Analyzing the Brand Activation, Switching Barriers, And Customer Satisfaction on Brand Loyalty (Case Study of OVO Payment Application Users)

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Abstract

The purpose of this study is to analyze the effect of Brand Activation, Switching Barrier, Brand awareness, and consumer satisfaction on the Brand Loyalty of OVO payment Products. This is an explanatory research that emphasizes the relationship of research variables by descriptively testing the hypothesis while focusing on the relationship between variables. The study was carried out by examining the effect of brand activation (X1), switching barrier (X2), customer satisfaction (X3), and the moderating variable of brand awareness (X4) on brand loyalty as the dependent variable. The results showed that Brand Activation, Switching Barriers, and Consumer Satisfaction play a significant influence on Brand Loyalty, while brand awareness mediates the relationship between Brand Activation and Switching Barriers to Brand Loyalty. In addition, Brand awareness does not mediate or affect the relationship between customer satisfaction and Brand Loyalty, which is influenced by several factors. The results also showed that millennial customers pay attention to the activities carried out by a brand. Furthermore, the quality of goods and services need to satisfy the OVO payment products and used to obtain ideas and contribution to increase OVO Digital Wallet Loyalty.

Keywords: Brand Activation, Switching Barrier, Customer Satisfaction, Brand Awareness, Brand Loyalty

1. Introduction

The disruption era increased the complex global competition of the business world due to the strong effect of innovation, which changed the previous market structure. According to Griffin [1] and Peter & Olson (2014), three changes occurred due to the inception of this era, namely digital, millennial, and leisure disruption, collectively called Three Market Megashift. These changes had a tremendous impact on industries with changes from "damaged" to "old normal," which further emerged into the "disrupted normal" transition period and eventually changed the new balance into "new normal."

These changes led to the collapse of old products, businesses, and industries with the rapid inception of new ones, thereby encouraging people to innovate and adjust to the digitalization era in order to attract customers and avoid going extinct. Simplicity and practicality are some of the major attributes customers look out for in industrial era 4.0. This led to the emergence of many online-based business models such as e-Commence (online shops), e-wallets (Digital Wallets), online transportation and tickets, etc.

Assauri [3] and Alberts [4] stated that businesses need to prioritize retaining customers rather than getting new customers due to the difficulty associated with the process. Furthermore, it was reported that losing old customers is a severe problem because businesses are

continuously getting tough and need growth. Therefore, it is essential to retain existing customers, while searching for potential ones, to ensure they do not leave due to inadequate or unsatisfied services [5, 6, 7, 8]. Companies need to maintain brand loyalty, which is an important concept, especially in conditions of very tight competition with low growth [9, 10, 11]. Moreover, maintaining brand loyalty is a strategic effort that is more effective than attracting new customers [12, 13].

Consumers are faced with a large selection of E-wallet choices, which tends to reduce their loyalty because they tend to move from one brand to another. This is common among those that are value-oriented, with preferences and incessant promotion of increasing product activity, which motivates them to try new brands. Payment is an activity needed by almost everyone to complete transactions, therefore a lot of new competitors have sprung up to take advantage of this opportunity. Therefore, the need to maintain customer loyalty led to an increase in OVO companies' demand and marketing level.

According to research, the millennial generation tends to easily move to other products considered to have more advantages, such as those with payment options. Aside from looking for product satisfaction, they also seek interesting experiences with ease and versatility in usage [14, 15, 16].

Companies have adopted various ways to increase Brand Loyalty, therefore, this research analyzes the effect of Brand Activation, Switching Barrier, and consumer satisfaction that is supported by brand awareness and Brand Loyalty on OVO payment products. Data were obtained from millennials using the OVO Payment application.

3. Research Methodology

This is an explanatory research, which emphasizes the relationship between variables by testing the hypothesis descriptively. Data were obtained from 100 Millennial Generation Customers between the ages of 17-45 years that use the OVO Payment Application.

The research comprises of primary and secondary data sources obtained through field observations, questionnaires, and literature study. This research uses subject data in the form of opinions, attitudes, experiences, or characteristics with a non-probability sampling technique.

Brand Activation is measured by popularizing the OVO product (Brand identity), description, benefits, and advertising, and promoting activities.

The validity and reliability tests were carried out with data analyzed based on normality, multicollinearity & heteroscedasticity tests.

3. Results and Discussion

Calculations related to the survey results were carried out to obtain the moderating regression line equation developed by Ghozali [17] containing information on Brand Activation, Switching Barriers, Consumer Satisfaction, Brand Awareness to Brand Loyalty, and their interactions. The moderating regression line equation obtained as follows:

$$Y = -7.540 + 1,066\, X_1 - 1,115\, X_2 + 0,460\, X_3 + 0,577\, X_4 - 0,059\, X_1 * X_4 + 0,085\, X_2 * X_4 - 0,010\, X_3 * X_4 + e$$

Table 1 shows detailed results on the moderating regression calculations.

Table 1: Moderating Regression Calculation Results

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t.	
• (Constant)	-7.540	6.330		-1.191	.237
• Brand Activation (X1)	1.066	.278	1.145	3.829	.000
• Switching Barrier (X2)	-1.115	.428	-1.122	-2.607	.011
• Kepuasan Konsumen (X3)	.460	.230	.653	2.001	.048
• Brand Awarness (X4)	.577	.455	.461	1.267	.208
• X1.X4	-.059	.022	-1.513	-2.756	.007
• X2.X4	.085	.031	1.789	2.732	.008
• X3.X4	-.010	.018	-.356	-.565	.573

Table 1is used to explain the following:
- a (constant value) -7,540 indicates that when variable Brand Activation (X_1), Switching Barrier (X_2), and Customer Satisfaction (X_3), equals zero, the Brand Loyalty variable decreases by -7,540
- b_1 (regression coefficient value X_1) is positive, which means an increase in Brand Activation, leading to a rise in Brand Loyalty.
- b_2 (regression coefficient value X_2) is negative, which means an increase in Switching Barrier, leading to a decrease in Brand Loyalty.
- b_3 (regression coefficient valueX_3) is positive, which means that an increase in Customer Satisfaction, leads to a rise in Brand Loyalty.
- b_4 (regression coefficient value X_4) is positive, which means an increase in Brand Awareness, leading to a rise in BrandLoyalty.
- b_5 (regression coefficient value X_1*X_4) is negative, which means an increase in interaction between Brand Activation and Brand Awareness, leads to a decrease in Brand Loyalty.
- b_6 (regression coefficient value X_2*X_4) is positive, which means an increase in the interaction between Brand Activation and Awareness, leads to a rise in Brand Loyalty.
- b_7 (regression coefficient value X_3*X_4) is negative, which means that an increase in Brand Activation and Awareness increases, leads to a decrease in Brand Loyalty.

The hypothesis test carried out on the calculation with moderating regression, shows an effect of the dependent variable on the independent variable as follows:

1. The Effect of Brand Activation on Brand Loyalty
   From the calculation results, the t-value of 3,829 is greater than the t-table at 1,985, at a significant value (X1) of 0,000, which is smaller by 5%. This indicates that the Brand Activation has a significant effect on Brand Loyalty, therefore, Ho is rejected (H1) is accepted.
   Furthermore, Brand Activation (X1) has an influence on the Loyalty of OVO Payment users with the positive direction of b1 at 1.066 and a significant value of 0.000. This means that an increase in Brand Activation (X1), leads to a rise in Brand Loyalty. Adi [18] stated that consumer brand loyalty is associated with consumers' efforts to look for various supporting attributes in a brand which is stored in their mind. Other factors that support consumer loyalty and promote their ability to choose OVO over other products are employees' good service, ease of getting, and applications [19, 20]. It is also supported by

advertising activity with attractive promotions such as cashback and the number of merchants working together to make consumers choose OVO in every transaction. The research result is supported by Najmi and Salman's (2012 study, which stated that there is a positive relationship between Brand Activation and loyalty of a product. Similarly, Andri (2015) and Anita (2016) explained that Brand Activation has a significant effect on brand loyalty.

2. The Effect of Switching Barrier on Brand Loyalty

The Switching Barrier (X2) has an effect on Brand Loyalty of OVO Payment users with a negative direction of b3, which equals - 1.115 and a significant value of 0.011. It means that an increase in Switching Barrier leads to a decrease in Brand Loyalty. The calculation shows that the t-value for X2 is -2.607, and smaller than the t-table at 1.985, at a significance value of X2, is 0.011, and smaller by 5%. Therefore, Switching Barrier has a significant effect on brand loyalty, with Ho rejected, while (H2) was accepted. Some efforts are carried out to prevent customers from switching to other competitors. Firstly, a product needs to have outstanding attributes to keep consumers more loyal. For example, the cost or price has to be more profitable. Secondly, the applications need to be easy to use with other conveniences offered. Thirdly, a product needs to offer other advantages such as cashback promos, features, and services owned by OVO [5]. These results support the research conducted by Risdianto and Japarianto (2015), which stated that switching barriers is a predictor that statistically has a significant effect on customer loyalty.

3. The Effect of Customer Satisfaction on Brand Loyalty

The results showed that consumer satisfaction (X3) has a positive and significant effect on Brand Loyalty. The calculation results showed that the t-value for X3 is 2,001which is greater than the t-table value of 1,985, while the significance value for X3 is 0.48, and smaller by 5%. This shows that consumer satisfaction significantly influences Brand Loyalty. Therefore, it can be concluded that Ho was rejected and (H3) accepted.

Customer Satisfaction (X3) influences Brand Loyalty at OVO Payment users with a positive direction of b1 at 0.0460 and significant value of 0.048. This means that an increase in Customer Satisfaction (X3), leads to a rise in Brand Loyalty. OVO payments increase in accordance with the 7 attributes that make up customer satisfaction, namely Value to Price Relationship, Product Quality, Product features, Reliability, Warranty (offer), Problems Response and remedy, and sales experience. Therefore, brand loyalty also increases significantly.

Satisfaction arises when the consumer's needs are fulfilled, such as price, service, service quality, complete product components, ease use of applications, warranties, attractive offers, after-sales service, or responses to all complaints. Conversely, when consumers are not satisfied with products and services, they fail to become loyal to these products. Consumer satisfaction needs to be maintained and improved, therefore loyalty to the OVO brand is maintained, and consumers are allowed to make repeat purchases. This study supports the research carried out by Rahayu (2009) and Mira (2016), which stated that consumer satisfaction has a significant effect on Brand Loyalty.

4. The Effect of Brand Activation Moderated by Brand Awareness on Brand Loyalty

The research result showed that brand awareness (X4) moderated and weakened the relationship between brand activation (X1) and loyalty. This statistically means that the presence of too many activities or promotions carried out by the company to build brand awareness is a moderating variable, with a negative effect on brand loyalty. The calculation shows that the t-value for X1*X4 is -2.756 or smaller than the t-table of 1.985, while the significance value for X1 * X4 is 0.007, smaller and smaller by 5%. It shows that brand activation moderated by awareness has a significant effect on brand loyalty. Therefore, Ho was rejected, and (H4) accepted.

The influence of X1 moderated by brand awareness X4 on brand loyalty to OVO Payment users shows a negative direction of b4 at - 0.059, with a significant value of 0.007, which means that brand awareness moderates and weakens the activation and loyalty relationship. OVO Payment consumers have high brand awareness, therefore customers are not tempted by the activities or promos carried because they are certain of their daily usage.

5. The Effect of Switching Barrier Moderated by Brand Awareness on Brand Loyalty
The effect of switching Barrier (X2) moderated by brand awareness (X4) on brand loyalty to OVO Payment users is shown by the positive direction b5 of 0.085 with a significant value of 0.008. This means that the results of brand awareness moderates and strengthen the relationship between the switching barrier to brand loyalty. The t-value for X2 * X4 is 2.732, smaller than the t-table at 1.985, while the significance value is 5% smaller by 0.008. Therefore it can be concluded that Ho was rejected and (H5) accepted.

The results showed that brand awareness moderated and strengthened the relationship between the switching barrier and brand loyalty. The barriers provided by the company for OVO Payment increase consumers' loyal to the brand. It means that when consumer awareness of OVO products is high, the company finds it easier to provide other services, thereby hindering consumers from switching. Therefore, consumers tend to use OVO in every transaction they make automatically.

6. The Effect of Costumers satisfaction moderated by Brand Awareness on Brand Loyalty
The calculation results show that the t-value for X3 * X4 is -0.565 and above the t- table value of 1.985, at a significance value of X3 * X4 at 0.0573, and greater by 5%. This shows that the switching barrier moderated by brand awareness has a significant effect on brand loyalty. Therefore, it can be concluded that Ho was accepted and (H6) rejected.

The influence of Consumer Satisfaction (X3), moderated by brand awareness (X4) on brand loyalty to OVO Payment users, shows a positive direction on b6 at -0.010 with a significant value of 0.0573. This means that brand awareness moderates and weakens the relationship of X3 to Brand Loyalty.

This statistically means that consumers' satisfaction with the services performed by companies and brand awareness as moderating variables does not significantly affect their loyalty to the brand. However, irrespective of OVO consumers' satisfaction with the qualities of services and products offered, they are not necessarily loyal to the company. The more consumers are aware, the more likely their ability to use other products with better offers.

5. Conclusion

Based on the results of research and discussion, the following model is obtained Y = -7.540 + 1.066 X1 - 1.115X2 + 0.460X3 + 0.577X4 - 0.059X1 * X4 + 0.085X2 * X4 - 0.010 X3 * X4 + e, which is feasible with good level of fit test because the variable brand activation (X1), switching barrier (X2), consumer satisfaction (X3) and brand awareness (X4) are 78.7% of variations in brand loyalty to OVO Payment users.

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