

The Influence of Service Convenience and Promotional Strategies on Decisions to Transaction Using QRIS and Its Implications on Customer Loyalty

Dwi Setyo Aji

Prodi Magister Manajemen, Universitas Ahmad Dahlan, Indonesia
dwisetyo072017@gmail.com

Zunan Setiawan

Prodi Magister Manajemen, Universitas Ahmad Dahlan, Indonesia
zunan.setiawan@mm.uad.ac.id

Dicky Jhon Anderson Butarbutar

Digital Business Department, BINUS Business School Undergraduate Program, Bina Nusantara University, Indonesia
dicky.butarbutar@binus.edu

M Huanza

Jurusan Sosial Ekonomi Pertanian, Universitas Sriwijaya, Indonesia
m_huanza@fp.unsri.ac.id

Saida Zainurossalamia ZA

Prodi Manajemen, Universitas Mulawarman, Indonesia
saida.zainurossalamia.za@feb.unmul.ac.id

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Abstract:

The purpose of this study is to examine the impact of promotions and convenience of service on customer loyalty through the choice to transact using QRIS. This research is a quantitative investigation utilizing SPSS 26. The target population for this study consists of bank clients, with a sample size of 100. Data collection methods involve the use of a questionnaire. Based on the data analysis, it can be deduced that promotions and convenience of service have a noteworthy impact on transaction decisions using QRIS. Promotions and convenience of service significantly influence customer loyalty when utilizing QRIS. Transaction decisions do not significantly influence customer loyalty when using QRIS. Indirectly, promotions have a significant impact on customer loyalty through transaction decisions using QRIS. Indirectly, convenience of service has a significant impact on customer loyalty through transaction decisions using QRIS.

Keywords: promotions, customer loyalty, QRIS, service.

Introduction

Along with the increase in e-wallet users in Indonesia, Bank Indonesia has launched QRIS, better known as the Standard Indonesian Quick Response Code, which is set as the standard for QR-Codes in Indonesia. QRIS was made by Bank Indonesia together with ASPI (Indonesian Payment System Association), was officially issued on August 17, 2019, and has been widely applicable since January 1, 2020. The QRIS rules are governed in the Regulation of Members of the Board of Governors Number 24/1/PADG/2022 dated February 25, 2022, regarding the Second Amendment to the

Regulation of Members of the Board of Governors Number 21/18/PADG/2019 concerning Implementation of the National Standard Quick Response Code for Payments, which came into effect on March 1, 2022. The Quick Response Code Indonesia Standard (QRIS) is the initial phase of transforming the computerization of the Indonesian Payment System (SPI), which is considered reasonable to assist in expediting monetary progress and further monetary advancement in Indonesia. Bank Indonesia's goal in making QRIS is to make it easier for everyone to make non-cash transactions (Tjiptono, 2011). Regarding the normalization carried out by Bank Indonesia, QR Codes from various companies will be immediately associated as one so that what is done can be utilized across administrations. Of course, this normalization was carried out by Bank Indonesia with the explanation that in the future, each merchant or business person will no longer need to provide many QR Codes because there is only one QR Code at each merchant that all clients can read through their device (Aprilia & Susanti, 2022).

Along with the development of the digital economy in Indonesia, which is considered reasonable, it can increase rapidly through this QRIS. Nonetheless, there are still many visible obstructions. One of them is that there are still many people who are not familiar with QRIS and what the advantages of using it are. It takes a lot of time to apply QRIS to Indonesians (Suyoto & Tannady, 2022). Even more so for small towns or in remote areas that still lack technology. In addition, cash can be accepted anywhere, while digital money has not been accepted by some people, especially those who have not received digital financial services. Currently, the number of people in one area is 265,111. However, as of July 2022, there were 19,138 people using QRIS. From this number, it can be concluded that QRIS users are still relatively small. These findings suggest that individuals are still not inclined towards non-cash transactions utilizing the Indonesian Standard Quick Response Code (QRIS); hence, financial institutions must continue to advocate for the benefits of non-cash transactions using QRIS to enhance awareness among the general population (Setiawan et al., 2019).

QRIS is an innovation in the idea of a new product, and as a new product, it requires public opinion on the factors that influence the decision to use QRIS as a payment system for purchases and sales transactions. In addition, QRIS, as a new payment system innovation that utilizes information technology, will cause differences of opinion among users (Tanuwijaya & Tannady, 2019). Some users feel that using the QRIS service will be more complicated and will not bring significant benefits (Armstrong & Kotler, 2015). At the same time, some users who have a vision for future transaction progress and care about work efficiency and profit often think that using QRIS will provide convenience and increase work efficiency and profit. The convenience offered by QRIS products has an impact on increasing their use (Purwitasari, 2019). When a financial product has convenience and is very helpful for economic transactions, especially in the payment system, people decide to use it (Siswanto et al., 2023). Sharia Bank is one of the Regional Development Banks that provides services to each of its customers. In an effort to improve digital services and facilitate customer transactions, the Bank implements QR Code-based transactions. QRIS has been used since July 25, 2021. The purpose of QRIS is to accommodate the needs of customers who want to make non-cash transactions. Even though there are many other e-payments now appearing, QRIS is seen by the Bank as the safest payment method. Simply by scanning the QR Code available at a number of merchants. Currently, the number of QRIS merchants as of 2021 totaled 322 merchants.

Literature Review

Marketing is an integral part of the business world. Marketing is one of the most important factors as a strategy for the company's business operations, especially in relation to consumers (Astuti et al., 2022). The word marketing comes from the word market, or usually it is also interpreted as a mechanism for combining supply and demand. Various definitions of marketing appear among marketing experts that are different from each other, but the goal is basically the same. Marketers run promotions to communicate information about their products and influence consumers to buy them (Tannady & Purnamaningsih, 2023). Promotion is an effort to introduce products and services so that people can understand and accept them (Nurprihatin et al., 2019). Promotion is a marketing strategy that aims to spread information, influence, convince, and remind the target market about the company and its products so that they are willing to accept, purchase, and remain loyal to the products offered by the company in question (Kotler & Keller, 2009). There are factors that impact the perception of convenience, specifically the convenience of utilizing technology to carry out desired activities. Being able to engage with mobile commerce technology does not require a significant

amount of exertion (Siregar et al., 2022). Customer retention is a behavioral motivator for making repeated purchases, and cultivating customer loyalty to a product or service produced by the business entity requires a considerable amount of time through the process of repeated purchases. This theory uses the theory of purchasing decisions. A purchasing decision is an action taken by a consumer when he already has the intention to buy a product. So, this makes purchasing decisions part of consumer behavior (Sutagana et al., 2022).

Electronic payments are payments with an electronic system where cash is stored, handled, and obtained in the form of information and exchanged through electronic payment instruments (Kotler & Armstrong, 2014). Usually paid by money, check, or visa (Umah & Siswahyudianto, 2022). At the same time, electronic transactions are conducted using specific software, payment cards, and digital currency. The primary elements of electronic payment systems include the establishment of a network infrastructure for money transfers, the implementation of rules and procedures for managing system availability (Gunawan et al., 2020). QRIS is an innovative solution that brings together different types of QR codes from various payment service providers, making use of QR codes (Ningsih et al., 2021). The Central Bank and the payment industry have excelled in developing QRIS, which is anticipated to simplify, secure, and expedite transactions for Indonesians (Pandiangan et al., 2022). QRIS possesses superior qualities, firstly, it is universal, as it can accept payments from any payment application that employs a QR code, eliminating the need for multiple applications. Second, it's easy; the public in general and merchants can easily use it effectively, and merchants don't need to provide lots of QR Codes. Third, fortunately, people can use any payment application to make transactions, while merchants only need to have one account to get payment for transactions made by users. Fourth, direct: this QRIS transaction can be operated directly. Users and merchants will immediately receive transaction notifications.

Methodology

The population in this research is all of the bank's clients. The sampling technique employed in this research was non-probability sampling with purposive sampling. The sample employed in this research was 100 participants. This research utilizes quantitative data. Primary data was acquired by distributing surveys to all clients who were willing to participate and complete the surveys. In this research, the tool employed was a survey or a survey created by the researcher themselves. The survey employed in this research is a closed survey; it pertains to the knowledge and experience of different participants, in addition to avoiding more extensive information. So that the respondent just chooses from the several alternative answers available. To produce accurate data, instrument scoring is done using a Likert Scale. The first step in this research is to fill out a questionnaire through the Google form, which is done online. Google Forms is a service from Google that makes it easier for users to create surveys, online-based forms containing questions, or questionnaires, which can be customized by the creator according to their needs. So, researchers do not need to spend a lot of time and energy asking questions one by one to respondents. Researchers only need to share a link from the Google form that has been made, and then respondents fill out the questionnaire online, where security is guaranteed. Respondents in this study are bank customers. Data analysis used SPSS (Statistical Package for Social Science) 26.0.

Case studies

The SPSS output results indicate an unstandardized beta promotion value of 0.178 and a significance of 0.041, indicating that promotion has a significant impact on transaction decisions. While the value of unstandardized beta for convenience is 0.466 and has a significance of 0.000, which means ease significantly influences transaction decisions. Then perform Path Analysis calculations by calculating the path coefficient of equation I, where the value of e_1 can be found by looking at R Square. The SPSS output results show a non-standardized beta promotion value of 0.404 and a significance of 0.000, indicating that promotion has a significant impact on loyalty. Similarly, the non-standardized beta value for ease of service is 0.508 and has a significance of 0.000, suggesting that ease has a substantial effect on loyalty. Then, the value of unstandardized beta for transaction decisions is 0.041, and the significance is 0.735, which means that transaction decisions have no effect on loyalty. Then perform a path analysis calculation, namely by calculating the path coefficient of equation II, where the value of e_2 can be found by looking at R Square. The outcomes of the path analysis demonstrate that promotions (X_1) have the potential to influence transaction choices (Z) and also have the potential to

impact customer allegiance (Y), specifically from promotions (X1) to transaction choices (Z) and subsequently to customer allegiance (Y). The extent of the impact of promotion (X1) on customer allegiance (Y) is 0.404, while the extent of the impact of promotion (X1) on transaction choices (Z) and then on customer allegiance (Y) needs to be determined by multiplying the indirect coefficient, specifically $0.178 \times 0.041 = 0.007298$.

Then the total impact provided is $0.404 + 0.007298 = 0.411298$. Therefore, the overall influence of the promotion factor (X1) on customer loyalty (Y) through transaction decisions (Z) is 0.411298 or 41.12%, while the remaining ($100\% - 41.12\% = 58.88\%$) is influenced by other factors. Based on the results of these calculations, the beta value (β_1) of promotion (X1) on customer loyalty (Y) is 0.404, and the beta value (β_3) of promotion (X1) on transaction decisions (Z) and then on customer loyalty (Y) is 0.411298, which means that the indirect effect value is greater than the direct effect value ($0.411298 > 0.404$). These findings demonstrate that promotion (X1) has an impact on customer loyalty (Y) through transaction decisions (Z). The results of path analysis indicate that service convenience (X2) can influence transaction decisions (Z) and customer loyalty (Y), specifically from service convenience (X2) to transaction decisions (Z) and then to customer loyalty (Y). The magnitude of the impact of service convenience (X2) on customer loyalty (Y) is 0.508. Meanwhile, the magnitude of the influence of service convenience (X2) on transaction decisions (Z) and then on customer loyalty (Y) needs to be calculated by multiplying the indirect coefficient, specifically $0.466 \times 0.041 = 0.019106$. Then the total impact provided is $0.508 + 0.019106 = 0.527106$. Therefore, the magnitude of the total impact of the service convenience factor (X2) on customer loyalty (Y) through transaction decisions (Z) is 0.527106, or 52.71%, while the remaining ($100\% - 52.71\% = 47.29\%$). Based on the results of these calculations, the beta value (β_2) of service ease (X2) on customer loyalty (Y) is 0.508, and the beta value (β_3) of service ease (X2) on transaction decisions (Z) and then on customer loyalty (Y) is 0.527106, which means that the indirect effect value is greater than the direct effect value (0.527106).

The findings derived from this research demonstrate that advertising has a notable impact on transaction choices. Based on the computed results of a significance value of $0.041 < 0.05$ and confirmed by the t statistical test where t-count (2.075) > t-table (1.66039), it can be inferred that H1 is accepted in this study. The outcomes of this study are supported by previous investigations, which indicate a significant correlation between advertising factors and the decision to utilize the Shopee Pay digital wallet. This is also consistent with other studies that reveal a significant correlation between advertising factors and the decision to use E-Wallet Funds. From the aforementioned research results, it can be concluded that there is a direct correlation between promotions and transaction decisions using QRIS. As a result, the Bank has optimized QRIS promotions both directly and indirectly to its customers in order to enhance the decision-making process for QRIS transactions. The convenience of the service has a significant impact on transaction decisions. Based on the computed results of a significance value of $0.000 < 0.05$ and confirmed by the t statistical test where t-count (4.971) > t-table (1.66039), it can be concluded that H2 is accepted in this study. The findings of this study are supported by previous research, which demonstrates a significant correlation between the ease of use variables and the decision to use QRIS-based electronic money. This is similar to other research that shows a significant correlation between convenience variables and the decision to use OVO. From the aforementioned research results, it can be concluded that there is a direct correlation between service convenience and transaction decisions using QRIS. Thus, the Bank has maximized the convenience of its services for customers. The better the convenience of the QRIS service provided, the more satisfied and comfortable the customer will be, so that it will increase the decision to make a transaction using QRIS and create a good perception.

Promotions have a notable impact on customer devotion. According to the computation findings of a significance value of $0.000 < 0.05$ and confirmed by the t statistical examination where t-count (3.888) > t-table (1.66039), it can be deduced that H3 is acknowledged in this investigation. The findings of this investigation are backed by prior analysis, which demonstrates that there is a significant effect between promotion variables on customer devotion. This is also supported by other analysis that demonstrates that there is a significant effect between promotion variables on customer devotion. Based on the findings of the analysis above, it can be deduced that there is a direct effect between promotions and customer devotion utilizing QRIS. Thus, the Bank has publicized QRIS to the maximum extent so that it can entice customers to remain devoted to QRIS. The convenience of service has a substantial impact on customer allegiance. Based on the calculation findings of a significance value of $0.000 < 0.05$ and confirmed by statistical examinations where t-count (4.085) > t-table (1.66039), it can be deduced that H4 is accepted in this investigation. The outcomes of this study are supported by earlier investigations. In his examination, it was discovered that the simplicity of use variable had

a notable impact on customer allegiance. This is comparable to other investigations that demonstrate a significant effect of convenience on customer loyalty. The conclusions from the aforementioned research imply that there is a direct effect of service ease on customer loyalty using QRIS. Thus, the bank has optimized its efforts to offer QRIS services so that devoted customers utilize QRIS. Where the ease of service provided by QRIS is better, the customer will feel loyal and comfortable, so they won't want to switch to other e-payments.

Customer loyalty is not significantly impacted by transaction decisions. This conclusion was reached by conducting a statistical test, where the significance value was calculated to be 0.735, which is greater than the threshold of 0.05. Additionally, the t-count value of 0.339 was found to be lower than the t-table value of 1.66039. Consequently, H5 is rejected in this study. This finding contradicts previous research, which suggested that higher levels of transaction decisions lead to increased customer loyalty. Therefore, it can be inferred from the aforementioned research that there is no direct relationship between transaction decisions and customer loyalty when using QRIS. Consequently, the Bank has not succeeded in influencing customers to choose QRIS for their transactions. On the other hand, promotional factors do have a significant impact on customer loyalty when transaction decisions involve QRIS. Therefore, H6 is accepted in this research. The analysis reveals that the path efficiency of the promotional variable on loyalty through transaction decisions is 0.007. This indicates that higher levels of promotion through transaction decisions result in increased customer loyalty when using QRIS. Similarly, the ease of service variable has a significant influence on customer loyalty through transaction decisions involving QRIS. Consequently, H7 is accepted in this research. The analysis shows that the path coefficient of the ease of service variable on loyalty through transaction decisions is 0.019. This shows that the easier the service through transaction decisions, the higher customer loyalty will be for QRIS.

Conclusion

Promotion has a major impact on QRIS transaction decisions. Using QRIS, transaction decisions are significantly influenced by service accessibility. When using QRIS, promotion has a big impact on client loyalty. When using QRIS, ease of service has a big impact on client loyalty. When employing QRIS, transaction decisions have little to no impact on consumer loyalty. Through QRIS transaction decisions, promotions have a large indirect impact on consumer loyalty. Through QRIS transaction decisions, convenience of service has a large indirect impact on customer loyalty. For banks, they should continue to increase QRIS promotions to customers so that they are more widely known, which will increase users and also make customers more loyal to using QRIS services. Additionally, always working to make services easier to use so that you can give your consumers the finest service possible. For further research, it is hoped that it will be able to expand on more information related to the company under study and use more samples so that the research becomes more accurate.

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