



Proposed Marketing Strategy to Increase Awareness of Linkaja's Benefits

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ABSTRACT: The e-wallet industry in Indonesia is growing, with these developments creating intense competition. LinkAja is one of the e-wallet in Indonesia which was launched in 2019. LinkAja is initiated by BUMN (State-owned enterprises) and HIMBARA (State-owned bank association). LinkAja's total awareness is quite high compared to its competitors, but just some customer regularly uses it. It is clear that although consumers are aware of the LinkAja brand, they are unfamiliar of its benefits. The purpose of this study is to propose a suitable marketing strategy to increase awareness of LinkAja's benefit which is expected to increase the initiation of increasing the number of active users. Researchers use qualitative and quantitative methodologies in conducting research. Data collection is done by conducting interviews with LinkAja employees, distributing questionnaires to customers, and also collecting other supporting data. External and internal analysis was carried out to map the SWOT analysis. The tools used to perform external analysis are PEST (Political, Economic, Social, Technological) analysis, Porter's Five Forces, and customer analysis. While the tools used to perform internal analysis are STP (Segmenting, Targeting, Positioning) analysis and marketing mix. The proposed new marketing strategy is carried out using the TOWS matrix derived from the SWOT analysis. There are eight new marketing strategies classified into marketing mix variables that represent, product, price, place, and promotion. Some of the marketing strategies are optimizing LinkAja as a solution for the transformation of conventional payments into digital payments, creating promotions in the form of free transfer fees and top-up fees, expanding to marketplace as a digital payment method, and highlighting LinkAja competitive advantage and product value to win market competition.

KEYWORDS: E-wallet, Increase awareness, LinkAja, Marketing strategy, Marketing mix.

1. INTRODUCTION

Technological advancements in Indonesia are currently experiencing significant changes. As technology develops, people are encouraged to keep innovating and creating goods and services that a huge audience can use. One of the results of these innovations is the presence of the financial technology (FinTech) industry in Indonesia. Fintech is the practice of utilizing technology to offer new financial services and products. It is an emerging market disruption that is disrupting conventional company models and financial structures by combining modern technology and finance ^[1]. Financial technology refers to the application of technology within the financial system that results in novel goods, services, technologies, business models and may have an impact on the stability of the currency, the stability of the financial system, the effectiveness, scalability, security, and dependability of the payment system ^[2]. FinTech companies in Indonesia are growing every year. Fintech categories that are most popular in Indonesia are payments, loans, block chain, investment, insurtech, crowdfunding, and comparison ^[3]. Payments category in FinTech services commonly known as mobile payment or electronic wallet (E-wallet). E-wallet is a service that keeps information on various payment methods, such as card-based payment methods and electronic money that may be used to make payments ^[4]. The emergence of E-wallet is certainly supported by the *Gerakan Nasional Non-Tunai* (GNNT) launched by Bank Indonesia.

Bank Indonesia has launched *Gerakan Nasional Non-Tunai* (GNNT) since 2014. GNNT's goal is to create a payment system that is safe, efficient, and seamless. This transaction will encourage the national financial system to work effectively and efficiently. GNNT is also expected to minimize the obstacles experienced by cash payments, such as damaged or unfit for circulation ^[4]. E-wallet services are being provided by numerous companies as a way to support GNNT. There is a gap between the top e-wallet and the emerging e-wallet. Gopay, OVO, DANA, and LinkAja are now the top four e-wallet providers in Indonesia based on monthly active users. Between Q2 2019 and Q2 2020, Gopay had the most monthly active users, followed by OVO, DANA, and LinkAja. LinkAja maintained its fourth-place position in terms of monthly active users from Q2 2019 to Q2 2020, showing a steady position ^[5].

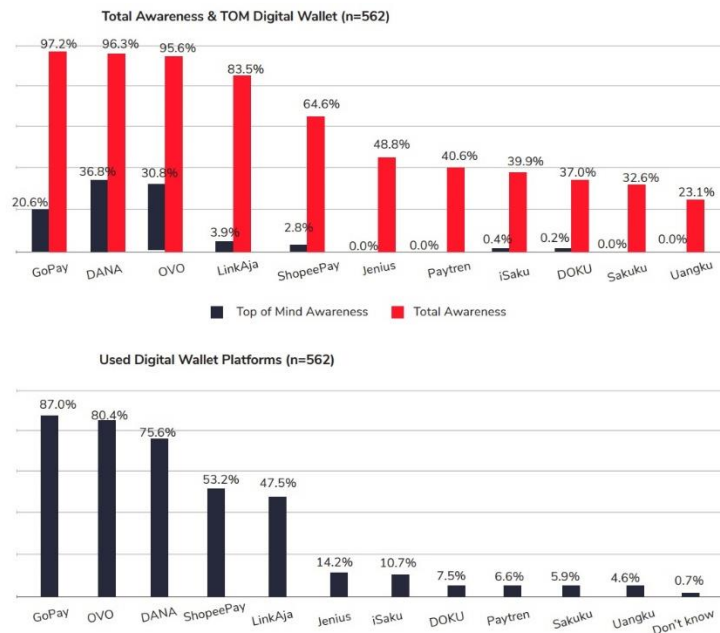


Figure 1. Total awareness, top of mind, and used digital wallet platforms [6]

According to Figure 1 DANA attained the top position for top of mind awareness with a score of 36.8%, followed by OVO with 30.8%, Gopay with 20.6%, LinkAja with 3.9%, and ShopeePay with 2.8%. However, Gopay attained the top position for total awareness with a score of 97.2%, followed by DANA with 96.3%, OVO with 95.6%, LinkAja with 83.5%, and ShopeePay with 64.6%. In term of frequently used of e-wallet, Gopay is the most popular option, with 87% using it. Followed by OVO with 80.4%, DANA with 75.6%, ShopeePay with 53.2%, and LinkAja with 47.5% [6].

According to the results of that survey, 83.5% of respondents are already aware of LinkAja, but just 47.5% of them regularly use it. It is clear that although consumers are aware of the LinkAja brand, they are unfamiliar of its benefits or applications and are unwilling to use it. Therefore, it is important for LinkAja to develop a marketing strategy improvement to raise awareness of LinkAja’s benefit and attract potential users to use LinkAja.

2. LITERATURE REVIEW

PEST analysis is a tool that companies regularly use to identify the external macro environment in which businesses operate [7]. Political, Economic, Social, and Technological, or PEST, is an acronym that stands for the several kinds of factors that the analysis discovered. PEST analysis focuses on external factors and the effects they could have on a company, a nation, or a sector. Applying this methodology may help with strategic decision-making, competitive advantage, obtaining favourable alignment with external factors, avoiding mistakes that could impair effective performance, and more [8].

Porter's five forces is commonly utilized to analyse industries and their competitive structures. The model's basic concept is that one or a combination of five competitive characteristics within a given industry will greatly impact its profit potential [9].

Customer analysis is an analysis to analyse customer awareness of the e-wallet brand and customer behaviour in using e-wallet. This analysis is carried out based on the results of quantitative research from an online survey conducted with 208 respondents. Customer analysis in this research includes customer profile, brand awareness of e-wallet, source of information of e-wallet, customer preference, and customer journey analysis.

Segmenting, targeting, and positioning. STP Positioning analysis is a method to create a targeted and actionable marketing strategy. The STP model is useful for establishing marketing strategy since it allows marketers to prioritize propositions and then



create and deliver personalized and relevant communications to engage with distinct audiences. Segmenting is the practice of dividing a broad customer base into sub-groups that comprise both current and potential customers^[10]. The target market is a group of buyers who share the same needs or characteristics that the company decides to serve^[11]. Positioning is a way that companies do in designing product images to get a good position in the customer's mind^[12].

Marketing mix is the combination of marketing techniques that a company uses to elicit the desired response from its target market. These tools include product, price, place, and promotion. Product refers to the combination of goods and services that the business provides to its target market. Price is the amount of money customers must pay to obtain the product. Place consist of company activities that make the product available to target consumers. Promotion is related to activities that communicate the merits of the product and persuade target customers to buy it^[13].

SWOT analysis is an analytical method used to determine Strengths, Weaknesses, Opportunities and Threats. SWOT analysis can help companies identify the target market to help evaluate the business so that they can find out which parts need to be improved or developed from the business^[14].

TOWS matrix is produced using the SWOT analysis methodology, which indicates an organization's internal strengths and weaknesses as well as its external opportunities and threats. The TOWS matrix is a straightforward tool that aids companies in making strategic decisions based on an external-internal analysis, particularly in the fields of business administration and marketing^[15].

3. METHODOLOGY

Researchers will combine qualitative and quantitative methods, the data will be gathered utilizing both primary and secondary sources. Primary data will be collected using qualitative methods, such as conducting in-depth interviews with LinkAja sales and marketing manager, in order to gain comprehensive information about the company's current situation. Researchers also utilize quantitative methods to gather primary data, such as sending surveys to Indonesian e-wallet users to learn more about respondents' brand awareness of various e-wallet brands and their e-wallet user behaviour. The quantitative method data was gathered via a questionnaire that was sent online using the QuestionPro platform. The secondary data will be gathered by using data from textbooks, journal articles, and observation.

4. RESULT AND DISCUSSION

PEST Analysis

PEST analysis was obtained based on secondary data. The government through Bank Indonesia introduced the *Gerakan Nasional Non-Tunai* (GNNT), a campaign to encourage Indonesians to begin making the switch from cash to cashless transactions. This movement aims to provide a secure, effective, and seamless payment system, which may then support the effective and efficient operation of the national financial system. In Indonesia, the market for electronic money has recently expanded significantly. The amount of electronic money transactions increased by 61.82 percent year over year in November 2021 to reach IDR31.3 trillion^[16]. The growth of electronic transactions was due to the COVID-19 pandemic, where there was a change in people's purchasing habits from offline to online transactions. According to the findings of the 2020 census data, there were 32.56 million more people living in Indonesia than there were in 2010. Millennials generation and generation Z make up the majority of the population in Indonesia. The millennial generation also dominates e-wallet usage in Indonesia^[17]. This can be a great opportunity for the growth of the value of digital transactions in Indonesia. Technological developments play an important role in the e-wallet industry. As of the first quarter of 2022, 77.02% of Indonesians had internet access^[18]. And then, 61.7% of the population currently uses smartphones^[19]. The development of QRIS (Quick Response Code Indonesian Standard), a QR code-based payment system, is one example of how technology supports the e-wallet industry in the development of integrated payment systems. For integrating various QR from various e-wallets or other payment system providers, QRIS innovation is helpful.

Porter's Five Forces

Porter's five forces analysis was obtained based on secondary data. Threat of new entrants is low because if a company wants to enter the e-wallet industry, it must have large capital, high-tech support, and licensing from the OJK (Financial Services Authority).



Threat of new substitutes is high because there are many substitutes product in the digital payment segment, so customers can easily switch to different payment methods. Bargaining power of buyers is high because many e-wallet in Indonesia offer various attractive promotions and discounts to customers, so customers can choose which e-wallet they will use. Bargaining power of suppliers is moderate because merchants typically reach a win-win arrangement in order to offer an e-wallet payment option. Rivalry among existing competitors is high because there are so many e-wallets in Indonesia and there are e-wallets that dominate the market, so that new entry e-wallets will be difficult to compete with previously existing e-wallets, due to intense competition.

Customer Analysis

Customer Analysis was obtained based on primary data from survey. According to the survey, LinkAja is already well known generally even though it does not yet have a strong top of mind position in the e-wallet category. The use of LinkAja in the past 1 month and the brand used most often from LinkAja are also still low. The conclusion is that total awareness of LinkAja is already high, but the use of LinkAja is low. It can be concluded that people are familiar with the LinkAja brand, but there are still many of them who are not aware of the benefits of LinkAja, so the use of LinkAja is low compared to its competitors. Meanwhile, according to the net promoters score of LinkAja survey, promoters of LinkAja scored 20 and detractors of LinkAja scored 43. Therefore, the NPS value of LinkAja is -23. This value belongs to the insufficient unsatisfactory category, therefore LinkAja needs to improve regarding customer loyalty and satisfaction.

Segmenting, Targeting, and Positioning

STP Analysis was obtained based on primary data from in-depth interviews with LinkAja employees. Geographic segmentation of LinkAja are people who live in Indonesia. For density, intended for urban, sub-urban, and rural areas. Demographic segmentation includes male and female in generation X (1965-1980), generation Y or millennials (1981-1996), and generation Z (1997-2012). In psychographic segmentation, it is divided into middle to upper class and middle to lower class. In behavioural segmentation, they are aiming at people who use e-wallet for lifestyle transactions and for people who use e-wallet for essential needs. They are targeting people who live in Indonesia, with density in tier 2 and tier 3 areas (non-capital cities), male and female, aged 20-40 years, have a psychographic middle to lower class, and have behaviour in using e-wallet for essential transactions. Therefore, LinkAja positioned itself as an e-wallet that focuses on providing the essential needs transactions of the Indonesian people. LinkAja carries the tagline "Apa2 bisa" which means that all transactions can be carried out by LinkAja.

Marketing Mix

Marketing mix analysis was obtained based on secondary data and primary data from in-depth interviews with LinkAja employees. LinkAja is a product or an e-wallet service that can be used as a payment method. LinkAja payment service can be used with QR codes and tokens. LinkAja has many features, some of which are purchase in merchant, pay bills, cash withdrawal without card at HIMBARA ATM, transfer to bank saving account, and LinkAja sharia. In terms of price, LinkAja also has a relatively inexpensive top-up fee and transfer fee. Top-up fee from HIMBARA saving account to LinkAja balance is free, while top-up fee from other bank account to LinkAja balance is IDR1,000 to IDR2,000 per transaction. Transfer fee from LinkAja balance to HIMBARA saving account is IDR 1,000 per transaction, while transfer fee from LinkAja balance to other bank account is IDR 6,500. For place, the LinkAja application can be downloaded from the Playstore for android users, and on the Apple store for iOS users. LinkAja can be used for transactions at certain places, such as shopping centres, supermarkets, traditional markets, grocery stores, and MSMEs. LinkAja can be used for public transportation payments, such as TransJakarta, Commuter Line, MRT, LRT, and tolls payments. LinkAja can also be used at online merchants such as GoJek apps, Grab apps, myPertamina, and KAI access. LinkAja promotes its products through various channels, including through social media (instagram, twitter, and youtube), conducts direct promotions to users at seminars, and promotes their merchants that have partnered with them by offering consumers a payment discount or cashback.

SWOT Analysis

An analytical technique called SWOT analysis is used to identify a situation's strengths, weaknesses, opportunities, and threats. Companies can use SWOT analysis to determine their target market and analyse their operations to determine what areas of the business need to be enhanced or improved^[14]. There are internal and external analyses in a SWOT analysis. Internal analysis consists of strengths and weaknesses, while external analysis consists of opportunities and threats. STP analysis and the marketing mix have



been used to obtain internal analysis, and PEST analysis, Porter's five forces, and customer analysis have been used to obtain external analysis in this study. It can be put into SWOT analysis as follows using information from internal and external analysis:

Table 1. SWOT analysis of LinkAja

<p>Strengths (S):</p> <ul style="list-style-type: none"> • LinkAja has a strong backbone • LinkAja is available at merchants that are not reached by other e-wallets • LinkAja has a unique feature • LinkAja has a cheaper transaction fee than other e-wallets 	<p>Weaknesses (W):</p> <ul style="list-style-type: none"> • LinkAja doesn't have a large customer base yet and is still inferior to its competitors • LinkAja is not yet available as a payment method on popular e-commerce • LinkAja is not popular brand for e-wallet application in Indonesia • Less information regarding the product's features and advantages
<p>Opportunities (O):</p> <ul style="list-style-type: none"> • The establishment of <i>Gerakan Nasional Non-Tunai</i> (GNNT) • The growth in the value of electronic money transactions • The establishment of a national payment system using QRIS • E-wallet users are dominated by the millennial generation • Internet and smartphone penetration in Indonesia is increasing 	<p>Threats (T):</p> <ul style="list-style-type: none"> • Intense competition in the e-wallet industry • Based on the survey, LinkAja users are not satisfied and do not want to recommend LinkAja

Proposed Marketing Strategy based on TOWS Matrix

TOWS Analysis is cross-examining four general elements to come up with strategies aimed at minimizing threats and maximizing opportunities. There are four categories in TOWS strategies, SO strategies are the strategies that used strength to take advantage of the opportunity. WO strategies are strategies that take advantage of the opportunity by overcoming the weakness. ST strategies are the strategies that used strength to avoid threat. WT strategies are the strategies that minimizes weakness and avoid the threat. The list of proposed marketing strategies is summarized below:

Table 2. Proposed marketing strategy based on TOWS matrix

<p>Proposed marketing strategy</p>
<p>SO strategies:</p> <ul style="list-style-type: none"> • Optimizing the use of LinkAja as a digital payment method partner in programs or ecosystems in BUMN and HIMBARA • Optimizing LinkAja as a solution for the transformation of conventional payments into digital payments • Creating promotions in the form of free transfer fees and top-up fees
<p>WO strategies:</p> <ul style="list-style-type: none"> • Expand to marketplace / e-commerce as a digital payment method
<p>ST strategies:</p> <ul style="list-style-type: none"> • Highlight LinkAja competitive advantage and product value to win market competition • Improving the quality of LinkAja's services so that customer satisfaction increases
<p>WT strategies:</p> <ul style="list-style-type: none"> • Create promotions and campaigns to increase information of awareness of LinkAja's benefit win market competition • Create partnerships with brands to create a digital ecosystem



Marketing Strategy Classification based on Marketing Mix

According to the TOWS matrix, the researcher classifies the marketing strategy into the 4Ps of marketing mix, which consists of product, price, place, and promotion. For strategy in the product category, including improving the quality of LinkAja's services so that customer satisfaction increases, optimizing the use of LinkAja as a digital payment method partner in programs or ecosystems in BUMN (State-owned enterprises) and HIMBARA (State-owned bank association), and optimizing LinkAja as a solution for the transformation of conventional payments into digital payments. For price, creating promotions in the form of free transfer fees and top-up fees. For place, expand to marketplace or e-commerce as a digital payment method. For promotion, create promotions and campaigns to increase information of awareness of LinkAja's benefit to win market competition, create partnerships with brands to create a digital ecosystem, and highlight LinkAja competitive advantage and product value to win market competition.

5. CONCLUSION

This paper is intended to assist LinkAja in resolving problems with low user adoption of LinkAja, which makes its market share low when compared to competitors. The purpose of this study is to propose a suitable marketing strategy to raise awareness of LinkAja's benefit which is expected to increase the initiation of increasing the number of active users. For internal conditions, LinkAja is initiated by BUMN and HIMBARA, has unique features that are not found in other e-wallets, but LinkAja is not a popular e-wallet brand so it does not yet have a strong customer base. For external conditions, competition in the e-wallet industry in Indonesia is very tight, so LinkAja must be able to compete with competitors in order to survive. By utilizing a SWOT analysis, a company can gain an overview of the mix of external and internal analysis that can serve as a roadmap for a comprehensive competitive industry description by optimizing strengths, addressing weaknesses, seizing opportunities, and fending off potential threats. The marketing strategy is created using the TOWS matrix, which is a cross-examination of four common elements, to raise awareness of LinkAja's benefit. The 4Ps of the marketing mix are used to categorize the strategy findings from the TOWS matrix. As a result of this research, eight marketing strategies are suggested to raise awareness of the benefits of LinkAja, and as an initiation to gain more active users.

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