

THE DIFFERENTIATION OF DIGITAL PRODUCTS TO ENHANCE BRAND IMAGE AND ITS IMPACT ON INTENTION TO USED E -WALLETS DURING THE COVID 19 PANDEMIC

Terra Saptina Maulani

ABSTRACT

The Covid-19 pandemic has affected both social and economic conditions. Physical money can act as an intermediary for the virus when it's touched by an infected person, so World Health Organization recommends non-cash payments as an alternative to cash payments to minimize the risk of infection. The use of e-wallets is growing but it's still limited by the younger generation in big cities, in contrast to some developed countries it's commonly used. The brand image of e-wallets is not as popular as debit cards in non-cash financial products in Indonesia. This industry is still relatively new and high competition. The various strategies are needed in an effort to gain consumer attention and have competitiveness through a digital-based product differentiation strategy. It can enhance the positive brand image in the customer's mind and they are interested in using the digital wallet. The aim of this study was to determine how the intention of the people e-wallets during the Covid-19 pandemic which is influenced by digital product differentiation through brand images. This study is a quantitative research and use the questionnaires for data collection tools. It had been distributed to 415 respondents in Indonesia and it was analyzed by SEM analysis. This study used AMOS 23 for data processing. The founding of this study there was an effect of direct digital product differentiation on e-wallet brand image by 64.3%, and also the brand image that was able to mediate the effect of the influence of digital product differentiation on intention in using e-wallets. Differentiation of digital products and brand image with intention of using e-wallet is positive with a total effect of 75.1%. Most the e-wallets' customer in Indonesia uses it for shopping in e-commerce, ordering foods, and paying the bills.

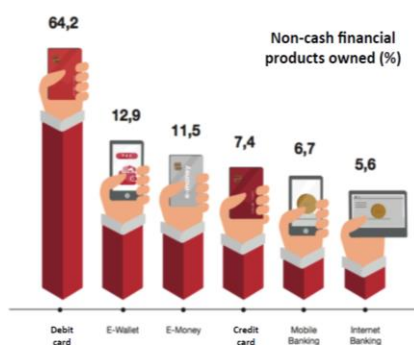
Key words: Product differentiation, digital product, brand image, intention to use e-wallet, covid-19.

INTRODUCTION

The physical distancing policy during to the Covid-19 pandemic has affected social and economic conditions, finances, and the supply chain (Aji et al., 2020). As it is known, the transmission of Covid-19 easily through droplets in inanimate objects in infected individuals is then touched by other individuals. WHO recommends non-cash payments as an alternative payments to minimize the risk of transmission. One of the non-cash payments that are currently experiencing development is an electronic wallet (E-Wallet). Nowadays cellphones are not only a tool that has a basic function as a communication tool, but can also be used for various things that are supported by internet technology, which is digital-based cashless payments. The E-wallet is a type of electronic card used for transactions made online via a computer or smartphone. It is used the same as a credit or debit card. It must be linked with individual bank accounts to make payments (The Economic Times, 2020; Undale et al 2021). It's sometimes referred to as digital wallets or m-wallets but simply we use the term E-wallet for all types of digital wallets.

Digital wallet payments are mostly done through smartphone apps (Bangla and Sancheti, 2018). Customers can buy various types of products using digital wallets such as airline tickets, groceries, and others (Chandra, 2017). The e-wallet technology has grown rapidly, but its use in Indonesia is not as popular as in Canada, South Korea, England, Australia, and the United States more than 50% of the population uses it. (www.tokopedia.com/cdn). In Indonesia, using debit cards as non-cash payments is more familiar in the public than e-wallet, as shown in the following figure.

Figure 1. Non-Cash Financial Product Owned



Source: IDN Research Institute, 2019

There are 51 digital wallet applications registered in Bank Indonesia (The Central Bank of Indonesia) (www.idntimes.com). The e-wallet vendors are competing to reach the millennials and Z generations as the market because they are familiar with the technology. The e-wallets are popular in urban areas and its an alternative payment during the COVID-19 pandemic because it is considered safer and in accordance with health protocols (www.iprice.com). The industry is relatively new but the competition in this industry is high and requiring various strategies in an effort to reach consumer attention. It needs suitable development strategies to improve customer performance (Zhang, 2020). The customer in e-business environment can switch to the company that offer more value added easily through differentiated features (Kim, 2000).

The large number of digital payment vendors offering services to the market must be unique if they are to be profitable, and must also have a difference. In a competitive e-business environment, customers are less sensitive to price when they know that a particular product or service will meet their needs, therefore, the existence of a differentiation strategy becomes a choice consideration from the consumer's point of view. Differentiation is a viable strategy for earning above-average returns in business because the resulting brand loyalty will reduce customer sensitivity to price (Lynch and Ariely, 2000). A product differentiation strategy that includes product quality, and product design can increase buying interest (Susanto and Rahmi, 2013).

The differentiation is aimed at a broad market and involves the creation of a product or service that is perceived throughout the industry as unique that can be linked to a brand image (Tanwar, 2013). The better the brand image generated by a company, it is expected that the higher the consumer's desire to buy or use the product. Brand image leads to higher brand evaluation, which in turn creates stronger purchase intention (Kim et al, 2017). Because brand image is based on emotional feelings, it has significant implications for consumer behavior related to purchase intentions (Wrigley and Straker, 2018). Consumer behavior is an action that is directly involved in obtaining, consuming and disposing of products and services. Consumer buying behavior refers to the buying behavior made by individual consumers and households who buy goods and services for personal consumption, and its influence by cultural, social, personal and physiological factors (Kotler and Armstrong, 2014). The association of a brand (brand image) can determine the effect on consumer desire to buy (Febriani, 2008). The environment and marketing stimuli can encourage consumer buying interest (Assael, 2002). Products and services, prices, and communication are marketing stimuli that have an impact on the psychology of customers (Kotler and Keller, 2016) so that it allows consumers to buy products, buying interest can arise when someone has received sufficient information about the desired product or service (Chinomona, 2013).

This research is necessary because there is a lot of literature that explains product differentiation but which explains the differentiation of digital products is not to much seen from the marketing management study. During this COVID-19 pandemic, people need to implement physical distancing, and this can be done in transaction activities using non-cash e-wallet payments. The aim of this study was to find out how the interest of the people of Bandung in using e-wallet during the covid-19 pandemic was influenced by digital product differentiation through brand image.

LITERATURE REVIEW

DIFFERENTIATION OF DIGITAL PRODUCT

The product is a one of important element of the marketing mix, because of it, the company can set the right price, distribute and determine the right communication for the target market. The product is anything that can be offered in the market to satisfy the needs and desires of consumers (Kotler and Keller, 2016). Products consist of goods, services, experiences, events, people, places, ownership, organizations, information, and ideas. Different marketing strategies can be applied to different types of digital products due to their unique characteristics. Wang et al (2014) The digital products characteristics are:

1. Production. The production of digital products is always associated with large fixed costs and negligible marginal costs
2. Public goods. Digital products have several characteristics of consumption of public goods, such as non-exclusivity and non-competition
3. Network externalities. Contrary to the basic principles of traditional economics, digital products with positive feedback adhere to the principle of "more abundant, more valuable"
4. Attrition free. Once produced, they will be around forever with the same quality. Furthermore, competition must spread between new digital products and used digital products.
5. Changeability. Digital product content can be changed or customized easily
6. Replication. What is most useful for digital products is that they can be shared, replicated, shared, and transferred easily. Once the first copy of a digital product is created, it can be produced at a very low marginal cost. Digital products consist of text, graphics, and sound, etc. They are heterogeneous because all components can be reconstructed quickly and easily. Therefore, it is important to classify the various digital products.

Digital products are classified into 3 (three) categories, namely triability, granularity, and downloadability (Hui and Chau, 2002). The different characteristics of digital products are categorized based on Content-based digital products (example E book), Utilities and tools (example Anti virus software), and Online service (example: Online transaction) (Wang et al, 2014). Porter (1985) in Zhang (2020), differentiation strategy as one of the general strategies used to create a company's competitive advantage. Differentiation means selecting the specific attributes that are important to buyers in a particular industry, and the positioning of the company uniquely to meet the needs of the buyers. The business goal is to build consumer brand loyalty and reduce price elasticity (Amine, 1998). Companies must adjust or rearrange their competition Differentiation strategies are used to build long-term competitive advantage in the digital industry. The Five Forces Model is a commonly used analytical tool that helps companies

to form appropriate strategies by which they can gain a competitive advantage over their rivals by evaluating their competitive pressures. This suggests that competition will be more intense as the number of competitors increases and when they are more equal in size and capability (Thompson et al, 2018). Lynch and Ariely (2000) in a competitive e-business environment, customers are less sensitive to price when they know that a particular product or service will meet their needs. Therefore, a differentiation strategy should be considered as the main business strategy of a digital payment system: for that, it is necessary to identify the key factors that can influence a digital payment system differentiation strategy from a consumer perspective.

Differentiation is a way of designing meaningful differences to differentiate a company's offerings from those of its competitors. The company differentiates with the main objective of obtaining uniqueness compared to its competitors and is considered important by its buyers (Sampurno, 2013). Another opinion stated by Kotler & Keller (2016) explains that one of the competitive advantages of a company is the differentiation of the company's offer that will provide more value to consumers than that brought by competitors. The company's offerings to the market can be differentiated, namely product differentiation, service quality differentiation, personnel differentiation, image differentiation, distribution channel differentiation. The product differentiation strategy can be carried out based on criteria (Kotler and Keller, 2016) namely form, features, performance quality, suitability quality, durability, reliability, easy to repair, style, design. The measure of differentiation advantage with higher product quality, packaging, design and style (Morgan, Kaleka and Katsikeas, 2004). In addition, Chenhall and Langfield-Smith (2013) measure product strategy by providing high quality products, providing fast deliveries, making changes in design, introducing new products and providing unique product features. While Abu- Aliqah (2012) measures product differentiation with several variables, namely high product quality, fast delivery, design and new products, and unique product features.

BRAND IMAGE

According from psychology study was developed in the US, concerning microeconomics and behavioral psychology assuming that there is a relationship between stimuli and responses, economic psychology introduces intervening factors from subjects (people) with perceptions and preferences. Stimuli- perception (image)- response (experience) (Rajj & Crotts, 1994; Govers & Go, 2009). Images are classified into 3 groups based on the level of consumer elaboration (level elaboration), which is determined by the extent to which the subject is involved with an object (Riel, 1996; Govers & Go, 2009):

1. High. Images are stored in memory as a network of meanings
2. Middle. Image as a weighted sum of beliefs about a project: perceptions of salient attributes
3. Low. Image as a general holistic impression of an object

The American Marketing Association (AMA) in Kotler and Keller, (2016) defines a brand as a name, term, sign, symbol, or design, or a combination thereof, which is intended to identify the goods or services of one seller or group of sellers and to differentiate the goods or services of one seller or group of sellers. one seller or group of sellers and differentiates the brand from competitors. Brand image is the perception and belief held by consumers, as reflected by associations embedded in consumers' memories (Kotler and Keller, 2016). Brand image as the perception of the brand which is a reflection of consumer memory of the association with the brand. Brand image is influenced by two factors, namely direct consumer experience and perceptions formed by the company through various forms of communication (Hoggan in Ratry, 2014). The consumers' perception of a brand stems from five different levels of satisfaction; satisfaction with brand's functionality, the social image associated with purchasing or owning the brand, the recognition and sentimental attachments to the brand, the balance between the brand's value and its functionalities and lastly, the consumers' trust in the brand (Zhang, 2015). There are several factors that can form a brand image, namely recognition, reputation, and affinity (Kotler and Keller, 2016).

1. Recognition, a brand is known by consumers based on past exposure, consumers remember the existence of the product.
2. Reputation, the status of a brand in the minds of consumers because it has a good track record.
3. Affinity, refers to the emotional relationship that arises between a brand and its consumers, and is a positive association that makes a consumer like a product or service.

CONSUMER BEHAVIOR & PURCHASE INTENTION

The purchase is the part of customer behavior, before the customer making a purchase decision and consuming a product, they evaluation the alternatives of the products. Consumer behavior is a consumer action that includes consuming or disposing of goods and services as well as evaluating expectations that are used as a reference for decisions. This is in accordance with Kotler and Keller (2016: 187) that consumer behavior is a process and activity when a person relates to the search, selection, purchase, use, and evaluation of products and services to meet needs and desires.

According to Schiffman and Kanuk (2008) the study of consumer actions in searching for, buying, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer behavior is strongly influenced by the circumstances and situations of the society in which he was born and developed. This means that consumers from different walks of life or environments will have different assessments, needs, opinions, attitudes, and tastes, so that decision making in the buying stage will be influenced by several factors. Factors that influence consumer behavior according to Kotler and Keller (2016). Cultural factors, cultural factors have a broad and deep influence on consumer behavior. Cultural factors consist of: culture, sub-culture and social class. Social Factors. In addition to cultural factors, a consumer's behavior is influenced by social factors such as reference groups, family and social status. Personal factors, personal factors that contribute to consumer behavior consist of: age and life cycle stage, work and economic environment, lifestyle, personality and self-concept. Psychological factors, a person's purchase choice is influenced by four main psychological factors, namely motivation, perception, learning, and beliefs and convictions.

Chinomona (2013) buying intention is the possibility that consumers will buy a product or service, buying interest can arise when someone has received sufficient information about the desired product or service. The consumer behavior in which consumers have a desire to buy or choose a product, based on experience in choosing, using and consuming or even wanting a product (Kotler and Keller, 2012). The factors that can influence buying interest include the environment, and marketing stimulus (Assael, 2002). Kotler and Keller (2016), the stages of producers in determining buying interest or determining consumer encouragement in making purchases of products or services offered using the AIDA concept (Attention, Interest, Desire, Action). There are several indicators to measure buying interest, namely being interested in finding information about the product, wanting to know the product, being interested in trying (Schiffman and Kanuk, 2008). Junadi and S.fenrianto (2015), intention to use an electronic payment system is measured by the desire to use it in the future, recommends using an electronic payment system, and the use of electronic payments is considered enjoyable. Marketing stimuli carried out by organizations in influencing intention to use electronic payment platforms in terms of usability and convenience perceived by consumers in terms of design and security (Lai, 2016).

METHODOLOGY & DATA

The research method is quantitative. The population is the citizen of Bandung as much as 2.500.967 (BPS,2020). This study has limitation, so not all the population are studied and the sample technique is needed. The sample technique use Slovin’s formula. The sample in this study were 415 respondents. The data collection tools was use questionnaires, and the test were measured by likert scale.

The data analysis method used in this study is descriptive verification method. To describe descriptive study is describe of the data from the respondents' responses, it can be seen how the condition of each variable indicator is being studied. In order to make it easier to interpret the variables being studied, categorization of the respondent's response scores is carried out. The principle of categorization of the number of respondents' response scores is adopted based on the percentage of respondents' answer scores (Sugiono, 2008). The principle of categorization of the number of respondents' response scores is adopted according to Sugiyono (2008), which is based on the percentage of respondents' answer scores with the following formula.

$$\%Score = \frac{\text{Initial Score}}{\text{Ideal Score}}$$

Information:

Actual score : total score of respondents' answers

Ideal score : total maximum score (the number of respondents × statement number 5)

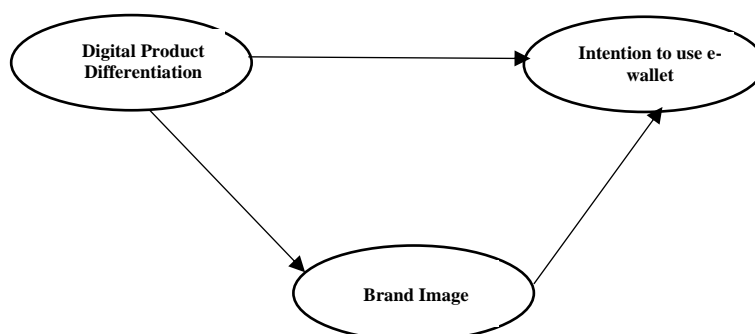
Furthermore, the percentage of respondents' answer scores obtained are classified based on the range of the maximum score percentage (5/5 = 100%) and the minimum score (1/5 = 20%). The descriptive analysis was carried out referring to each indicator that existed in each of the variables studied based on the following table.

Table 1: Criteria for Classification of Respondents' Response Scores

No.	Score %	Criteria
1	20.00 – 36.00	Poor/Very Low
2	36.01% – 52.00	Bad/Low
3	52.01 – 68.00	Fair/Medium
4	68.01 – 84.00	Good/High
5	84.01– 100	Excellent/Very High

For the hypothesis testing is use SEM analysis to analyze the causal relationship between one variable and another variable, it can be in the form of direct and indirect effects (direct and indirect effects) through mediating variables. For data processing in this study using AMOS 23.

Figure 2. Research Model



Hypothesis :

H₁ : the differentiation of digital products has a significant influence on brand image

H₂ : the differentiation of digital products has a significant influence on intention to use e-wallet

H₃: the brand image has a significant influence on intention to use e-wallet

H₄: the digital product differentiation has a significant influence on intention to use e-wallet through brand image

RESULT AND DISCUSSION

RESPONDENT PROFILES

The respondents' profiles can be seen in following table,

Table 2: Recapitulation of Respondent Demographic Data

Demographics	amount	%
Gender		
Male	133	32.0
Female	282	68.0
Age		
< 20	24	5.8
21-25	222	53.5
26-30	92	22.2
31-35	53	12.8
36-40	23	5.5
Over 50	1	0.2
Profession		
Student/Student	173	41.7
civil servant	32	7.7
Private employees	126	30.4
Entrepreneur	40	9.6
Housewife	31	7.5
Others	13	3.1
Monthly Income (IDR)		
<1 million	66	15.9
1 million - 2,5 million	160	38.6
2,6 million - 5 million	142	34.2
5,1 million - 7,5 million	35	8.4
7,6 million - 10 million	12	2.9
>10 million	0	0.0
E-Wallet App		
Go-Pay	72	17.3
OVO	94	22.7
DANA	65	15.7
ShopeePay	146	35.2
Link Aja	38	9.2
Others	0	0.0
Transaction Type		
Food Purchase	128	30.8
Bill payment	60	14.5
E-Commerce Payment	140	33.7
Travel Ticket Payment	40	9.6
Other Transactions	47	11.3
Usage Time		
1-6 months	80	19.3

Demographics	amount	%
7-12 months	124	29.9
1-2 years	163	39.3
>2 years	48	11.6
Others	0	0.0
Top-up for E-wallet (IDR)		
<Rp100.000	59	14.2
100.000-250.000	199	48.0
260.000-500.000	113	27.2
510.000-750.000	24	5.8
760.000-1.000.000	20	4.8
>1 million	0	0.0
Top Up Method		
Mobile Banking	297	71.6
Debit Card	7	1.7
ATM	50	12.0
Stand/Boot	3	0.7
E-Commerce apps	12	2.9
Driver Ojek/Taxi Online	26	6.3
Others	20	4.8

Based on the results of this study, there are 5 (five) popular e-wallet brands used by the public, there are ShopeePay (35.2%), OVO (22.7%), Go-pay (17.3%), DANA (15, 7%), and Link-Aja (9.2%). The results of responses from 415 respondents, where there are 32% men and 62% women, which is dominated by the younger generation, the range of 21-25 years old by 53.5%. The types of transactions that are often carried out using e-wallet are e-commerce payments (33.7%), food purchases (30.8%), bill payments (14.5%), travel ticket payments (9.6%), and others. (11.3%). When viewed from its use, the majority of e-wallet application users have used it for less than 2 years (39.9%), 7-12 months (29.9%), less than 6 months (19.3%), and only about 11, 6% who have used e-wallet for more than 2 years, in other words more than 80% of respondents used e-wallet at the beginning of the pandemic, and the majority of respondents did top up via mobile banking and with a balance of less than Rp. 500,000 per month.

DESCRIPTIVE ANALYSIS

RESPONDENTS RESPONSE OF THE DIFFERENTIATION OF DIGITAL PRODUCT

To find out how the differentiation of digital product by the customer perspective. The following are the responses of respondents regarding the differentiation of digital Product which consists of 15 (fifteen) statement items:

Table 3: Respondents' Responses of The Differentiation of Digital Product

No	Question	Alternative Answer					Total Score	%
		5	4	3	2	1		
1	The-wallet application that helps make financial management more efficient	76	247	76	13	3	1625	78.3
2	The e-wallet application makes it easy to make transactions	135	271	9	0	0	1786	86.1
3	The e-wallet application increases the sense of security in transactions during a pandemic	109	295	11	0	0	1758	84.7
4	The e-wallet application has a complete service	86	275	52	2	0	1690	81.4

No	Question	Alternative Answer					Total Score	%
		5	4	3	2	1		
5	Attractive cooperation programs with merchants offered	74	287	53	1	0	1679	80.9
6	Attractive cashback and discount programs offered	94	286	34	1	0	1718	82.8
7	The process of top up e-wallet balance is fast	88	308	17	2	0	1727	83.2
8	Easy e-wallet top up process	97	308	10	0	0	1747	84.2
9	The e-wallet application speeds up the process of each transaction	92	312	11	0	0	1741	83.9
10	Transactions made using e-wallet are never pending	42	218	131	23	1	1522	73.3
11	The menu display on the e-wallet application page is attractive	63	293	56	3	0	1661	80.0
12	There is always a new service program on the e-wallet that I use	48	285	78	4	0	1622	78.2
13	The new service program offered is interesting	48	290	75	2	0	1629	78.5
14	The E-wallet application that I use is unique compared to other brands	39	278	95	3	0	1598	77.0
15	The E-wallet application has various features	51	317	45	2	0	1662	80.1
The Differentiation of Digital Product							25165	80.9

Source: Develop for this research, 2021

Overall, respondents' responses of the differentiation of digital product have a percentage of 80.9%. Based on the table of criteria for classifying respondents' responses, this value is included in the good/high category. This means that respondents' perceptions of Digital Product Differentiation are good. Consumers find it easy to make transactions, feel safe because they don't have direct contact using physical money, easy and fast balance top up process, attractive cashback program, and complete and diverse transaction features.

RESPONDENTS RESPONSE OF BRAND IMAGE

To find out how the brand image of e-wallet application by the customer perspective. The following are the responses of respondents regarding Brand Image which consists of 7 (seven) statement items:

Table 4: Respondents' Responses of Brand Image

No	Question	Alternative Answer					Total Score	%
		5	4	3	2	1		
1	The E-wallet application that I use is a well-known e-wallet brand	74	327	14	0	0	1720	82.9
2	I know all the service products offered by the e-wallet	45	290	73	7	0	1618	78.0
3	I find it easy to remember the products and services offered	37	302	73	3	0	1618	78.0
4	The E-wallet application that I use has a good reputation	59	335	20	1	0	1697	81.8
5	The E-Wallet application that I use has good data security	42	325	45	3	0	1651	79.6
6	The E-Wallet application that I use is loved by all circles	50	307	53	5	0	1647	79.4
7	I have good things to say about this e-wallet	37	344	33	1	0	1662	80.1
Brand Image							11613	80.0

Source: Develop for this research, 2021

respondents' responses of Brand Image have a percentage of 80.0%. Based on the table of criteria for classifying respondents' responses, this value is included in the good/high category. This means that respondents' perceptions of Brand Image are good. The brand used by consumers has a good reputation, the service is easy to remember, has good data security so that consumers feel safe and talk about good things about the service.

RESPONDENTS' RESPONSES OF INTENTION TO USE E-WALLET

To find out how the customer intention to use e- wallet, then conducted a descriptive analysis. The following are respondents' responses regarding the Intention to use E-Wallet which consists of 6 (six) statement items:

Table 5. Respondents' Responses Of Intention to use E-Wallet

No	Question	Alternative Answer					Total Score	%
		5	4	3	2	1		
1	After seeing advertisements in various media regarding this e-wallet it caught my attention	48	319	46	2	0	1658	79.9
2	I am interested in downloading an e-wallet because it is safe compared to cash during a pandemic	67	324	22	2	0	1701	82.0
3	I am interested in downloading the e-wallet application because of its reputation	43	313	55	4	0	1640	79.0
4	I want to continue using this brand's e-wallet app	43	333	38	1	0	1663	80.1
5	I trust for this e-wallet app	45	325	42	1	2	1655	79.8

No	Question	Alternative Answer					Total Score	%
		5	4	3	2	1		
6	Will recommendation of use of the e-wallet application to my relatives/friends	38	340	35	2	0	1659	80.0
Intension to Use E-Wallet							9976	80.1

Source: Develop for this research, 2021

Overall, respondents' responses regarding the intention to use e-wallet have a percentage of 80.1%. Based on the table of criteria for classifying respondents' responses, this value is included in the good/high category. This means that the respondent's perception of Intention to use E-Wallet is good. Based on the results of the study, advertisements in various media regarding this e-wallet attract the attention of consumers. The marketing communications such as the advertising and sales promotion contents, are some of the strategies that are used to influence the consumers' decision-making process (Raji et al, 2019). Consumers feel that intention to use e-wallet applications is better during a pandemic compared to using cash, they are also interested in using e-wallet continuously. Currently, consumers believe in the brand of e-wallet that they use, so they also recommend its use to others.

MEASUREMENT MODEL TEST

The table below shows that the loading factor (λ) value for each dimension of the Digital Product Differentiation construct indicator is greater than 0.5. This means that each indicator is declared valid in forming the construct of Digital Product Differentiation. Then the construct reliability will be assessed from two indicators, namely the CR (construct reliability) value must be above 0.7 and the VE (variance extracted) must be above 0.5. In the recapitulation results, the CR value of 0.946 is greater than 0.7 and the VE value of 0.543 is greater than 0.5. So it can be concluded that the Brand Image construct has good construct validity and reliability.

Table 6: Measurement of Manifest Variables

Variable	Manifest Variables	λ	λ^2	e	CR	VE
Digital Product Differentiation	DP1	0.874	0.764	0.236	0.946	0.543
	DP2	0.637	0.406	0.594		
	DP3	0.826	0.682	0.318		
	DP4	0.719	0.517	0.483		
	DP5	0.718	0.516	0.484		
	DP6	0.673	0.453	0.547		
	DP7	0.868	0.753	0.247		
	DP8	0.631	0.398	0.602		
	DP9	0.658	0.433	0.567		
	DP10	0.829	0.687	0.313		
	DP11	0.754	0.569	0.431		
	DP12	0.699	0.489	0.511		
	DP13	0.711	0.506	0.494		
	DP14	0.689	0.475	0.525		
	DP15	0.707	0.500	0.500		
Brand Image	CM1	0.794	0.630	0.370	0.904	0.575
	CM2	0.691	0.477	0.523		
	CM3	0.745	0.555	0.445		
	CM4	0.710	0.504	0.496		
	CM5	0.678	0.460	0.540		
	CM6	0.892	0.796	0.204		
	CM7	0.775	0.601	0.399		
Intention to Use E-wallet	MM1	0.700	0.490	0.510	0.862	0.513
	MM2	0.627	0.393	0.607		
	MM3	0.661	0.437	0.563		
	MM4	0.818	0.669	0.331		
	MM5	0.747	0.558	0.442		
	MM6	0.727	0.529	0.471		

Source: Develop for this research, 2021

The measurement model test results for Brand Image can be seen through the factor loading coefficient values for each indicator presented in the table above, showing that the factor loading (λ) value for each Brand Image construct indicator is greater than 0.5. This means that each indicator is declared valid in forming the Brand Image construct. Then the construct reliability will be assessed from two indicators, namely the CR (construct reliability) value must be above 0.7 and the VE (variance extracted) must be above 0.5. In the recapitulation results, the CR value of 0.904 is greater than 0.7 and the VE value of 0.575 is greater than 0.5. So it can be concluded that the Brand Image construct has good construct validity and reliability. And the results of the measurement model test for Intention to use E-Wallet can be seen through the coefficient loading factor value of each indicator presented in the table above shows that the loading factor (λ) value for each indicator of the Intention to use construct is greater than 0.5. This means that each indicator is declared valid in forming the construct of Interest in Using. Then the construct reliability will be assessed from two indicators, namely the CR (construct reliability) value must be above 0.7 and the VE (variance extracted) must be above 0.5. In the recapitulation results, the CR value of 0.862 is greater than 0.7 and the VE value of 0.513 is greater than 0.5. So it can be concluded that the Brand Image construct has good construct validity and reliability.

Goodness of fit model is used to test how well the data fits the research model.

Table 7. Goodness of Fit

No.	Goodness of Fit Index	Cut-off Value	Result	Conclusion
1	CMIN/DF	<2,00	1,942	Good Fit
2	Significant Probability	≥ 0,05	0,000	Bad Fit
3	RMSEA	≤ 0,08	0,048	Good Fit
4	GFI	≥ 0,90	0,906	Good Fit
5	AGFI	≤ 0,90	0,876	Marginal Fit
6	TLI	≥ 0,90	0,956	Good Fit
7	CFI	≥ 0,90	0,964	Good Fit
8	NFI	≥ 0,90	0,929	Good Fit

Source: Develop for this research, 2021

Based on the recapitulation of the Goodness of Fit (GOF) testing of the research model, it can be seen that most of the criteria are included in the good fit category. Thus, the level of fit between the model and the data is good.

HYPOTHESIS TEST

The SEM analysis is use AMOS 23.0 software. The results of the structural modeling can be seen in the following figure:

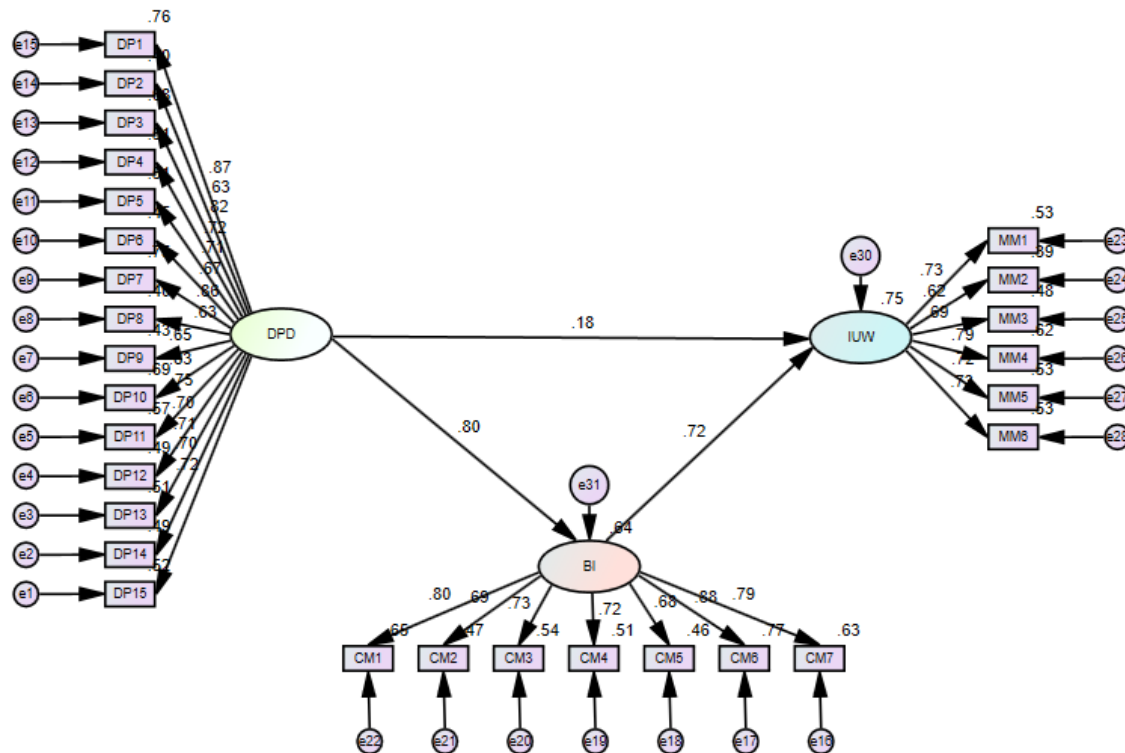


Figure 3. Path Diagram of Structural Model

Based on the picture above, two structural equation models are obtained as follows:

1. $BI = 0,802 * DPD, Error = 0,357; R^2 = 0,643$ (1)
2. $IUW = 0,175 * DPD + 0,720 * BI, Error = 0,249; R^2 = 0,751$ (2)

Information:

- BI : Brand Image
- DPD : The Differentiation of Didital Product
- IUW : Intention to Use E-Wallet
- R² : Total Influence

From these two equations, it can be explained that the direction of the relationship between Digital Product Differentiation and Brand Image is positive with a total effect of 64.3%. Likewise, in the second equation, the relationship between Digital Product Differentiation and Brand Image with Intention to use E-Wallet is positive with a total effect of 75.1%.

The value of the standardized regression weight coefficient between the Digital Digital Product Differentiation variable and the Brand Image variable is 0.802 with a probability of 0.001 or $p < 0.05$ and has a critical ratio (C.R) of 13.534 or greater than 1.96, so H_0 is rejected. It means that the differentiation of digital product has a positive and significant effect on the Brand Image. So that **hypothesis 1 is accepted**. The coefficient of 0.802 indicates that if the the differentiation of digital product is increased by one unit, the Brand Image will increase by 0.802 units. Because this coefficient is positive, it means the brand image will increase by the differentiation of digital product.

The value of the standardized regression weight coefficient between the Digital Digital Product Differentiation variable and the variable Intention to use E-Wallet is 0.175 with a probability of 0.007 or $p < 0.05$ and has a critical ratio (CR) of 2.720 or greater than 1.96 then H_0 is rejected. This means that the differentiation of digital product has a positive and significant effect on the variable of Intention to use E-Wallet. So that **hypothesis 2 is accepted**. The coefficient of 0.175 indicates that if the Digital Digital Product Differentiation is increased by one unit, the Intention to use E-Wallet will increase by 0.175 units. Because this coefficient is positive, it means that intention to use E-Wallet will increase by the differentiation of digital product.

The value of the standardized regression weight coefficient between the Brand Image variable and the variable Intention to use E-Wallet is 0.720 with a probability of 0.001 or $p < 0.05$ and has a critical ratio (C.R) of 9.347 or greater than 1.96, so H_0 is rejected. This means that the Brand Image variable has a positive and significant effect on the variable of Intention to use E-Wallet. So that **hypothesis 3 is accepted**. The coefficient of 0.702 indicates that if the Brand Image is increased by one unit, the Intention to use E-Wallet will increase by 0.702 units. Because this coefficient is positive, it means that the intention of using E-wallet will increase by brand image. Brand image is an important strategy for the product. brand image leads to higher brand evaluation, which in turn creates stronger purchase intention (Kim et al, 2017)

For testing the significance of Brand Image as a mediating variable in the model, it can be checked from the results of the Sobel test by looking for the critical ratio (t-count) value in each path. Based on the calculation results, the t-count value for testing the effect of mediation on this hypothesis is 7.691. If $\alpha = 0.05$ then $t_{table} = 1.96$. From the above calculation it can be concluded that $t_{arithmetic}$ (7.691) is greater than t_{table} (1.96) with a significance level of 0.05, it can be concluded that the influence of Brand Image is able to mediate the relationship between Digital Digital Product Differentiation on Intention to use E-Wallet significantly with the category of partial mediation. Thus **hypothesis 4 is accepted**. Strong brands can increase customers' trust in the product or service purchased and enabling them to better visualize and understand intangible factors. A strong product/service brand conveys the core value proposition of both the organization and its product/service in a way that resonates with customers. the brand image by increasing product variety, enhancing product quality, offering the products in the price worthy of value, and pleasantly providing after sale services. These improvements directly increase the purchase intention of the products (Jalilvand and Samiei, 2012). Brand image can increase because digital payment products are different between other types of payment method, such as using cash, debit and credit cards, mobile banking and internet banking so the consumers have a high interest in using them because they feel the value is more comfortable, easy to use, not there is direct contact so it is considered safe as an alternative payment during covid- 19 pandemic, so it can become a new normal habit for society.

The e-wallet used by users are 5 well-known brands in Indonesia, namely Gopay, OVO, ShopeePay, Dana, and Link Aja. In this study, the majority of e-wallet users are under the ShopeePay brand because the majority of users make transactions for e-commerce payments. Most of them know the products and services offered by the e-wallet, they also easily remember the products and services. The 5 e-wallet brands used also have good reputations, have good data security and users like to talk about good things about the e-wallet they use. Around 82% of e-wallet users download e-wallet applications during the pandemic, they are interested in downloading because they think that using e-wallet is safer than cash. They feel interested after seeing various exposures to information from various media, one of which is advertisements that attract attention so that they are interested in downloading applications other than because they have a good reputation. Users are interested in continuing to use the e-wallet even though the pandemic is over and are willing to recommend it to their relatives.

Digital product differentiation on e-wallet is different from other payment products such as debit cards and credit cards, because users feel more secure and comfortable without direct contact with other people during the current pandemic. The new normal adaptation makes people limit their activities directly, thus making their intensity to transact online high, in this study, especially in Indonesia, the behavior of e-wallet users mostly uses it to shop at e-commerce, order food, pay the bills such as electricity, telephone, internet, donations and more.

CONCLUSION

Mobile technology is developing very rapidly, one of which is to make transactions. The e-wallet is one of non cash payment which is growing rapidly because it is considered very efficient for the public. In the current era of the covid-19 pandemic, it can make it easier for people to make payment transactions as an alternative to payment. The use of non-cash payments is a transition from old habits to new habits or new normal by using an e-wallet. The study found, most of user of e-wallet in Indonesia is young generation, they are millenials generation and Z or alpha generation. There are 51 brands of e-wallet, but only 5 (five) popular brands and public use it, the brands are ShoppeePay, OVO, Go-pay, DANA and Link-Aja which are considered to have a good reputation in the minds of the public, most of them use it for online shopping, ordering food, bill payments, and donations. Its use

is safe and comfortable because there is no direct contact, attractive cashback program, easy and fast balance top up process, attractive cashback program, and complete and diverse transaction features. They are interested in continuing to use e-wallet for payments and various transactions, and they also recommend using e-wallet to other parties such as family or friends who have not used it.

The study found that there was a direct effect of the differentiation of digital product on the brand image of e-wallet by 64.3%. The brand image will increase by the differentiation of digital product because the product feature can make easier transaction for the user, they can do it anytime and everywhere. The brand image was able to mediate the effect the differentiation of digital product on intention to use e-wallet. Differentiation of Digital Products and Brand Image with Intention to use E-Wallet is positive with a total effect of 75.1%. This study has the limitations so expect future further research can be develop about the population, variables, and sample size.

REFERENCE

- Abu- Aliqah, K. M. (2012). Differentiation and Organizational Performance: Empirical Evidence from Jordanian Companies. *Journal of Economics*, (Vol. 3, no.1)
- Amine A. (1998). Consumers' true brand loyalty: the central role of commitment[J]. *Journal of strategic marketing*, 6(4) 305-319.
- Aji, H. M., Berakon, I., & Md Husin, M. (2020). COVID-19 and e-wallet usage intention: A multigroup analysis between Indonesia and Malaysia. *Cogent Business and Management*, 7(1), 1–16. <https://doi.org/10.1080/23311975.2020.1804181>
- Assael. (2002). *Consumer Behavior*. Edisi Bahasa Indonesia. New Jersey: PrenticeHall Inc.
- Bangla, R.K and Sancheti. (2018). Gaps In Customer Satisfaction With Digital Wallets: Challenge For Sustainability. *Journal of Management Development* Vol. 37 No. 6, 2018 pp. 442-451. © Emerald Publishing Limited 0262-1711 DOI 10.1108/JMD-04-2017-0144
- Badan Pusat Statistik (BPS) Kota Bandung, 2020
- Chandra, Y.U. 2017. Bank vs telecommunication E-Wallet: System analysis, purchase, and payment method of GO-mobile CIMB Niaga and T-Cash Telkomsel. *International Conference on Information Management and Technology (ICIMTech)*, 165-170. DOI: <https://doi.org/10.1109/ICIMTech.2017.8273531>
- Chenhall, R. H., and Langfield-Smith, K. M. (1998b). The relationship between strategic priorities, management techniques and management accounting: An empirical investigation using a systems approach. *Accounting, Organizations and Society*, 23 (3)
- Chinomona, R. (2013). The Impact Of Product Quality On Perceived Value Trust and Student Itention to Prurchase Electronic Gadget. *Jurnal Of Social Sciences*, Vol.4, No 14
- Febriani, K. (2008). Program Loyalitas Pelanggan dalam Meningkatkan Citra Merk. *Jurnal Bisnis & Manajemen*. 9(1), 39-49.
- Govers, R. and Go, F. (2009). *Place Branding: Glocal, Virtual and Physical Identities, Constructed, Imagined and Experienced*. pp. 1–324. doi: 10.1007/978-0-230-24559-4.
- Hui, K.L., Chau, P.Y.K.: Classifying Digital Products. *Communication of the ACM*, 45(6)(2002):72-80
- Idn Research Institute.(2019). Indonesian Millennials Report
Iprice publication
- Junadi, and S. Fenrianto. (2015). A Model of Factors Influencing Consumer's Intention to Use E-Payment System in Indonesia. *International Conference on Computer Science and Computational Intelligence (ICCCSCI 2015)*.
- Kotler, P and Amstrong, G. (2014). *Principles Of Marketing*, Global Edition, Pearson Education.
- Kotler, K and Keller, K. L. (2016). *Marketing Management*. Pearson Prentice Hall
- Kim, B. (2000). *E-business myths and traps*[J]. Seoul, Korea: LG Economic Institute
- Kim, N., Chun, E and Ko, E. (2017). Country of origin effects on brand image, brand evaluation, and purchase intention A closer look at Seoul, New York, and Paris fashion collection. *International Marketing Review* Vol. 34 No. 2
- Lai, P. C. (2016). Design and Security impact on consumers' intention to use single platform E-payment. *Interdisciplinary Information Sciences*, 22(1), 111–122. <https://doi.org/10.4036/iis.2016.r.05>
- Lynch. Jr. J. G & Ariely D. (2000). Wine online: Search costs affect competition on price, quality, and distribution[J]. *Marketing science*, 19(1) 83-103.
- Morgan, N. A., Kaleka, A. and Katsikeas, C. S. (2004). Antecedents of Export Venture Performance: A Theoretical Model and Empirical Assessment. *Journal of Marketing*, 68(1), pp. 90–108. doi: 10.1509/jmkg.68.1.90.24028.
- Raji. R.A., Rashid, S., Ishak, S. 2019. The mediating effect of brand image on the relationships between social media advertising content, sales promotion content and behaviuoral intention. *Journal of Research in Interactive Marketing*, Vol. 13 No. 3, 2019
- Ratry, L.E. (2014). Hubungan Antara Citra Merek (Brand Image) Operator Seluler dengan Loyalitas Merek (Brand Loyalty) Pada Mahasiswa Pengguna Telepon Seluler di Fakultas Ekonomi Reguler Universitas Diponegoro Semarang. Fakultas Psikologi Universitas Diponegoro.
- Schiffman, L.G and Kanuk, L.L. (2008). *Perilaku Konsumen*. PT Indeks
- Susanto, P dan Rahmi, N. (2013). Pengaruh Diferensiasi Produk Dan Harga Terhadap Minat Beli Pada Sepeda Fixie Di Kota Padang. *Jurnal Kajian Manajemen Bisnis*, Volume 2, Nomor 1, Maret 2013
- Sugiyono. (2008). *Metode Penelitian*. Bandung: Alfabeta
- Tanwar, R. (783). Porter's generic competitive strategies. *Journal of Business and Management*, 15(1), 11-17.
- Thompson, A.A., Peteraf M. A, & Gamble, J.E, et al. (2018). *Crafting and Executing Strategy 21st ed*. McGraw Hill
- Undale, S., Kulkarni, A. and Patil, H. (2021). Perceived eWallet security: impact of COVID-19 pandemic. *Vilakshan - XIMB Journal of Management*, 18(1), pp. 89–104. doi: 10.1108/xjm-07-2020-0022.

- Wang, Y.H. (2014). The Relationship Between Brand Image And Purchase Intention: Evidence From Award Winning Mutual Funds. *The International Journal Of Business And Finance Research*, Vol 8 No 2
- Wrigley, C. and Straker, K. (2018). *Affected: Emotionally Engaging Customers in the Digital Age*. John Wiley & Sons
- Zhang, W. (2020). The Key Factors Influencing the Differentiation Strategy of Digital Payment Systems From the Perspective of Consumers. *Advances in Economics, Business and Management Research*, volume 159

Terra Saptina Maulani
Doctoral Student of Parahyangan Catholic University, Indonesia
Lecturer of EKUITAS School of Business, Indonesia
Email: terra.saptina@ekuitas.ac.id