

Effective Marketing Promotions of E-Wallet During the Covid-19 Pandemic: Case Study of Gopay Payment in Indonesia

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Abstract - When the COVID-19 pandemic began in Indonesia in March 2020, people avoided going outside and preferred to do all of the activities at home. It impacted the changes in customer behavior on product purchasing from in-store to e-commerce platforms. It followed by the increasing number of online purchases. As the leading e-wallet payment that is accepted on more than a thousand e-commerce sites, GoPay sees this condition as an opportunity. The massive GoPay activities with various campaigns during the pandemic, makes GoPay not focus on the targeted segmentation and affect the unclear message. The research was conducted based on qualitative and quantitative methods. The primary data will be collected through in-depth interviews and for the secondary data will be collected through external data on other research data. The mismatch between targeted user segmentation and GoPay media push chosen made the message not interested in the customer's perspective while the right media push will attract customers and generate higher traffic. By understanding the right customer segmentation, and its behaviour (including purchase behaviour and media consumption), GoPay could create the right promotion campaign offer and win the market in the middle of competitiveness during the COVID-19 pandemic situation.

Keywords - Marketing promotion, ecommerce, customer behavior, customer segmentation, e-wallet payment

I. INTRODUCTION

When COVID-19 hit Indonesia in early March 2020, Indonesian government decided to implement Large-scale social restrictions (called LSSR or in Indonesian as Pembatasan Sosial Berskala Besar or PSBB). The implementation of LSSR limits the business activity to grow and impacts Indonesia's economic growth and also Indonesian people's lifestyle. Based on data from BPS, Indonesia's economic growth on the second quarter of 2020 showed minus growth by 5.3% year on year (Badan Pusat Statistik, 2020) and on the third quarter of 2020, the economic growth showed minus growth by 3.49% year on year (Fauzia, 2020, 1). The minus growth of the economic growth made Indonesia suffer its first recession in over two decades as the COVID-19 pandemic hit consumption and business activity.



Figure 1 Indonesia Gross Domestic Product 2018 - 2020 (Badan Pusat Statistik, 2020)

The implementation of LSSR made people tend to avoid going outside to purchase goods and avoid physical payment such as cash. Customers prefer to purchase online and pay with online payment such as e-wallet, bank transfer, and credit card in order to prioritize safety and avoid physical payment.

E-Wallet is an electronic money server based where in the process of use it needs to be connected first with server publishers. e-wallets are not the same as a credit card or debit card, transactions with e-wallet is not directly through a third party or intermediari (Amoroso and Watanabe, 2012). GoPay, one of the leading e-wallet in Indonesia seeing this condition as a challenging and new opportunity to widen the market, especially to grab the shifted customer from offline to online payment by creating marketing promotion campaigns during the COVID-19 pandemic such as cashback promotion, discount promotion, brand collaboration, delivery free, bundling product, top spender, social media quiz, etc.

By having a lot of different campaigns during the pandemic, GoPay did not focus on the segmentation. By choosing the right target segment and its behaviour (including purchase behaviour and media consumption), GoPay could create the right promotion campaign to the customer and win the market in the middle of competitiveness.

Research questions for this project are given below:

1. What is the customer segmentation who uses online purchase on GoPay?
2. What kind of media channel is preferred by customers during COVID-19 pandemic?
3. What is the most favourite online platform that customers chose during COVID-19 pandemic?
4. How is the purchase frequency during one month?
 5. How did customers choose GoPay during the COVID-19 pandemic?

6. How attractive is the promotion on each GoPay and ecommerce platform?
7. What are the attractive GoPay marketing promotion tools during the COVID-19 pandemic?

To solve these research questions, author will use several literature theories, such as Segmentation Theory, Lasswell Model of Communications Theory, Decision Making Process, Ecommerce Theory, and Promotion Theory.

II. LITERATURE REVIEW

Segmentation Theory

Market segmentation is to divide a market into smaller groups of buyers with distinct needs, characteristics, or behaviors who might require separate products or marketing mixes (Charles W. Lamb 2003). Segmentation is the process of dividing the market into groups of customers or consumers with similar needs. The more closely the needs match up, the smaller the segment tends to be. Four segmentation bases have emerged as the most popular in segmentation studies (Kotler, Armstrong, Saunders, & Wong, 2002): geographic, demographic, psychographic, and behavioural.

- Geographic: geographic region, population density or climate
- Demographic: age, sex, size and family type
- Psychographic: life-style variables
- Behavioural: Purchase occasion, benefits sought, user status

Lasswell Model of Communications Theory

5W model of communications which focuses on Who (says), What (to), Whom (in), Which Channel (with), What (Effect) was created by Harold Lasswell. The communications process is divided into five parts including communicator, information, media, audience and effect; such five research fields provide a very good point of view to study the new media communications ((Shoemaker, Tankard & Lasorsa, 2004).

- WHO to answer the communicator
- WHAT to answer the message
- WHICH channel to answer the medium
- WHOM to answer the audience
- WHAT effect to answer the impact or effect

Influences of Online Shopping Behaviour

There are many reasons why people shop online.

- Convenience: Empirical research shows that the convenience of the internet is one of the impacts on consumers' willingness to buy online (Wang et al., 2005)
- Information: The internet has made data accessing easier (Wang et al., 2005). Given customers rarely have a chance to touch and feel product and service online before they make a decision, online sellers normally

provide more product information that customers can use when making a purchase (Lim and Dubinsky, 2004).

- Available products and services: E-commerce has made a transaction easier than it was and online stores offer consumers benefits by providing more variety of products and services that they can choose from (Lim and Dubinsky, 2004; Prasad and Aryasri, 2009)
- Cost and time efficiency: Because online shopping customers are often offered a better deal, they can get the same product as they buy at a store at a lower price (Rox, 2007)

Decision Making Process

The buyer decision process is collectively five stages which consumers usually follow through before making their deliberate purchase. These five stages are, need recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour (Philip Kotler, 2008 p265). Consumers would often skip stages or even reverse stages, this is usually depending on the actual product and whether it is a complex or habitual buying behaviour (Philip Kotler, 2008).

Decision Making Process

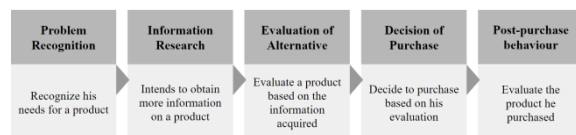


Figure 2. Decision Making Process Theory

Ecommerce Theory

Electronic commerce is a tool for promoting new forms and dimensions of business. Other than buying and selling, many people use the Internet as a source of information to compare prices or look at the latest products on offer before making a purchase online or at a traditional store. (Khan, A. G, 2016)

Promotion Theory

Promotions based on money are quite popular and very attractive to the customer. Sometimes they work on a 'cash-back' basis (collect a certain number of tokens then send away for a cash rebate), but more often they are immediate price reductions, implemented in various ways, designed as a short-term measure either to gain competitive advantage or to defend against competitive actions. Such price reductions must be seen to be temporary or else the consumer will not view them as incentives. Furthermore, if money-based methods are used too often, consumers will begin to think of the promotional price as being the real price. They will then think of the product as being cheaper than it

really is, and adjust their perceptions of positioning and quality accordingly (Gupta and Cooper, 1992)

III. METHODOLOGY

The methodology to finish this journal is using primary and secondary data. For the primary data, the author conducted in-depth interviews with GoPay users. From the Iprice research in 2018, by using Google Analytics from 15 May – 12 June 2018 on 2 million Iprice Users, the majority of users coming from big cities. There are Jakarta 42%, Surabaya 12%, Yogyakarta, 9%, Medan 5%, Makassar 5%, Bandung 4%, Balikpapan 2%. From the collaboration research between Jakpat and DailySocial in 2019, 74,6% of e-wallet users are at productive age (20-35 years old). There are screening criteria based on the previous research and study literature. The respondents chosen for this research must be a GoPay user at the age of 20-35 years old, living in big cities. The research will focus on behaviour during COVID-19 from March 2020 - April 2021, and the answer limit for any transaction conduct during its period. There are ten respondents for the in-depth interview.

After collecting the data, the in-depth interview result will be sorted by reducing the unnecessary data and will be summarized into several code group findings. By adding highlights on each code to see the pattern. Author will review the code combination or the pattern. The finding will be treated as the issue that GoPay faces. After analysing the finding, this paper will then propose a marketing promotion campaign for the GoPay issue.

Author choose secondary data from several external sources such as marketing journals that are related to the topic, article, journal, and government websites such as OJK and Bank Indonesia Data and also Deloitte research to have better understanding on e-wallet perspective in Indonesia. Besides, secondary data also can provide a baseline for the primary data as the comparison and helpful for research design

IV. FINDINGS AND DISCUSSION

Segmentation

To understand customer media consumption and the changes in customers, Gopay needs to understand and sharpen their segmentation.

- Demographic

TABLE 1. GoPAY DEMOGRAPHIC SEGMENTATION

Age	20-35 years old
Geographic	Living in big Cities: Jabodetabek
Gender	Female and Male
Monthly GoPay spending	Rp 200,000 - Rp 2,000,000
Platform	Ecommerce

- Psychographic

TABLE 2. GoPAY PSYCHOGRAPHIC SEGMENTATION

Persona	Outlaw
Focus User	White Collar
Focus Category	Marketplace, Groceries, Health
Needs	Regular and irregular needs

Media Consumption

Author found out that all respondents understand what message given from GoPay including the awareness of product benefit and the promotion offers. And during the COVID-19 pandemic, the majority of the respondents consume the media from mobile phones and laptops. And several applications to search for product inspiration are coming from Tiktok, Pinterest, Bilibli, Jd.id, etc.

For the reaction to the message is different based on their interest and divided into two: direct effect and indirect effect.

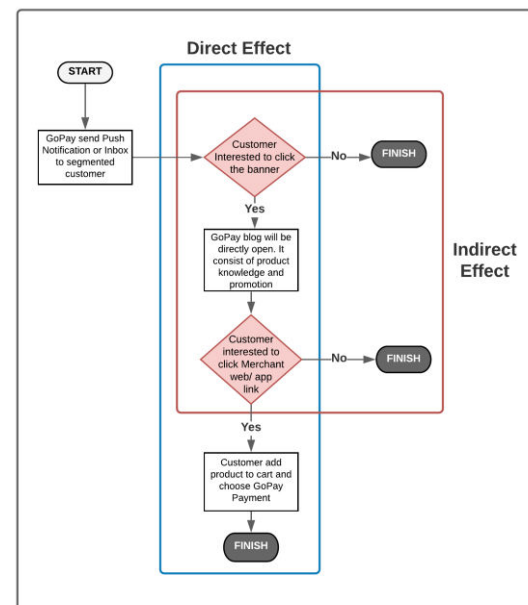


Figure 3 Direct Effect and Indirect Effect of External Message

Direct effect is the reaction the respondent to right after they receive the information. Customers click the banner push right after getting notification

because they are interested in the message. Then they do purchase right after they click the promo banner because they have the same needs with the message offer or got triggered with the sales offer.

Indirect effect is the reaction that respondents do but needs a lag time or not right after they receive the information and not reach the final purpose of the message. The journey is when customers get push notifications from Gojek apps then see the banner. If the customer is not interested with the banner, they will close the push notification. If they are interested, they will directly open a GoPay blog. If they aren't interested with the blog content, they will close the blog. If they are interested, they will click the merchant link to open a merchant website or merchant apps, such as blibli.com

Online Customer Behaviour

There are three types of customer behaviour changes on product purchase during Covid-19 pandemic. First, There is a change in behaviour from offline purchasing to online purchasing. Second, there is more benefit in using online payment methods compared to offline payment methods. Third, there are category changes based on customer needs and wants during the pandemic.

Author also found out that there are two types of decision making process before a customer purchases a product. There are irregular decision making and regular decision making processes.

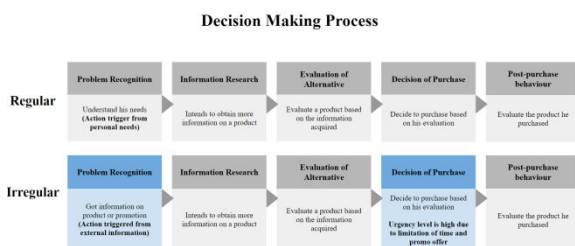


Figure 4 Regular and Irregular Decision Making Process

Promotion

During this pandemic, decision making is one of the important things. With various ecommerce options, customers can just easily shift to another ecommerce platform. That is why ecommerce needs to understand its value proposition and how GoPay as the payment method can become the added value

As an e-wallet payment, GoPay wanted to strengthen its value proposition to liberate you to shop anywhere to fulfill your needs. The Liberate campaign can be seen on the GoPay campaign in various categories. Although the user segmentation and needs for each of these three categories are different, it showed the same message to liberate the user.

- **Bebas Investasi** to strength the liberate

message for investment category

- **Bebas Jajan** to strength the liberate message for F&B category
- **Bebas Belanja** to strength the liberate message for market



Figure 4 Various Bebas Campaign in 2021

Author analyzed that Gopay created a lot of marketing promotion campaigns during COVID-19 pandemic including cashback, discount, free delivery, buy one get one, and lucky draw. From the overall promotion offer, cashback is the most attractive promotion offer. Customer awareness of cashback is the most common promo given from Gopay that could be applied to various kinds of merchants from online and also offline stores. On the other hand, lucky draw promotion offers are not attractive to customers because it is hard to get and they need to compete with other customers in order to get the prize.

The findings from the in-depth interviews with the respondents can be categorized as the following:

TABLE 3. GoPay SUMMARY: FINDING AND SOLUTION

No.	Finding	Solution and Result
1	Each respondent at least have three active different e-wallet	1. Do deeper research 2. Finding new GoPay segmentation and sharpen the most common needs
2	Mismatch alignment between customer segmentation and the GoPay media push	1. Analyze GoPay media performance 2. Conduct Experiment
3	Current market is quite volatile	1. Focusing on the most common category and product trend
4	Customer could stop at any of decision making process and do not purchase the product	1. Utilize visual banner to push the purchase urgency 2. Analyze each decision funnel
6	Marketing Team need to anticipate the unplanning campaign	1. Creating marketing campaign plan based on customer needs
7	Too much promo offer	

V. CONCLUSION

Through the explanation of the details of business issues and solutions that have been described in the previous chapter, authors see that all metrics are related to each other, starting from segmentation, then media consumption, then online customer behaviour, and the promotion marketing offer. GoPay at first did choose the right customer segmentation which can be seen when customers get the unrelated media push and promotion with their needs. There is a mismatch between targeted user segmentation and GoPay media push chosen. The user who got the message was not interested in the wrong message even though they understood the message sent. By understanding the right customer segmentation, the heavy media consumption during pandemic, and the shifting online customer behaviour, it makes Gopay able to decide the right promotion offer to the customer.

There are seven findings with each solution. By applying these solution, GoPay could create the attractive marketing promotion offer that related to customer needs and behaviour, GoPay could win the market during COVID-19.

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APPENDIX

Research Question	Questions
1. What is the customer segmentation who chooses online purchase on GoPay?	1. Tell me about yourself including : - City Age Gender Income Job Education Ewallet (Number) Ewallet (Name)

1. What kind of media channel is preferred by customers during COVID-19 pandemic?	1. What kind of media channel do customers consume before and during COVID-19 pandemic? 2. Why do you choose them? 3. What message do you receive? 4. Time spending on digital media? 5. What application do you regularly use, why, and how? 6. Do you follow Brand or E-wallet on social media or ecommerce?
1. What is the most favourite online platform that customers chose during COVID-19 pandemic?	1. What are they preferred in-store and ecommerce during COVID-19 pandemic? 2. What is the most favourite ecommerce that customers use during COVID-19 pandemic? 3. What is the motivation in using those ecommerce? 4. What devices do customers use in purchasing online? 5. When is the preferred time when customers do online purchase? 6. Spending and price range 7. Is there any product feature missing or you need but not available on those ecommerce?
2. How is the purchase frequency during one month?	1. How is the purchase frequency during one month? 2. Tell me how you purchase online? 3. How do you find information? 4. How do you compare the price of ecommerce, price? 5. How do you decide? 6. What do you do after your product arrives at home?
3. How did customers choose GoPay during the COVID-19 pandemic?	1. How do you choose the e-wallet payment during COVID-19 pandemic? Why? 2. What is your favorite e-wallet feature? and how? 3. What GoPay features need to be improved? 4. How much money is it at once? 5. How much GoPay balance do you have?

1. How attractive is the promotion on each GoPay and ecommerce platform?	1. Can you mention ecommerce who already accept GoPay? 2. What do you think about the GoPay payment there? 3. Why do you choose GoPay on the ecommerce? 4. How do you know any GoPay promotion on that ecommerce site? from what source? 5. How attractive is the promotion banner on each e-wallet and ecommerce platform?
2. What are the attractive GoPay marketing promotion tools during the COVID-19 pandemic?	1. Are there any attractive GoPay promotions you like? 2. Research show several kind of GoPay promotion and ask customer feedback 3. How do you choose promotion during COVID-19 pandemic?