alford & Biswas, 2002; Corbett & De Groote, 2000; Ma et al., 2016). (Alford & Biswas, 2002; Corbett & De Groote, 2000; Ma et al., 2016). Discounts influence consumers' decisions to use a product and are also influenced by discount levels (Eisenbeiss et al., 2015).

Voucher

Vouchers are exchange devices that have a certain value and duration. For example, Vouchers on Gopay, we can claim a voucher, but we have to spend a certain amount. Vouchers are one of the effective and interactive tools to increase consumer awareness (Stejskal & Matatkova, 2012). Nowadays, e-wallets often offer vouchers with terms of buying a certain amount.

III. METHODOLOGY

As mentioned in the previous section, the primary purpose of this study is to investigate the effectiveness of marketing management through cashback, discount and voucher strategies in attracting the Z generation (Gen-Z) using an e-wallet. A total of 100 respondents born after 1995 and e-wallet users have participated in this study. The data collected by using the self-administered questionnaire based on some criteria of respondents. The data analyzed using structural equation modeling (SEM) by assisting the statistical software, namely Analysis of Moments Structure (AMOS).

IV. RESULTS

Before embarking on hypotheses testing, we present the results of the measurement model test, which consists of test the validity and reliability through the score of Standardized Loading Factor (SLF), Average Variance Extracted (AVE) and Construct Reliability (CR). The result, as seen as follows:

Table 2. The Result of Validity and Reliability for Male

Indicator	Standardized Loading Factor (SLF)	Average Variance Extracted (AVE)	Construct Reliability (CR)
CB1	0.7859		
CB2	0.7893		
CB3	0.7651	0.6939	0.9309
CB4	0.9025		
CB5	0.7626		
CB6	0.9703		
DN1	0.8101		
DN2	0.8541		
DN3	0.7518	0.7089	0.9238
DN4	0.8635		
DN5	0.9208		
VC1	0.9536		
VC2	0.8427	0.8068	0.9259
VC3	0.8949		
KP1	0.8188		
KP2	0.7944	0.6572	0.8844
KP3	0.7512		
KP4	0.8736		

Table 2 displays the results of the validity and reliability test for the male category. Referring to the value of SLF, the results show the values have more than 0.70. The minimum value of SLF is 0.7512, and the maximum is 0.9536. Using the composite reliability test (CR), the entire constructs of CR are valued more than 0.80. It means the constructs are reliable. Having that, the value of the average variance extracted (AVE) is used to test convergence validity. The results of AVE indicates that the constructs are fulfilling the requirement of convergence validity. It can be seen from the value of AVE is more than 0.50.

Table 3. The Result of Validity and Reliability for Female

Indicator	Standardized Loading Factor (SLF)	Average Variance Extracted (AVE)	Construct Reliability (CR)
CB1	0.7818		
CB2	0.7661		
CB3	0.7421	0.6699	0.9234
CB4	0.8828		
CB5	0.7475		
CB6	0.9656		
DN1	0.7965	0.6848	0.9153
DN2	0.8525		

DN3	0.7277		
DN4	0.8545		
DN5	0.8961		
VC1	0.9393		
VC2	0.8358	0.7774	0.9127
VC3	0.8667		
KP1	0.8021		
KP2	0.8054		
KP3	0.7234	0.6446	0.8784
KP4	0.8736		

Table 3 displays the results of the validity and reliability test for the female category. Referring to the value of SLF, the results show the values have more than 0.70. The minimum value of SLF is 0.7234, and the maximum is 0.9656. Using the composite reliability test (CR), the entire constructs of CR are valued more than 0.80. It means the constructs are reliable. Having that, the value of the average variance extracted (AVE) is used to test convergence validity. The results of AVE indicates that the constructs are fulfilling the requirement of convergence validity. It can be seen from the value of AVE is more than 0.50.

Table 4. The Result of Goodness of Fit Testing for Male

Index Goodness of Fit	Score	Score standard	Goodness of Fit
P-Value	0.480	> 0.05	Yes
RMSEA	0.005	< 0.08	Yes
IFI	1.000	> 0.9	Yes
CFI	1.000	> 0.9	Yes
TLI	1.000	> 0.9	Yes

Table 4 displays the overall model fit evaluation for the male category are satisfied. The structural equation model as a whole has a good ability in terms of matching the sample data (good fit). The size of the match can be seen from the size of the match on the P-value, RMSEA, IFI, CFI, and TLI all indicate the suitability of the model developed.

**Table 5.** The Result of Goodness of Fit Testing for Female

Index Goodness of Fit	Score	Threshold	Goodness of Fit
P-Value	0.363	> 0.05	Yes
RMSEA	0.027	< 0.08	Yes
IFI	0.993	> 0.9	Yes
CFI	0.993	> 0.9	Yes
TLI	0.991	> 0.9	Yes

Table 5 displays the overall model fit evaluation for the female category are satisfied. The structural equation model as a whole has a good ability in terms of matching the sample data (good fit). The size of the match can be seen from the size of the match on the P-value, RMSEA, IFI, CFI, and TLI all indicate the suitability of the model developed.

Table 6. The Result of Hypotheses testing for Male

Item	Path Coefficients	P-Value	R-Square
CB -> KP	0.349	0.009	
DN -> KP	0.419	0.001	**0.694**
VC -> KP	0.324	0.012	

Table 6 shows the results of hypotheses testing for the male category. From the above table, we found that the variable Cashback (CB), Discount (DN), and Voucher (VC) have a significant positive relationship with the Decision to use e-wallet (KP). Partially, the higher magnitude of path coefficient has contributed by the Discount (DC) variable is 0.419. It means that by assumption increase 1 percent in DC variable, it will be given effect to increase the Decision to use e-wallet (KP) is 41.9 percent. Followed by Cashback (CB), the magnitude of the path coefficient of the Cashback (CB) variable is 0.349. It means that by assumption increase 1 percent in DC variable, it will be given effect to increase the Decision to use e-wallet (KP) is 34.9 percent. Lastly, the variable of Voucher (VC) has a magnitude as much as 0.324. It means that by assumption increase 1 percent in VC variable, it will be given effect to increase the Decision to use e-wallet (KP) is 32.4 percent. The value of R square is 0.694; it means that the variable of Cashback (CB), Discount (DN), and Voucher (VC) explained its relationship on the Decision to use e-wallet (KP) is 69.4 percent or categorized as medium level.
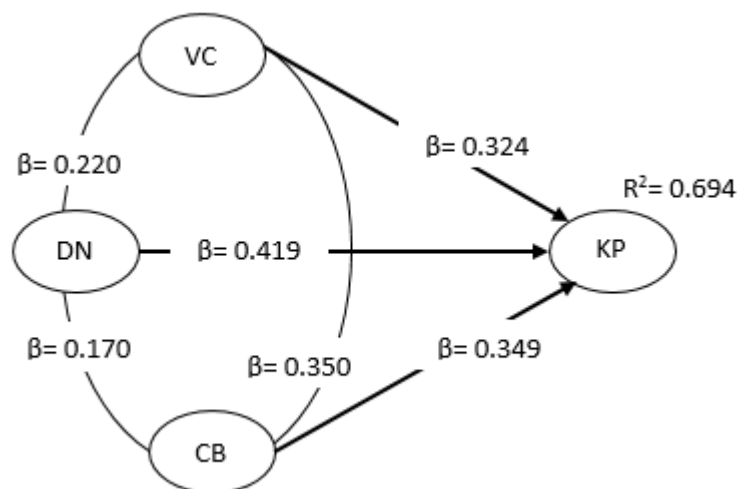
Figure 1. The Results of Hypotheses Testing for Male

Table 7. The Result of Hypotheses testing for Female

Item	Path Coefficients	P-Value	R-Square
CB -> KP	0.356	0.003	
DN -> KP	0.419	0.001	**0.749**
VC -> KP	0.318	0.007	

Table 7 shows the results of hypotheses testing for the female category. From the above table, we found that the variable Cashback (CB), Discount (DN), and Voucher (VC) have a significant positive relationship with the Decision to use e-wallet (KP). Partially, the higher magnitude of path coefficient has contributed by the Discount (DC) variable is 0.419. It means that by assumption increase 1 percent in DC variable, it will be given effect to increase the Decision to use e-wallet (KP) is 41.9 percent. Followed by Cashback (CB), the magnitude of the path coefficient of the Cashback (CB) variable is 0.356. It means that by assumption increase 1 percent in DC variable, it will be given effect to increase the Decision to use e-wallet (KP) is 35.6 percent. Lastly, the variable of Voucher (VC) has a magnitude as much as 0.318. It means that by assumption increase 1 percent in VC variable, it will be given effect to increase the Decision to use e-wallet (KP) is 31.8 percent. The value of R square is 0.749; it means that the variable of Cashback (CB), Discount (DN), and Voucher (VC) explained its relationship on the Decision to use e-wallet (KP) is 74.9 percent or categorized as medium level.
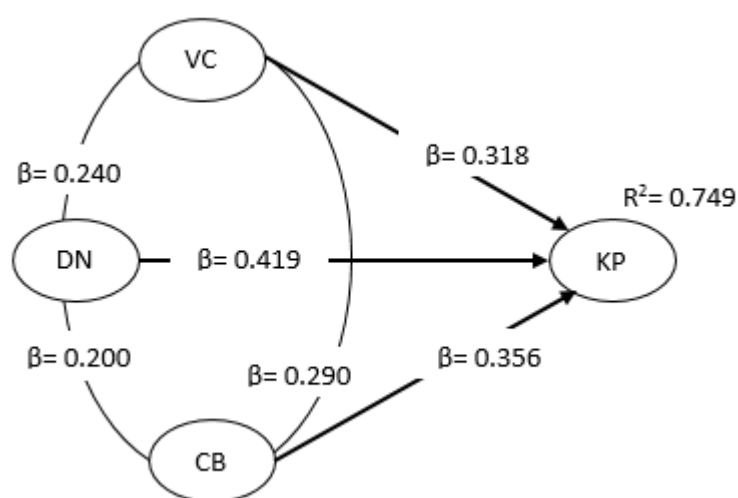

Figure 2. The Results of Hypotheses Testing for Female

V. CONCLUSION

In conclusion, cashback, discounts, and vouchers are effective marketing strategies that can use to attract customers to decide to use or buy the product. This study proved that three variable under marketing strategy has a significant positive relationship on the decision to use e-wallets among Gen-Z. Also, this study found the use of e-wallet among females is higher than males.

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