

THESIS

THE EFFECT OF OVO APPLICATION PROMOTION AND EFFECTIVENESS ON CONSUMER SATISFACTION

**(Case Study on Students of the Faculty of Economics and Business, Hasanuddin
University)**

ANDIKA WARDHANA PUTRA HANURA



Submitted to

**DEPARTMENT OF MANAGEMENT
THE FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS HASANUDDIN
MAKASSAR
2023**

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As one of the requirements to obtain Bachelor of Economics degree

Compiled and filed by

ANDIKA WARDHANA PUTRA HANURA

A021171810



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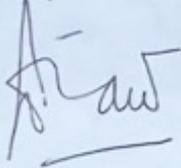
Compiled and submitted by

ANDIKA WARDHANA PUTRA HANURA
A021171810

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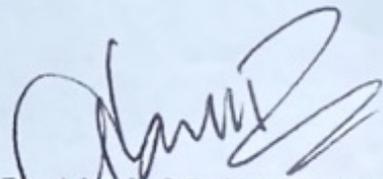
Makassar, **28** February 2023

Supervisor I



Prof. Dra. Hj. Dian A. S. Parawansa, M.Si., Ph.D., CWM
NIP 196204051987022001

Supervisor II



Prof. Dr. Abdul Razak Mufir, S.E., M.Si., M.Mktg., C.MP., CMA
NIP 1974120620000121001

Head of Management Department
Faculty of Economics and Business
Hasanuddin University



Dr. Andi Aswan, SE, M.BA., M.Phil., DBA., CWM
NIP 197705102006041003

STATEMENT OF AUTHENTICITY

I, the undersigned below,

Name : Andika Wardhana Putra Hanura

NIM : A021171810

Department : Management

Here by truthfully declare that the thesis entitled :

**THE EFFECT OF OVO APPLICATION PROMOTION AND EFFECTIVENESS ON
CONSUMER SATISFACTION**
(Case studies on Students of the Faculty of Economics and Business,
Hasanuddin University)

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Makassar, March 2023



Andika Wardhana Putra Hanura

FOREWORD

Praise the researcher goes to God Almighty for His blessings and gifts so that the researcher can finish this thesis. This thesis is the final project to achieve a Bachelor of Economics (B.Ec) degree in the Management Department of the Faculty of Economics and Business, Universitas Hasanuddin.

The researcher would like to thank all parties who have helped the completion of this thesis. First of all, the researchers thank Prof. dr. Hj. Dian AS Parawansa, M.Si.,Ph.D. and Prof. Dr. Abdul Razak Munir, SE, M.Si, M.Mktg., C.MP as supervisor for the time spent to guide and provide literature assistance to researchers.

Finally, thanks to the family and friends of the researchers for the help, advice, and motivation given during the research of this thesis. Hopefully all parties get the goodness of Allah SWT so that this thesis is completed properly.

This thesis is still far from being perfect even though it has received help from various parties. If there are errors in this thesis it is entirely the responsibility of the researcher and not the aid providers. Constructive criticism and suggestions will further improve this thesis.

Makassar, February 2023

Researcher

ABSTRACT

THE EFFECT OF OVO APPLICATION PROMOTION AND EFFECTIVENESS ON CONSUMER SATISFACTION (Case studies on Students of the Faculty of Economics and Business, Hasanuddin University)

Andika Wardhana Putra Hanura

Dian A.S. Parawansa

Abdul Razak Munir

This study aims to analyze the effect of promotions and the effectiveness of OVO application users on satisfaction. This study used descriptive quantitative methods with multiple regression analysis models, while data collection was carried out by distributing questionnaires to 36 students of the Faculty of Economics and Business, Hasanuddin University as respondents. The results of this study indicate that: (1) Based on the partial test results, the promotion variable and the user effectiveness variable each have a positive and significant effect on consumer satisfaction. (2) promotion and user effectiveness have a simultaneous influence on consumer satisfaction.

Keywords: *Promotion, User effectiveness, Consumer satisfaction*

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CHAPTER I

INTRODUCTION

1. Background

Along with the development of information and communication technology in Indonesia, almost all activities carried out can use technology. One of them is a payment transaction system using an application or online. It used to be that payment systems had to be done face-to-face and carry cash, now payment systems can be made remotely and in a short time can make various transactions.

On 14th August 2014 Bank Indonesia (BI) launched the National Non-Cash Movement (GNNT) which aims to create a safe, efficient and smooth payment system, which in turn will be able to encourage the national financial system to work effectively and efficiently. . GNNT is also expected to minimize obstacles in cash payments, such as money not being received because it is shabby/torn/unfit for circulation and increase efficiency when transacting where people do not need to carry large amounts of money. So that it can increase the effectiveness of transactions, namely avoiding miscalculations or human errors.

One of the non-cash payment instruments that is currently developing in Indonesia is electronic money or commonly called e-money. E-money provides various advantages, including prioritizing speed, convenience and efficiency compared to other cashless payment instruments, ranging from the benefits obtained in using e-money services to the ease of use of e-money.

In Bank Indonesia Regulation Number: 11/12/PBI/2009 concerning Electronic Money, it is stated that: Electronic Money is a means of payment that meets the following elements: (a) issued on the basis of the value of money paid in advance by the holder to the issuer; (b) the value of money is stored electronically in a medium such as a server or chip; (c) used as a means of

payment to merchants who are not issuers of electronic money; and (d) the value of electronic money held by the holder and managed by the issuer does not constitute a deposit as referred to in the law governing banking.

With e-money, it is hoped that it can provide convenience to the public in making transactions. The use of electronic money as a means of payment can provide the following benefits: (1) provide convenience and speed in making payment transactions without the need to carry cash. (2) no longer accept change in the form of goods (such as sweets) because the merchant does not have change of small value (cash). (3) Highly applicable to bulk transactions with small value but high frequency, such as: transportation, parking, toll roads, fast food, etc.

Based on Payment System Statistics (SSP) of Bank Indonesia, there is an increase in the number of electronic money transactions. Throughout 2019, the number of electronic money transactions was 5.22 billion transactions with a nominal value of 145.16 trillion. The value of electronic money transactions in 2019 managed to increase 3 times compared to 2018 which was valued at 49.19 trillion. In 2020 the number of electronic money transactions increased again to 204.9 trillion and in January 2021 the number of electronic money transactions reached 20.7 trillion. The following is electronic money transaction data.

Table 1.1 Electronic Money Transactions

Period	Year 2017	Year 2018	Year 2019	Year 2020
Volume	943,319,933	2,922,698,905	5,226,699,919	4,625,703,561
Nominal	12,375,468.72	47,198,616.11	145,165,467.60	204,909,170

Source: Bank Indonesia (<https://www.bi.go.id/id/statistik>)

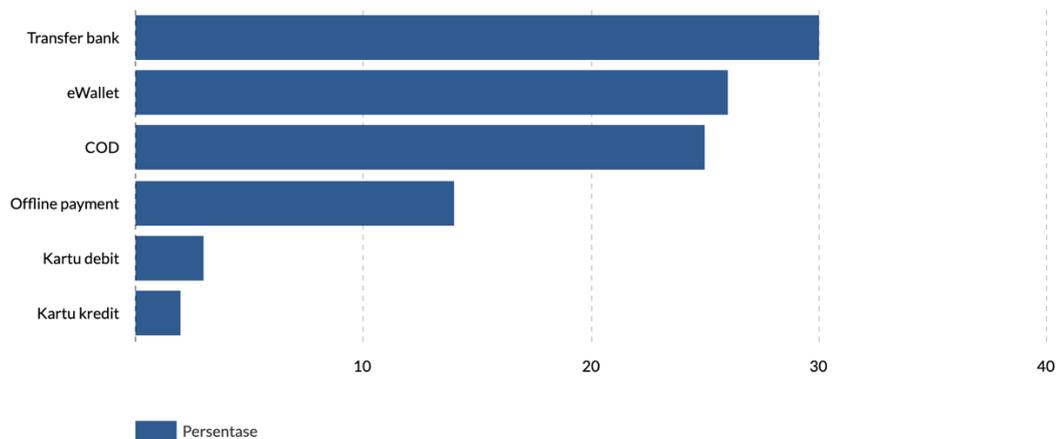
Electronic money is divided into 2, namely first, electronic money in the form of cards (Chip Based) or commonly known as electronic money. Such as Flazz BCA, Mandiri e-money, BNI Tap Cash, Brizzi BRI, Blink BTN, Mega Cash, Nobu e-money, JakCard Bank DKI and others. The second is e-wallets, these electronic money are application-based (Server Based). Such as Go-Pay, OVO,

Shopee Pay, Dana, LinkAja, and others.

Based on data collected by iPrice and Jakpat, 26% of the total 1000 respondents stated that they chose to use e-wallet/e-money as a payment method when shopping online either in e-commerce. The following are the payment methods for online shopping transactions.

Figure 1.1 Online Transaction Payment Methods, 2020

Metode pembayaran transaksi online, 2020



Sumber : Iprice dan Jakpat

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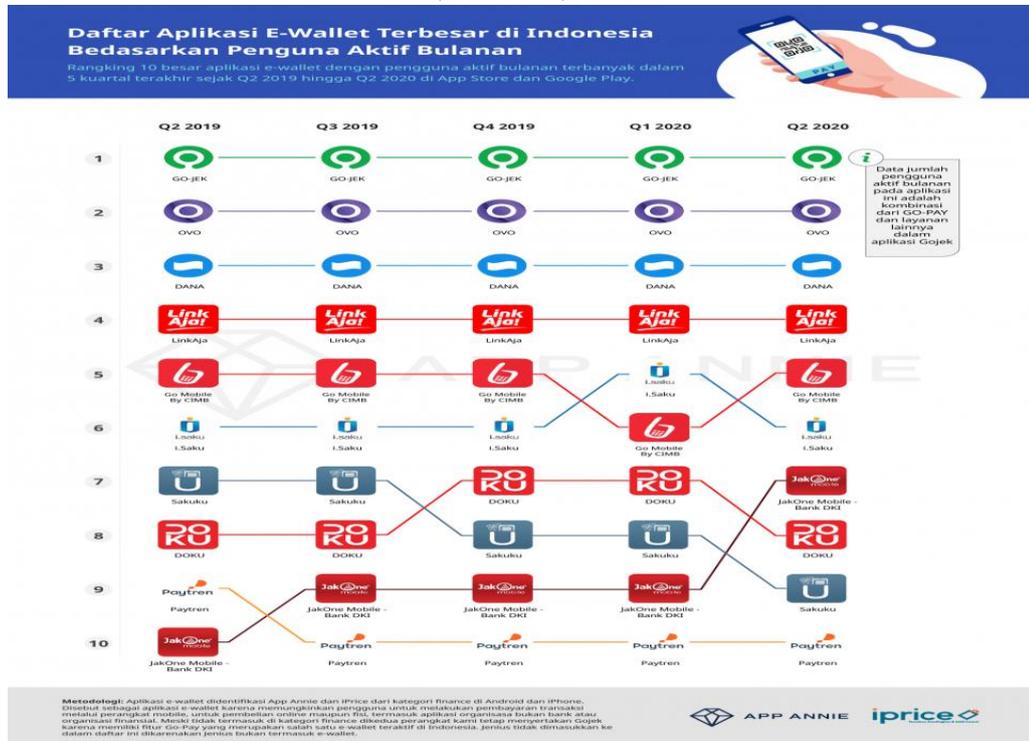
Source: (<https://lokadata.beritaqar.id/>)

From the results of this survey, iPrice also found that only 3% of respondents use a debit card as their payment method when shopping online. As for credit cards, only 2% of respondents use this method for online transactions when shopping on e-commerce platforms. E-wallets as an alternative to online payments are proof of the increase in cashless transactions. E-wallets are considered capable of providing easy transactions both online and offline on only one platform.

Based on iPrice 4 e-wallet data with the highest number of monthly active users during the Q2 2019 - Q2 2020 period, namely GOPAY, OVO, Dana, and LinkAja. For the next ranking, the e-wallet with the most monthly active users from

position 6 to 10 for the Q2 2020 period is occupied by Go Mobile by CIMB, i.saku, JakOne Mobile-Bank DKI, Doku, Sakuku, and Paytren.

Figure 1.2 List of the largest e-wallet apps in Indonesia by monthly active users in Q2 2019-Q2 2020



Source: (<https://iprice.co.id/>)

One of the e-wallets that is often used by the people of Makassar is OVO because people in Makassar City often use online transportation such as Grab, where we know that Grab has collaborated with OVO. However, there are still many people who are reluctant to use OVO and do not know the benefits of OVO. The obstacle faced is that people are still not open to using OVO because they are still used to using cash and do not know the efficiency provided by OVO E-Wallet. OVO is a smart application that provides convenience in transactions (OVO Cash) and also a greater opportunity to collect points in many places (OVO POINTS). OVO application users can also top up credit and internet quota, transfer between banks, pay PLN bills, BPJS bills, watch cinema tickets, book at several hotels, and pay for shopping at Bukalapak.

OVO offers convenience in transactions and payment of all needs at cooperating merchants. OVO has collaborated with more than 60,000 outlets/merchants from Sabang to Merauke. OVO also offers loyalty rewards that you get every time you make a transaction at various OVO partner merchants. Every 1 OVO point is worth Rp.1.

OVO also collaborates with other "super apps", namely Grab, Tokopedia, and the movie streaming service HOOQ. According to Charisma and Suprapti (2020:2149) states that "The advantage of OVO compared to other brands of e-money applications is that the discount point system provided is transparent and real, so that users do not feel disappointed because they can see directly. Be sure of the balance amount and the number of points paid.

The increasing development of OVO cannot be separated from promotional activities. According to Alma (2018:181) states that "Promotion is a type of communication that provides explanations that convince potential consumers of goods and services". OVO provides many promos to its users such as Cashback. One of the cashbacks given by OVO to its users is to be able to enjoy the 30% OVO Cashback promo at tens of thousands of your favorite OVO MSMEs.

Figure 1.3 OVO Cashbck Promotion



Source: <https://www.ovo.id>

This research uses the Technology Acceptance Model (TAM) theory. Based on the theory put forward by Venkatesh and Davis (2000) that "TAM is a concept that is considered the best at explaining user behavior towards new technological systems. TAM is the model that is considered the most appropriate in describing how users receive a system.

According to Charisma and Suprapti, (2020:2151) states that TAM states that customer interest in using a technology depends on two constructs, namely perceived usefulness and perceived ease of use. The perceived benefits are influenced by the perceived ease of use because the easier a technology is to use, the more useful the technology will be.

In this study effectiveness refers to the results obtained through the use of technology that matches the user's goals. The use of e-money is closely related to its effectiveness, the more uses the user gets, the more effective the use will be. The effectiveness must be increased, so that users will be more interested in using it. The e-money products offered should be in accordance with what users need so that they can facilitate users' daily activities.

Research related to Promotion on user satisfaction researched by Winanto, et al (2021), in their research used promotional variables to explain user satisfaction and the results of promotion variables had a positive and significant effect on user satisfaction of the Ovo Application at Mall City of Tomorrow (Cito) Surabaya . Likewise, a previous study conducted by Kemuning (20 21), found that promotion is a variable that has a positive effect on user satisfaction of consumers on the Indihome Internet. Santosa and Mahsyuni (2021) also did the same thing, in their research, promotion is a variable that affects Grab user satisfaction in Denpasar City.

The results of research related to the effectiveness variables conducted by Wachidatus Sa'diyah and Novi Marlana stated that effectiveness had a significant effect on customer satisfaction Sa'diyah and Marlana (2018) On the contrary, the results of a study conducted by Suratno (2013) stated that the effectiveness variable did not have a positive effect on the use of e-money.

Researchers want to focus on knowing how the level of influence of promotion and effectiveness of the OVO e-wallet application on consumer satisfaction for students of the Faculty of Economics and Business, Hasanuddin University.

Based on the description above, the author is interested in knowing and conducting more in-depth research on the use of OVO e-wallets to be used as research with the title "The Effect of Promotion and Effectiveness of the OVO e-wallet Application on Consumer Satisfaction in students of the Faculty of Economics and Business, Hasanuddin University"

1.1 Problem Formulation

Based on the background that the author has described above, the problems that will be studied in this study are:

1. How does Promotion affect Consumer Satisfaction?
2. How does Effectiveness affect Consumer Satisfaction?

1.2 Research Objectives

Related to the formulation of the problem mentioned above, the objectives of this study are:

1. To find out the effect of Promotion on Consumer Satisfaction?
2. To find out the effect of Effectiveness on Consumer Satisfaction?

1.3 Research Uses

With this research, we hope that theoretical aspects and practical and

theoretical uses can be achieved so that the results of this research have the following benefits.

1.3.1 Teoritical Uses

The author hopes that the results of this research can be useful in providing an overview and knowledge to readers about the Promotion and Effectiveness of the OVO e-Wallet application on Consumer Satisfaction.

1.3.2 Practical Uses

This research is also expected to be a useful input for organizations / companies so that in the future they can be even better in measuring how high the influence of Promotion and Effectiveness of the OVO e-Wallet application on Consumer Satisfaction.

1.4 Writing Systematics

To make it easier for readers to understand the content of this study, the author presents the writing systematics as follows:

CHAPTER I INTRODUCTION

This chapter consists of background, problem formulation, research objectives, research usefulness, and writing systematics.

CHAPTER II LITERATURE REVIEW

This chapter consists of theoretical foundations, past research, research frameworks and research hypotheses.

CHAPTER III RESEARCH METHODS

This chapter consists of the research design, the location and timing of the study, population and samples, data types and sources, data collection techniques, research variables and operational definitions, and data analysis.

CHAPTER II

BIBLIOGRAPHY REVIEW

2.1 Theoretical Foundation

2.1.1 Marketing Management

The role of marketing today is not only to deliver products or services to consumers, but also how they can satisfy customers by making a profit. The marketing goal is to attract new customers by promising superior value, setting attractive prices, easy product distribution, effective promotion and retention of existing customers while sticking to the principle of customer satisfaction. Marketing is the management and process that ensures that individuals or groups get what they need and want by creating, offering, and sharing a valuable product with another party or any activity that provides a product or service from producer to consumer.

In the opinion of Kotler and Armstrong (2012 : 29), "We market the process by which a company creates value for customers and creates relationships with customers in order to obtain customer value in return, "that is, it is a process by which the company creates value for customers and builds strong relationships with customers.

Sudaryono's view (2016: 41), Marketing is defined as a management process that aims to maximize shareholder profits (returns) by establishing relationships with valuable customers and creating a competitive advantage.

2.1.1.1 Marketing Mix

Marketing Mix is a collection of elements that can be organized or combined from a company's marketing tools and marketing strategy (Pour et al, 2013). According to Pour et al., (2013) McCarthy divides various marketing activities into four kinds of activities known as *the Four P's of Marketing*. Pour et al., (2013)

defines the 4P as follows :

1. *Product* . A product is a physical object that is sold and has palpable characteristics, a complex unity of benefits that can be used to meet customer needs
2. *Price* . This includes matters relating to discounts, price lists, credits, payment terms and price conditions. It also includes the price, product or service offered for sale and will determine the level of profit. Price is the only element that does not include the fee charged to customers to purchase the products they take.
3. *Promotion* . This includes 1 related to advertising, personal sales, sales promotion, public relations and direct sales. Distribution channels are an important part of how an organization can optimize a relationship between internal channels and external channels.
4. *Place* . This includes distribution channels, market coverage, product storage, transportation and distribution sites.

But, given the breadth of complexity and richness of marketing. Kotler and Keller (2012) propose a new approach to the 4P to be :

1. ***People***

The People section explains that internal marketing and everyone in the organization is an important part of a marketing success. Marketing will only be as good as the people in the organization. It also points to the fact that marketers must see consumers as human beings to understand their lives more broadly, not just when they shop and consume products and services.

2. ***Process***

Process reflects all the creativity, discipline and structure that is brought into marketing management. Marketers should avoid *ad hoc* planning and

decision-making and ensure the entire *state-of-art* of marketing ideas and concepts plays a major role in everything that is done. Only by carrying out the right set of processes to become a benchmark for activities and programs, a company can carry out activities that are long-term. One of the collections of biased processes helps companies create images and breakthroughs in products, services and also marketing activities.

3. **Program**

The program reflects all the directed consumer activities of the company. It covers four Ps as well for a variety of other marketing activities that may not match the old view of marketing.

4. **Performance**

Performance as in holistic marketing, to capture the various actions that enable outcomes that have financial and nonfinancial implications (profitability and brand and customer equity), and implications outside the company itself (related social, legal, ethical, and community responsibilities)

2.1.2 Financial Technology

Financial technology (fintech) is an industry that refers to a collection of companies that introduce innovations in the financial sector using modern technology (Rubini, 2017). Another opinion states that fintech is defined as a financial service that is delivered through digital infrastructure both by telephone and the internet (McKinsey, 2016). From this definition, fintech broadly includes:

1. All types of financial services including payments, savings, credit, insurance, and all financial products
2. All types of users include individuals at all income levels, businesses of all scales, and governments
3. All types of financial service providers include tires, payer service

providers, other financial institutions, telecommunications companies, fintech start-ups, retailers, and other businesses.

There are several categories of fintech services proposed by several institutions. However, in the research the category used is based on research conducted by the Department of Policy for Economic Policy, Science and Quality of Life of the European Parliament. The *European Parliament* proposes fintech services in the following categories (Carmona, 2018).

a. Banking

Banking refers to retail activities carried out by financial companies. These activities are divided into two sub-categories, namely deposits and loans and equity.

1. Deposits, is a service that allows customers to place their money for safekeeping. Usually by placing the money, customers get interest and can withdraw money.
2. Loans and equity, are financing services for both individuals and companies. The bias of banking is compensated by loan rates or obtaining a share of shares from the borrowing company.

Of the two sub-categories, those affected by fintech are loans and equity. With the existence of fintech, types of lending models are increasingly diverse such as P2P (*peer-to-peer*) lending for both consumer credit and business loans. There is also *crowdfunding*, which is fundraising carried out by a number of people to finance the project. *The crowdfunding* is equity-based, for real estate, for donations, and others.

b. Payments, Transfers, and Remittances

Fintech services related to payments, transfers, and remittances include: digital wallets, *mobile* payment P2P, foreign currency exchange and remittances,

as well as *real-time* payments.

1. Digital wallets, where consumers can make payments through *smartphone* devices.
2. P2P *mobile* payments, used to transfer money to other users via *mobile* devices.
3. Foreign currency exchange and remittances are services where individuals or companies can make payments in the form of foreign currencies and allow *real-time forex trading*.
4. Real-time payments allow individuals and institutions to send and receive payments instantly.

c. Digital Currencies

Digital currencies, some refer to them as virtual currencies or can also be called *crypto currencies*. It is a digital representation of the value of money. This digital money is not issued by central banks, financial companies, or electronic money service providers. The value of digital money is determined from the supply and demand of the exchange of digital money for an official good or currency. This digital money is not backed by monetary authorities. The services of digital currencies include *crypto currencies* in the form of wallets, *crypto currencies* used to make payments, and also the buying, selling, and trading *of crypto currencies*.

d. Wealth and Asset Management

This service is aimed at the customer optimizing the return on the assets he owns. This usually combines financial services and investment advice services, or it could be with other services such as tax consulting and retirement planning. Services in this area are automated advisory robots and automated trading. An automated advisory robot is a service that provides access to a portfolio to

determine the right investments.

e. Personal Finance

This category includes consulting services and products intended for individuals or small companies who want to organize and better understand their finances independently. This type of service is *budgeting* and *platforms* that contain a comparison of financial services. *Budgeting* is used to control the financial position of users by consolidating information from financial products they have such as bank accounts, credit cards, loans and others. Meanwhile, the platform is used to compare the quality and condition of various financial services from different companies.

f. InsurTech

Is a term that refers to the application of financial innovation in the field of insurance. Its services include a comparison platform to find out a wide range of insurance products from different companies. There is also P2P insurance where customers together in groups apply for premiums to guarantee risk. In addition there are usage-based insurance, demand-based insurance, and automated advisors where customers get offers and consultations personally from insurance providers based on data from the customer itself.

g. Enabling technologies and Infrastructure

This category includes technologies and infrastructures that allow to complement fintech services . These include DLTs, *artificial intelligence*, data analysis, cyber security, and cloud infrastructure.

2.1.3 E-Wallet

This category includes technologies and infrastructures that allow to complement fintech services . These include DLTs, *artificial intelligence*, data analysis, cyber security, and cloud infrastructure.

2.1.4 Technology Acceptance Model (TAM)

One theory that can explain a person's acceptance in using technology is the *Technology Acceptance Model* (TAM) introduced by Fred D. Davis in 1989. TAM is an expansion of *the Theory of Reasoned Action* (TRA) and *the Theory of Planned Behavior* (TPB). The purpose of TAM is to explain the main factors of technology user attitudes. In detail describes the acceptance of information technology and these dimensions can affect its acceptance (Pratama and Saputra, 2019). TAM aims to achieve this goal by recognizing some of the basic variables advocated in previous studies that are consistent with factors influencing the cognitive and emotional acceptance of technology, as well as using TRA as a theoretical basis for determining the relationship model between research variables (Pratama and Saputra, 2019). There are 5 (five) things that underlie the TAM theory (Jogiyanto, 2007), namely:

1. *Perceived usefulness*, defined as the degree to which a person believes that the use of certain technologies can improve their performance.
2. *Perceived ease of use*, defined as the degree to which a person believes that using a particular technology will make it easier for users.
3. *Attitude toward using*, defined as a user's evaluation of the user's interest in using technology.
4. *Behavioral intention to use*, defined as the user's interest in the use of their technology.
5. *Actual System usage*, measured by the length of time used to communicate with the technology and the frequency with which the technology is used.

Another theory that can explain a person's acceptance in using technology is *the Theory of Planed Behavior* (TPB), which explains that trust and risk can affect a person's desire to use technology. The theory developed by Ajzen in 1991 is

already widely used to explain usage behavior in using technology (Ajzen, 1980).

The benefits and conveniences provided by electronic money will have an impact on increasing its users. When a product has benefits and conveniences when used in daily activities, it is likely that the product can be used by the wider community. Electronic money is considered very helpful in carrying out economic transactions.

The level of trust in a product will affect the decision to use electronic money. Trust is the evaluation of a person after obtaining, processing, and synthesizing information and creating various evaluations and assumptions (Jogiyanto, 2007). The concept of trust level here is the reliability of manufacturers in ensuring the security and confidentiality of the tools used by consumers to make users trust.

2.1.6 User Effectiveness

Effectiveness is the relationship between output and purpose. The greater the contribution of output to the achievement of goals, the more effective the organization, program or activity (Mahmudi, 2013).

Effectiveness is the main element to achieve goals or objectives that have been set in each organization, activity or program. Called effective when achieving goals or objectives as set (Rosalina, 2012)

According to Gibson, Effectiveness is the achievement of goals and objectives that have been agreed upon to achieve the goals of a joint effort. That level of goals and objectives indicates the degree of effectiveness. The achievement of those goals and objectives will be determined by the level of sacrifice that has been issued (Gibson, 2001). According to Ni'mah (2016) To determine the effectiveness or not of the use of electronic money (e-money), namely:

1. Program success
2. Target success
3. Satisfaction with the program
4. Input and output levels
5. Achievement of overarching goals

According to Rosalina (2012), the criteria or measures regarding the achievement of effective goals or not, namely:

1. Clarity of goals to be achieved, this is intended so that employees in carrying out tasks achieve planned targets and organizational goals can be achieved.
2. Clarity of strategy for achieving goals, it is known that strategy is "on the path" that is followed in carrying out various efforts in achieving the specified goals so that implementers do not get lost in achieving organizational goals.
3. A steady process of policy analysis and formulation, related to the goals to be achieved and the strategy that has been set, means that the policy must be able to bridge the goals with the efforts to implement operational activities.
4. Careful planning, in essence, means deciding at this time what the organization is doing in the future.
5. The preparation of the right program a good plan still needs to be spelled out in the right implementation programs because otherwise the implementers will lack guidelines for acting and working.
6. The availability of work facilities and infrastructure, one of the indicators of organizational effectiveness is the skill to work productively.
7. Efficient and effective implementation, however good a program is if it is not implemented effectively and efficiently, the organization will not achieve

its goals, because with the implementation of the organization is increasingly closer to its goals.

8. An educational system of supervision and control given the imperfect nature of human nature, the effectiveness of the organization demands the existence of a system of supervision and control.

In Krech's opinion, *et al* in Dalimuthe (2020) mention the dimensions of effectiveness, as follows:

1. The number of results that can be issued, meaning that these results are in the form of quantity or physical form of the organization, program or activity. The result can be seen from the ratio between the input (input) and the output (output).
2. The level of satisfaction obtained, meaning that the measure in this effectiveness can be quantitative (based on quantity or quantity) as well as qualitative (based on quality).
3. Creative products, meaning the creation of a conducive relationship with the world of work, which can later increase creativity and expertise.
4. The intensity to be achieved, means having a high degree of obedience in an intense level of something, where there is a sense of mutual belonging with a high level.

According to Steers (1999), it says regarding the dimensions of effectiveness, as follows:

1. Achievement

Goals Achievement is the overall effort of achieving goals should be viewed as a process. Therefore, in order for the achievement of the final goal to be more guaranteed, phasing is needed, either in the meaning of phasing out the achievement of its parts or phasing in the meaning of its periodization.

The achievement of goals consists of three indicators, namely:

1. The period of its achievement is set.
2. Goals that are concrete targets.
3. Legal basis.

2. Integration

Integration is a measurement of the level of an organization's ability to hold socialization, consensus development and communication with various other organizations. Integration consists of two indicators, namely:

1. Procedure
2. Socialization process.

3. Adaptation

Adaptation is the ability of an organization to familiarize itself with its environment. For this reason, the benchmark for the procurement process and filling manpower is used. Adaptation consists of two indicators, namely:

1. Enhanced capabilities
2. Infrastructure.

2.1.6 Sales Promotion

Definition of Sales Promotion according to Kotler and Armstrong (2014: 501) " Sales promotion is a short term incentive to encourage the desire and to try or buy a product or service" in translation, namely *sales promotion* is a short-term incentive to encourage desire and to try and buy a product or service. In marketing management, it is said that promotion is the spearhead of a product's business activities in order to reach the target market and sell the product (Sunyoto, 2015).

Belch and Belch (2012: 23) say Sales promotion is a marketing activity that provides extra value or incentives to salespeople, distributors, or end consumers that can stimulate direct sales. According to Hermawan (2012: 129) sales

promotion is a form of direct persuasion by using various incentives that can be arranged with the aim that consumers immediately make product purchases or use services and / or increase sales.

Sales promotion is divided into two, namely trade promotion and consumer promotion (Peter and Olson, 2016 : 242). Trade promotion is aimed at intermediaries marketers in this case are customers of companies such as retailers and distributors. While consumer promotion is aimed at end users or end consumers. Marketing promotion is one of the marketing strategies intended to influence behavior without fully affecting affection and cognition first. In research conducted by Bagla and Sancheti (2018) cashback and attractive rewards significantly affect consumer behavior in using digital wallets.

Promotion has an appeal and is one of the factors in building customer satisfaction. The promotional media used by OVO is very diverse in type, namely by using banners, banners, and so on. On the other hand, in addition to providing promotions in a general way, OVO also collaborates with GRAB (online transportation) in promoting electronic money service provider products. Promotional activities carried out by OVO include *Advertising, Personal Selling and Sales Promotion*.

According to Kotler and Keller (2016:624) the way to measure the dimensions of Sales Promotion is as follows :

1. *Samples* (Samples) namely By offering a number of free products and services provided to consumers, can be sent by mail, taken directly from the store, attached with other products, or displayed with advertising offers where the OVO *payment* application offers several free services without charge such as topping up credit using the OVO application.
2. *Coupons* (Coupons) Certificates that entitle the owner to a stated savings

on the purchase of a particular product: shipped, attached in other products, attached in magazine and newspaper advertisements, or attached in an email or provided online where the *OVO payment* application offers savings coupons / vouchers on every repurchase of goods and services.

3. *Price Packs* Offer consumers the saving of the regular price of a product, marked on the label or package. A discount package is a package that is sold at a discounted price such as buying two products at a price of one product such as the *OVO payment* application offering a price package on every transaction of goods and services in the *OVO payment* application.
4. *Premiums (Prizes) Merchandise* offered at a cost offered at a relatively low cost or free as an incentive to buy certain products where the *OVO payment* application offers services at a lower price by re-transacting goods and services at certain merchants.
5. *Frequency programs (Frequency Program)* Programs that provide rewards related to the frequency and intensity of consumers in re-transacting goods or services where there are changes such as the *OVO payment* application provide additional point rewards for loyal *OVO payment* customers and new customers of *OVO payment* users.
6. *Free trials* Invites potential buyers to try the product at no cost in the hope that they will buy.
7. *Point of purchase displays & Demonstrations Display* and demonstration of products or services that take place at the point of purchase or sale. Where in its application the *OVO payment* application often displays products or services that get discounts when buying or selling in *e-commerce*.

8. *Cross Promotion* (cross-promotion) Cooperate with other companies to promote each other's goods or services such as the OVO payment application in collaboration with other e-commerce companies in promoting their services.

2.1.7 Consumer satisfaction

Consumer satisfaction is defined as an overall evaluation of the experience felt by system users and the potential impact of using information systems (Setyo & Rahmawati, 2015). Satisfaction is a feeling that a person causes whether it is in the form of pleasure or disappointment when comparing something perceived results to a product or service based on expectations. If the experience is felt further than expectations, there will be a feeling of dissatisfaction for the customer. Today the company must pay attention to the level of customer satisfaction. The existence of the internet allows customers to more quickly express their good and bad emotions (Kotler and Keller, 2016:155).

According to Tjiptono and Diana (2019), "Customer Satisfaction is the feeling of pleasure or disappointment that a person gets from comparing between the perceived performance (or results) of a product and its expectations". According to the above opinion, it can be concluded that to provide user satisfaction, namely by knowing in advance what digital wallet users need and want, that way users can get satisfaction. User satisfaction also occurs because there is quality and service provided by a product so that users get the benefits of the product they use. As for the indicators of user satisfaction (Kotler and Keller, 2016):

1. *Repurchase*: repurchase, where the customer will return to the company to search for goods/services.
2. *Creating a Word of mouth*: in this case, the customer will say good things

about the company to others.

3. Creating a *Brand Image*: customers will pay less attention to the brand and advertising of competitors' products.
4. Creating a purchasing decision on the same company buys another product from the same company.

2.1.8 OVO application

OVO is one of the platforms used as a transaction medium in making electronic payments or digitally in which there is an OVO Cash balance, where users can fully operate the application through a mobile phone. OVO Cash itself is a certain amount of money or funds in the form of electronic money (*e-money*) that can be accessed through the OVO application that can be used for various kinds of financial transactions, such as payments at various partner merchants, top-ups and balance checks (Ovo, FAQ, 2018). OVO is one of the digital wallet applications that provides convenience in transactions and can collect points at certain merchants.

This app is developed by PT. Visionet International which is affiliated with Lippo Group. Currently, there are hundreds of online and offline merchants who are partners with OVO. OVO is a smart application that provides online payment and transaction services (OVO Cash), and can also have the opportunity to collect points every time you make a payment transaction through OVO. In general, ovo cash can be used as a means of payment that has collaborated with ovo so that transactions become faster. Meanwhile, OVO Point is a reward that has made transactions or payments using OVO Cash at the time of purchase at merchants that have collaborated with OVO. It can be concluded from the above understanding that OVO is an innovation from the development of financial technology (*Fintech*) in Indonesia. OVO is a digital wallet application (E-Wallet)

that provides services in the financial sector that can provide benefits for its users in transaction activities, both online and offline transactions.

2.2 Relationship between variables

2.2.1 Relationship between Promotion and User Satisfaction

Promotions must be made and planned carefully, in order to create good relations with consumers. The meaning of a good relationship is the value that consumers spend on the purchase of a promoted product in accordance with the benefits that consumers receive for the use of the product. When the value of promotion matches the perceived benefits, it can form a sense of satisfaction. According to Cannon (2008:69) promotion communicates information between sellers and potential buyers and other parties to influence consumer satisfaction attitudes and behaviors. According to Peter and Olson (2014:206) posits that sales promotion is looking for people to take products and change consumer behavior to immediately buy the products offered.

In accordance with research conducted by Handoko (2017), Manampiring et, al (2016), Shamout (2016), which states that the results of their research show that promotion has a positive and significant effect on customer satisfaction.

2.2.2 The Relationship between User Effectiveness and Consumer satisfaction

In the context of this study, effectiveness weighs the results obtained from the use of technology that matches the user's goals. The use of e-money is closely related to effectiveness, the more uses obtained by users in using technology, the effectiveness of its use can be achieved. The effectiveness of using e-money products must also be increased, the more effective the use of e-money products, the more interested users are in using them and increasing consumer satisfaction. The e-money products offered should be in accordance with what is needed by users so that they can facilitate users' daily activities.

The effect of effectiveness on the use of e-money is supported by research by Sa'diyah and Marlana (2018) states that effectiveness has a significant effect on customer satisfaction. Wildan research (2019) also states that effectiveness has a positive and significant effect on the interest in transacting using fintech. On the contrary, the results of research conducted by Suratno (2012) stated that the effectiveness variable did not have a positive effect on the use of e-money.

2.3 Previous Research

In this study, the researcher refers to previous research as a reference to see how much influence the relationship between one research variable and another research variable. Previous research can be used as a source of comparison with the research that the researcher is conducting and also to find out the similarities and differences with previous research. Here are the previous research journals:

Table 2.1 Previous research

Name/Year	Title	Variable Differences	Equation Variable	Result
Nurul Faizah (2020)	The Influence of Perception of Ease of Use, Consumer Knowledge, and Effectiveness on Transaction Interest Using Financial Technology (Study on Students of the Faculty of Economics and Islamic Business UIN STS Jambi).	This study uses free variables, namely the perception of ease of use and consumer knowledge that is not used by researchers. In this study, it used a bound variable, namely transaction interest. Meanwhile, researchers use a bound variable, namely consumer satisfaction.	Both examine the free variable i.e. effectiveness.	The results of this previous study are that the variable of perception of ease of use has a positive effect on the interest in transacting using Financial Technology, the consumer knowledge variable has a positive effect on the interest in transacting using Financial Technology, the effectiveness variable has a positive effect on the interest in transacting using Financial Technology.

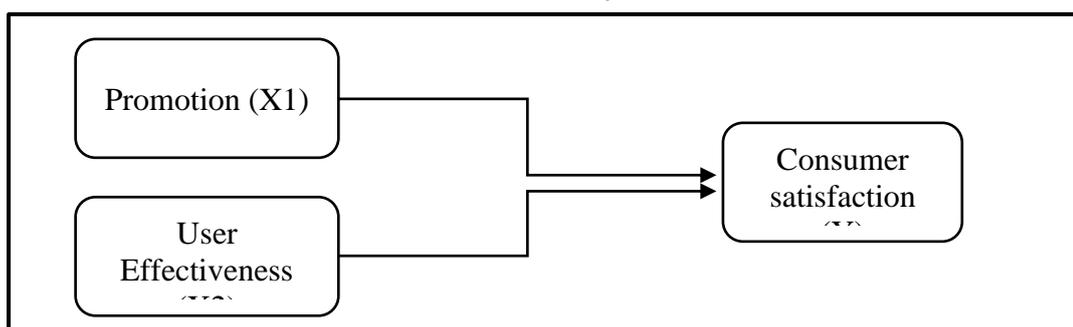
Muhammad Wildan (2019)	Effect of Perceived Ease of Use, Effectiveness, and Risk on Transaction Interest Using Financial Technology (Fintech)	This study used free variables, namely the perception of ease of use and risk that was not used by researchers. In this study, it uses bound variables, namely the interest in transacting using Financial Technology (Fintech). Meanwhile, researchers use a bound variable, namely the use of e-money.	Both examine the free variable i.e. effectiveness.	The results of this previous study are that the variable perception of ease of use has a positive and significant effect on the interest in transacting using Fintech, the effectiveness variable has a positive and significant effect on the interest in transacting using Fintech and the risk variable affects the interest in transacting using Fintech.
Ida Farida, Achmad Tarmiz dan Yogi (2016)	Analysis of the Effect of 7p Marketing Mix on Customer Satisfaction of Gojek Online Users.	The difference with the previous study is that the free variable studied is the 7P marketing mix	Using bound variables i.e. Customer satisfaction	Based on the results of the analysis, this study proves that simultaneously the 7P marketing mix including product, price, place, promotion, people, process, and physical evidence) has a positive and significant effect on Gojek Indonesia passenger satisfaction. However, only partially the product has been shown to significantly affect consumer satisfaction
Satria Abdi Pratama Yudha, Rois Arifinda n M. Hufron (2019)	Effect of Ease of Use, Quality of Service, Price and Promotion on Grabfood Customer Satisfaction	The difference with the previous study is the free variables studied, namely Service Quality and Price as well as the object of research on grabfood customers.	The equation with the previous study used bound variables, namely customer satisfaction and the equation with previous research using free variables, namely ease of use and promotion.	This study concluded that there is a simultaneous and partial influence between the variables of ease of use, quality of service, price and promotion simultaneously significant effect on Customer Satisfaction
Mun, Khalid, dan Nadarajaha (2017)	<i>Millennials' Perception on Mobile Payment Services in Malaysia</i>	The research is not limited to current users but also to potential users with millennial age respondents in Malaysia.	Researching mobile payment users (another term for digital wallets). Using the TAM model.	Perceptions of convenience, perceived benefits, perceived credibility, and social influence have a significant effect on consumers' intentions to use mobile payments.

				The perception of benefits has the most powerful effect.
Pinem, Afrizal, dan Saputra (2020)	<i>The Relationship of Cashback, Discount, and Voucher toward Decision to Use Digital Payment in Indonesia</i>	The research was conducted on users in Semarang.	Researching the influence of sales promotion.	Cashback, discounts, and coupons positively affect the decision to use a digital wallet.
Aydin dan Burnaz (2016)	<i>Adoption of Mobil Payment System: A Study on Mobile Wallets.</i>	Researching digital wallet users in Turkey.	Researching mobile payment users (another term for digital wallets). Using the TAM model and the presence of sales promotion as additional variables.	Perceived ease of use and usefulness affects attitudes to then influence intention use. Security has little effect and social influence and compatibility do not affect the intention to use. Personal innovativeness does not affect attitudes but directly affects behavior. Sales promotion is also one of the factors that influence the perception of benefits to then influence intentions.

Source self-processed, 2022

2.4 Conceptual Framework

Gambar 2.1 Conceptual Framework



Source self-processed, 2022

2.5 Hypothesis

A hypothesis is a relationship between two or more variables that are logically estimated and expressed in the form of testable questions (Noor, 2011 :

79). Hypotheses are provisional answers to research questions. Therefore, there is a connection between the formulation of the problem and the hypothesis. Because the formulation of the problem is a research question, the question must be answered with a hypothesis. Thus, based on the formulation of masalah in chapter 1, the research hypothesis is as follows.

- H1** There is a positive and significant influence of the promotion of the OVO e-Wallet application on Consumer satisfaction
- H2** There is a positive and significant influence on the effectiveness of OVO e-Wallet application users on Consumer satisfaction