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The Influence of Brand Awareness and Sales Promotion on Purchase Decisions of OVO Products: Case Study on Students of the Faculty of Economics, Master of Management Study Program, Sriwijaya University

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Abstract--- This study aimed to analyze the role of brand awareness and sales promotion in purchasing decisions for OVO products among students of the Faculty of Economics, Master of Management Study Program, Sriwijaya University. The population in this study were students of the Master of Management study program at Sriwijaya University, with the sample used being Master of Management students with a minimum of 1 transaction using OVO. The analysis technique in this study used multiple linear regression analysis by adding the *t*-test and *F*-test as support. The results of this study are that both Brand Awareness and Sales Promotion significantly and simultaneously influence the decision to buy OVO products.

Keywords--- brand awareness, OVO, purchase decision, sales promotion, simultaneously influence

Introduction

The business and economic sectors have become more adaptive to changes in people's habits. The development of the digital world in the era of the Covid-19 pandemic is relatively rapid and forces people to be able to transform immediately using digital services. According to the World Bank (2020), there has been an increase of 59% since October 2020, and micro-enterprises and manufacturing companies have adopted digital platforms. It is predicted that there will be four sectors that will increase in interest after the Covid-19 era. The first is the Education sector which is currently facilitating access through online learning; the second is the health sector which continues to make digital changes to be able to access people who need health services quickly; the third is the fintech sector which is developing rapidly to facilitate access to online payments from home, and the fourth sector e-commerce which will

be the people's leading choice in fulfilling their daily needs through online (Macdonald & Sharp, 2000; Barreda et al., 2015).

Mahesh explained (in <https://djkn.kemenkeu.go.id>; 2022) the Ipsos Institute carried out a survey. For the Southeast Asia region, up to September 2020, the results showed that 44% of new Indonesian users had used digital wallet services in early 2020. The unique thing that emerged was that the public used e-wallets to pay for their purchases in e-commerce applications compared to having to do an account transfer. In discussing digital payment OVO, it is a digital payment company belonging to the Lippo group of companies formed in September 2017. However, it can stand independently under the auspices of PT Visionet Internasional (Peebles, 2018; Edens et al., 1997).

This application tries to accommodate various needs related to cashless and mobile payments. This company has collaborated with many other companies, such as Tokopedia, Grab, Taralite, Prudential, and others. Payments via OVO have also been accepted at more than 500,000 merchants throughout Indonesia. Until October 2019, it succeeded in obtaining the title of Indonesia's 5th Unicorn. However, a phenomenon emerged in the digital payment industry after users' enthusiasm for using OVO. The presence of a competitor, namely ShopeePay, which provides more attractive offers for users with special promotions, has slowly switched to using ShopeePay.



Figure 1.1. Mobile Wallet Market Share
Source: Survey Boku Report 2020

It can be seen from Figure 1.1 above that OVO once became the ruler of digital payments in Indonesia by controlling 38.2% of the Indonesian market share. Far above its competitors, namely ShopeePay, which only takes 15.6% of the Indonesian market share. The *cashback* and *loyalty reward* programs offered by OVO for its users have made its position at the top of the *digital payment rulers*.

Table 1.1
2020 Digital Payment Transaction Value and Frequency Survey

Digital Payment Platforms	Snapchat*			mark plus**		
	Value	Transactions frequency	Total Users	Value	Transactions frequency	Monthly Average Usage
ShopeePay	34%	32%	68%	29%	26%	7
OVO	25%	25%	56%	24%	24%	6
Gopay	16%	20%	56%	19%	23%	6
FUND	17%	16%	42%	19%	19%	6
LinkAja	9%	8%	19%	8%	8%	5

Snapcart research based on a survey of 1,000 respondents from June-August 2020

** Mark plus research is based on a survey of 502 respondents from June-August 2020

Source: Snapchat and Mark's plus survey quoted from www.katadata.co.id

From table 1.1 above, it can be seen how ShopeePay's dominance is getting stronger against all of its competitors, namely OVO, Gopay, DANA, and LinkAja, with the average value of application usage in 1 month also recording the highest number. According to Putri et al. (2021), as ShopeePay's Public Relations Lead, the company is running a massive promotion to introduce services to the public. Promotions in the form of cashback and discounts of up to Rp. 1 for every transaction trigger people to use ShopeePay as their digital payment tool. This record makes it the fastest-growing digital wallet in Indonesia, and it has succeeded in overtaking OVO, which in the previous periods

always recorded significant user growth. Researchers tried to conduct an initial survey of Sriwijaya University Master of Management students by distributing questionnaires to 32 respondents as a first step to see how brand awareness and sales promotion affect OVO users among Sriwijaya University Master of Management students (Ghozali, 2005; Kotler & Armstrong, 2008; Kotler & Keller, 2009; Saputro et al., 2016).

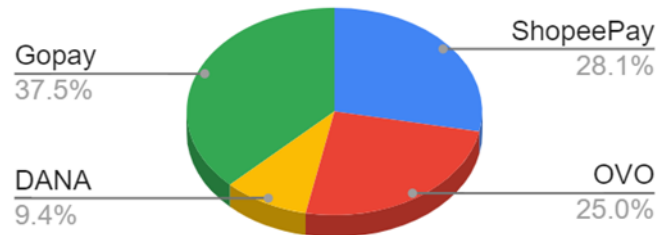


Figure 1.2. Survey of Digital Payment Services
Source: Processed Data (2022)

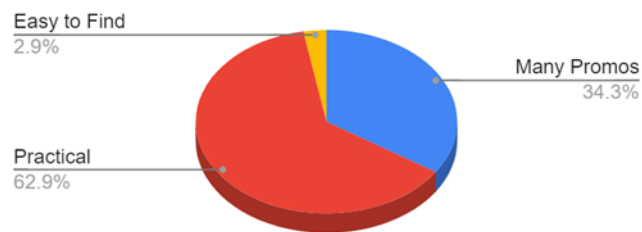


Figure 1.3. Survey of Reasons for Using Digital Payments
Source: Processed Data (2022)

Figure 1.2 shows that 75% of respondents are more familiar with and know about other digital payments than OVO, whereas only 25% are familiar with and use it. This is reinforced by Figure 1.3 regarding the reasons for using digital payments, which are still dominant because it is practical at 59.4% and lots of promos at 37.5%. This at least proves that brand awareness from OVO still needs to be improved among students because it is still challenging to find in various stores or find out about the promos being offered. Companies must at least have the courage to redistribute their existence with acquisitions in various stores to generate high *brand awareness* among students as users (Huang & Benyoucef, 2017; Chen et al., 2017).

The results of research from Krisnawati (2016), show that brand awareness has a positive and significant influence on purchasing decisions; this is also in line with research from Kuang et al. (2009), which results in high brand awareness that will affect purchasing decisions high too. Research from Santini et al. (2015), shows positive results between sales promotions and purchasing decisions. This is in contrast to research from Suresh et al. (2015), which states that sales promotions significantly influence purchasing decisions. However, cashback was found not to affect purchasing decisions. This is also in line with Bhatti (2018), research, which states that discounts or price cuts do not affect purchasing decisions (Blattberg & Neslin, 1993; Raju, 1995).

Literature Review

Buying Decision

Kotler (2009), states that purchasing decisions are part of the buyer's actions to determine whether the product is purchased or not. The various factors that make consumers make purchasing decisions are considerations of quality, price, and the image of these products in society. Five purchasing decision processes, according to Kotler, 1. Problem Recognition, 2. Information Search, 3. Alternative Evaluation, 4. Purchase Decision, 5. Post-purchase (Khairrol et al., 2021; Fitrianna & Aurinawati, 2020; Kunadi et al., 2010).

Brand Awareness

Brand awareness is the public's ability to identify a brand in detail, from recognizing to remembering it. When something is easily recognized and remembered, the decision to purchase the brand will likely be higher. Quoted by [Eka & Anik \(2020\)](#), brand awareness is defined by Keller as a tendency for the brand to be firmly recorded in human memory by judging how consumers can describe in detail how the brand is ([Aghara et al., 2018](#); [Etuk et al., 2022](#)).

Sales promotion

[Grewal \(2018\)](#), suggest, "Sales promotions are special incentives or excitement-building programs that encourage consumers to purchase a particular product or service, typically used in conjunction with other advertising or personal selling programs." It can be understood that sales promotion is the provision of special incentives or a program encouragement so that consumers have the will to buy the product being offered, the medium of which can be in the form of advertisements or direct sales programs ([Ali et al., 2019](#); [Anoraga, 2000](#); [Ariyan, 2013](#); [Akbar et al., 2019](#); [Augusty, 2006](#); [Bilgin, 2018](#)).

Research Method

The data used in this study are primary and secondary, where primary data is obtained directly from respondents by distributing questionnaires to existing samples. To support secondary data obtained from sources related to digital wallets. The object of this research is the students of the Sriwijaya University master of management study program, with the sample being those who have used OVO products at least once. The data research method in this study is Multiple Linear Regression Analysis, where the variables are Brand Awareness (X1), Sales Promotion (X2), and Purchase Decision (Y) ([Lamb Charles et al., 2001](#); [Chatterjee & McGinnis, 2010](#); [Faryabi et al., 2015](#)).

Result and Discussion

Validity test

Items	Calculated r value	Value r table	Information
1	0.793	0.196	<i>Valid</i>
2	0.786	0.196	<i>Valid</i>
3	0.711	0.196	<i>Valid</i>
4	0.684	0.196	<i>Valid</i>
5	0.671	0.196	<i>Valid</i>
6	0.604	0.196	<i>Valid</i>

Remarks: Product Recognition Validity Test

Items	Calculated r value	Value r table	Information
1	0.705	0.196	<i>Valid</i>
2	0.718	0.196	<i>Valid</i>
3	0.748	0.196	<i>Valid</i>
4	0.624	0.196	<i>Valid</i>
5	0.707	0.196	<i>Valid</i>
6	0.595	0.196	<i>Valid</i>
7	0.725	0.196	<i>Valid</i>
8	0.553	0.196	<i>Valid</i>

Note: Test the Validity of OVO Digital Wallet Promotion Activities

r table for this validity test is 0.196. So, each successful item has a calculated r value above and can be said to be valid.

Reliability Test

Variable Name	Cronbach's Alpha value	Information
Product Introduction	0.790	Reliable
OVO Digital Wallet Promotion Activities	0.822	Reliable

Each item of the questionnaire statement for each variable got a *Cronbach's Alpha* value above 0.6, so the questionnaire used in the study was reliable.

Multiple Linear Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	6,644	1,514		4,388	.000
	Brand Awareness	.353	.117	.214	3.020	.003
	Sales promotion	1.007	.104	.683	9,642	.000

a. Dependent Variable: Purchase Decision

Based on the results of the regression model above, it can be concluded that the positive constant value is 6.644. These results indicate that the variables *Brand Awareness* (X_1) and *Sales Promotion* (X_2) affect *Purchasing Decisions* (Y). *Brand Awareness* variable (X_1) has a positive value of 0.353, and *Sales Promotion* (X_2) of 1.007.

Analysis of the Coefficient of Determination

Summary models	
Adjusted R Square	std. The error in the Estimate
.680	3.78273

a. Predictors: (Constant), Sales Promotion, Brand Awareness

Information was obtained that the *R-square* was 0.686 or 68.6%. The score shows that *Brand Awareness* (X_1) and *Sales Promotion* (X_2) respectively simultaneous in giving contribution or influence to *Purchase Decision* (Y) of 68.6%. As for the rest of $100\% - 68.6\% = 31.4\%$ is the influence of other variables that are not researched.

F test

ANOVA ^a						
Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	3033186	2	1516593	105,989	.000 ^b
	residual	1387,974	97	14,309		
	Total	4421.160	99			

a. Dependent Variable: Purchase Decision
b. Predictors: (Constant), Sales Promotion, Brand Awareness

The significance value in the F test is $0.000 < 0.05$, and the $F_{\text{count}} > F_{\text{table}}$ is $105.989 > 3.09$. The F value from the table was in the F table for $\alpha = 0.05$ and $df_1: 1, df_2: nk-1 (100-2-1) = 97$, then an F_{table} value of 3.09 is obtained. So it can be concluded that the variables *Brand Awareness* (X_1) and *Sales Promotion* (X_2) have significantly simultaneous (together) effect on *Purchase Decision* (Y) (Shahid et al., 2017; Tariq et al., 2017; Wibowo & Farochi, 2017; Chang, 2017).

Coefficients ^a			
Unstandardized Coefficients			Standardized Coefficients
B		std. Error	Betas
	6,644	1,514	
	.353	.117	.214
	1.007	.104	.683

a. Dependent Variable: Purchase Decision

Based on the table above, it can be seen that the *Brand Awareness variable* (X_1) has a significance value of 0.003 < 0.05, and with $\alpha=0.05$, $df=nk-1=100-2-1=97$, the t-table value for two-party testing of (1.984) so that $T_{count} > T_{table}$, namely $3.020 > 1.984$ obtained on the *Brand Awareness variable* (X_1), a positive t value indicates that the *Brand Awareness variable* (X_1) has an influence in the direction of the Purchase Decision (Y), so that it can be concluded that $H1$ is accepted, namely *Brand Awareness* has a significant effect on Purchasing Decisions. Sales Promotion Variable (X_2) has a significance value of 0.000 < 0.05, and with $\alpha=0.05$, $df=nk-1=100-2-1=97$, the t-table value for the two-party test is (1.984) so that $T_{count} > T_{table}$ that is $9.642 > 1.984$ which is obtained on the Sales Promotion variable (X_2), a positive t value indicates that the Sales Promotion variable (X_2) influences the same direction as the Purchase Decision (Y), so it can be concluded that $H2$ is accepted, namely Sales Promotion has a significant effect on Purchase Decision (Engelen et al., 2015; Satapathy & Bijwe, 2002).

Conclusion

The study results show that Brand Awareness significantly affects purchasing decisions and Sales Promotion, which has the same effect as Brand Awareness on Purchasing Decisions. As simultaneously, Brand Awareness and Sales Promotion affect purchasing decisions.

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