Influence of E-Service Quality, Promotion, and Brand Trust on Application Use Decisions

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ABSTRACT

One of the Central Java pawnshops is having trouble because compared to people who do business there directly, the number of consumers who have registered as active users and are transacting through the Pegadaian Digital Service is comparatively low. This study intends to determine the effects of e-service quality, promotion, and brand trust on customers' decisions to utilize the Pegadaian Digital Service application at one Central Java pawnshop. Purposive sampling was employed to gather the data, with a sample of 302 consumers from a Central Java pawnshop who had been using the Pegadaian Digital Service app for the previous six months. Heteroskedasticity, multicollinearity, and normality tests are a few of the analysis techniques employed. The analysis techniques employed include the coefficient of determination, the t-test, the f-test, the heteroskedasticity test, the linearity test, the multiple linear regression analysis, and the normality test. The results of this study show that advertising, brand trust, and the caliber of e-services all have a beneficial influence on usage choices. The findings of this study demonstrate that brand trust, e-service quality, and advertising all positively impact usage decisions. According to the coefficient of determination data, e-service quality, promotion, and brand trust all together account for 60,2% of the usage choice. The remaining proportion, 39,8%, shows how much the study is impacted by other factors that were not addressed.

Keywords: *Brand Trust, Decision of Use, E-Service Quality, Promotion*

Pengaruh Kualitas E-Service, Promosi, dan Kepercayaan Merek Terhadap Keputusan Penggunaan Aplikasi

Abstrak

Salah satu pegadaian Jawa Tengah mengalami kesulitan karena dibandingkan dengan orang yang berbisnis di sana secara langsung, jumlah konsumen yang telah terdaftar sebagai pengguna aktif dan bertransaksi melalui Pegadaian Digital Service relatif rendah. Studi ini bermaksud guna memastikan dampak *e-service quality*, *promotion*, dan *brand trust* terhadap pelanggan salah satu pegadaian pilihan Jawa Tengah untuk menggunakan aplikasi Pegadaian Digital Service. Metode *purposive sampling* dilakukan untuk mengumpulkan data, dengan sampel 302 responden dari Pegadaian yang telah menggunakan aplikasi Pegadaian Digital Service selama enam bulan sebelumnya. Metode analisis yang digunakan meliputi uji heteroskedastisitas, uji multicolinearity, dan uji normalitas. Metode analisis yang digunakan meliputi koefisien determinasi, uji-t, uji-f, uji heteroskedastisitas, uji linearitas, analisis regresi linier berganda, dan uji normalitas. Temuan penelitian ini menunjukkan bahwa kepercayaan merek, kualitas layanan elektronik, dan promosi berdampak positif pada keputusan penggunaan. Menurut koefisien determinasi data, kualitas layanan elektronik, promosi, dan kepercayaan merek semuanya mencapai 60,2% dari pilihan penggunaan. Proporsi yang tersisa, 39,8%, menunjukkan seberapa besar pengaruh studi terhadap faktor-faktor lain yang tidak ditangani.

Kata Kunci: *Kepercayaan Merek, Keputusan Penggunaan, Kualitas E-Layanan, Promosi*

INTRODUCTION

Companies must innovate to provide convenience to customers in conducting transactions by utilizing available technology. One of the advancements that have occurred is the shift from cash-only transactions that required physical presence to purchase goods, to now encompassing online purchases through websites, applications, and digital payment systems. One of the pawnshops in Indonesia, currently transitioning into a financial institution, has developed an application called "Pegadaian Digital Service" to expand its target market to include the millennial generation. The advantage of this application is that customers or potential customers only need to run the app on their smartphones to conduct transactions quickly, securely, and conveniently. Additionally, customers can receive services equivalent to those provided in physical outlets, and in some cases, even faster due to the absence of queues. Payment transactions within the application can be made using G-Cash, a virtual account for digital transactions that doesn't require a traditional bank account. Furthermore, customers can also use other bank accounts for transactions.

Despite the launch of the application, the reduction in direct physical contact activities at the outlets hasn't been significant. Many customers still prefer to visit the outlets in person rather than transacting through the application. Some customers remain apprehensive about using the app due to a lack of understanding and concerns about online fraud. The following table compares the number of traditional and digital clients utilizing the application at one of the pawnshops in Central Java.

Table 1. Comparison of the Number of Conventional and Digital Customers

Month (2022)	Total Customers	Number of Conventional Customers	Number of Digital Customers
October	13.420	12.201 (90,92%)	1.219 (9,08%)
November	13.495	12.266 (90,89%)	1.229 (9,11%)
December	13.574	12.342 (90,92%)	1.232 (9,08%)

Source: One of the pawnshops in Central Java, 2023

Table 1 demonstrates that, as compared to the number of consumers making purchases directly at the outlets, the number of customers who have registered as active users and are using the Pegadaian Digital Service is still rather low.

The quality of service on online platforms is referred to as e-service quality. Parasuraman, Zeithaml, and Malhotra (2005:5) as cited in Dalbehera (2020:112) state, "E-service quality is the extent to which a website provides effective and efficient purchasing, product delivery, and services." In addition to e-service quality, another strategy that companies can employ to attract consumers is through promotions. According to Armstrong, Adam, Denize, Volkov, and Kotler (2018:50), "Promotion means activities that communicate the advantages of a product and persuade the target consumers to buy it."

Trust is a crucial factor in both online and offline retail transactions. According to Atulkar (2020), brand trust represents the consumer's willingness to trust a brand and its offerings, which is considered a vital antecedent to brand loyalty. Trusted brands are more often chosen because the perceived risk of selecting or buying a specific brand is lower. However, with the increasing prevalence of online transactions, the risk of phishing or fraud by irresponsible parties also rises. The threat to personal and financial data security makes trust a significant factor when engaging in online transactions. Various security threats

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prevent users from experiencing maximal security.

Previous research conducted by Setyowati and Suryoko (2020:8) stated that e-service quality has a significant, strong, and positive impact on purchase decisions. This contrasts with the findings from the study by Herdiyani and Suyanto (2023:882), which stated that "e-service quality does not have a positive impact and does not significantly influence purchase decisions."

The research results of Latief and Dirwan (2020:26) indicated that "Promotion does not influence usage decisions." In contrast, different results were obtained by Istanti, Ekaningrum, and Khoiro (2021:46), who stated that "There is a positive and significant influence of the promotion variable on usage decisions." These findings imply that customers make purchasing decisions based on promotions.

Santoso, Erstiawan, and Kusworo (2020:133) showed in their research that "Brand trust has a negative influence on purchase decisions." However, Agung Edy and Agung Arif (2022:66) stated that "Brand trust has a significant positive impact on purchase decisions."

The following problem statements are based on the problem backdrop that was presented:
a. Among consumers of one of the pawnshops in Central Java, e-service quality has a considerable and favorable impact on the decision to use the Pegadaian Digital Service application.
b. Promotion significantly and favorably affects clients of one of the Central Java pawnshops' decisions to use the Pegadaian Digital Service application.
c. The decision of clients of one of the pawnshops in Central Java to use the Pegadaian Digital Service application is significantly and favorably influenced by brand trust.
d. E-service quality, promotion, and brand trust simultaneously have a beneficial influence on clients of one of the Central

Javan pawnshops' decisions to use the Pegadaian Digital Service application.

Literature Review
Service-Dominant Logic Theory
Vargo and Lusch (2018:721) proposed that Service-Dominant Logic (SDL) provides a perspective in which multiple actors collaboratively create value by integrating resources and exchanging services during the value co-creation process.

Marketing Management
According to Kotler, Armstrong, Harris, and He (2020:6), marketing is a process in which a company engages customers by building a strong relationship with them and receives profits as a reward.

Customer Behavior
Grewal et al. (2021) stated that consumer behavior helps marketers learn and understand how consumers act to fulfill their needs. To comprehend consumer behavior, marketers must understand the activities that lead consumers to make purchases as well as how consumers use goods or services and the preferences that drive consumer consumption.

E-Service Quality
Zeithaml, Bitner, and Gremler (2018) state that e-service quality is a consumer process of electronically assessing whether the provided service quality meets and fulfills consumer expectations or not. The indicators used are system availability, fulfillment, privacy, and efficiency.

Promotion
According to Armstrong, Adam, Denize, Volkov, and Kotler (2018:50), promoting a product involves telling potential customers about its benefits and convincing them to buy it. The indicators used are the quality of promotion, quantity of promotion, timing of promotion, and the accuracy or relevance of the promotional target.

Brand Trust

According to Nisak and Astutiningsih (2021:42), an individual's desire to place their faith in a brand while taking the dangers into consideration in the hopes that the brand would satisfy them and have a beneficial impact on their lives is known as brand trust. The indicators used are trust, rely, honest, and safe.

Decision to Use

According to Peter and Olson (2013) as cited in Aprilia and Susanti (2022:401), usage decision is an integration process used to incorporate knowledge, analyze multiple options, and select one. The following indications are employed: need identification, information search, alternative evaluation, buy decision, and post-purchase behavior.

RESEARCH METHOD

One of the Central Java pawnshops is the subject of this study. The sampling technique employed in this study was purposeful sampling. The sample consists of 302 customers who have been using the Pegadaian Digital Service application for the past six months. Both primary and secondary data were employed in this study's data sources. Questionnaires and observation are the approaches used for data collecting. A Likert scale with a 1-6 range is the measurement scale used. For assessing this study, classic assumption tests, multiple linear regression analysis, and hypothesis testing are performed. Therefore, the research data must be transformed from ordinal data into interval data using the Successive Interval Method (MSI) with Microsoft Excel.

FINDINGS

Classic Assumption Test

Multicollinearity Test

The VIF, which is a counterpart to tolerance, and its values are examined as part of the multicollinearity test to determine whether multicollinearity exists in a regression model.

Table 2. Multicollinearity Test Results

| Variable	Collinearity statistics	
	Tolerance Value	VIF Value
E-Service Quality	0,748	1,338
Promotion	0,683	1,464
Brand Trust	0,661	1,512

Dependent variable: Mean_Decision to Use

Source: Processed primary data, 2023

The variables e-service quality, promotion, and brand trust have tolerance values more than 0,10 and VIF values less than 10,00, as can be shown from Table 2. There is no multicollinearity among the independent variables in the regression model, which means that there is no correlation between the variables for e-service quality, promotion, and brand trust.

Heteroskedasticity Test

Ghozali (2018:107) claims that heteroskedasticity can be identified by looking for particular patterns in the scatterplot graph between the dependent variable's predicted values (ZPRED) and its residuals (SRESID).
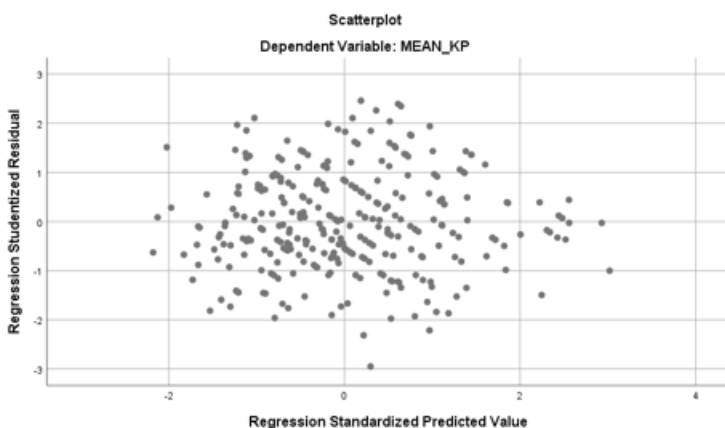
Source: Processed primary data, 2023
Figure 1. Heteroscedasticity Test Results

On the basis of Figure 1, it can be seen that the dots are dispersed both above and below the Y-axis value of 0. Additionally, there is no discernible pattern among these locations, hence it is possible to conclude that heteroskedasticity is absent.

Normality Test

The normality test can be used to check whether the disturbance or residual variables in the regression model have a normal distribution (Ghozali, 2018:161). The Kolmogorov-Smirnov statistical test is employed to determine whether or not the residuals are normally distributed. According to the findings of the normality test, the data are regularly distributed because the significant value of the Kolmogorov-Smirnov s is $0,063 > 0,05$. The research results of the variables e-service quality (X1), promotion (X2), and brand trust (X3) toward usage decision (Y) are acknowledged to have a normal distribution, therefore meeting the conventional assumption of multiple linear regression.

Linearity Test

When the computed F value is less than the tabulated F value and the significance of the divergence from linearity is greater than 0,05, the study variables show a linear connection (Ghozali, 2018). All independent variables exhibit Deviation from Linearity values greater than 0,05, according to the results of the linearity test. Deviation from Linearity for the e-service quality variable is $0,137 > 0,05$. The promotion variable's Deviation from Linearity value is 0.328, which is greater than 0.05. With a value of $0,070 > 0.05$, the brand trust variable deviates significantly from linearity. The regression model satisfies the linearity criteria, according to the test findings.

Multiple Linear Regression Test

This study sought to determine the extent to which brand trust (X3), promotion (X2), and e-service quality (X1) influenced usage decisions (Y).

Table 3. Multiple Linear Regression Test Result

Variable	Significance	Alpha
Constanta	0,333	0,145
E-Service Quality (X1)	0,334	0,000
Promotion (X2)	0,135	0,001
Brand Trust (X3)	0,500	0,000
Dependent variable: Mean_Decision to Use (Y)		

Source: Processed primary data, 2023

Table 3 shows that all independent variables, including brand trust, e-service quality, and advertising, have significant levels below.05. These results suggest that each independent variable has a considerable impact on the dependent variable, or usage decision. Therefore, the following can be used to create a regression equation:

$$Y = 0{,}333 + 0{,}334X1 + 0{,}135X2 + 0{,}500X3$$

The following is an interpretation of the regression equation:
a. The constant value is 0,333, meaning that if the values of the variables e-service quality (X1), promotion (X2), and brand Trust (X3) are all 0, the value of the usage decision variable (Y) will be positively 0,333.
b. The regression coefficient value of e-service quality (X1) is 0,294, indicating that an increase in the X1 variable within the Pegadaian Digital Service application at one of the pawnshops in Central Java will lead to an increase in the value of Y by 0,294. In other words, each increase in e-service quality (X1) will result in an increase in usage decision (Y).
c. The regression coefficient value of promotion (X2) is 0,167, meaning that an increase in the X2 variable within the Pegadaian Digital Service Application at one of the pawnshops in Central Java will lead to an increase in the value of Y by 0,167. In other words, each increase in promotion (X2) will result in an increase in usage decision (Y).
d. The regression coefficient value of brand trust (X3) is 0,498, indicating that an increase in the X3 variable within the Pegadaian Digital Service Application at one of the pawnshops in Central Java will lead to an increase in the value of Y by 0,498. In other words, each increase in brand trust (X3) will result in an increase in usage decision (Y).

Hypothesis Test
Parameter Significance Test (t Test)
The t-test is employed, according to Ghozali (2018), to show how much the independent factors contribute to the explanation of the dependent variable. The t-table value is 1,968 when viewed with a significance level of 0,05 and degrees of freedom (df) = n-2 = 302-2 = 300. As a result, if the estimated t-value is higher than the t-table value, the hypothesis should be accepted according to the t-test's decision-making criteria.

Table 4. t Test Result

Variable	t Count	t Table
E-Service Quality (X1)	6,122	1,968
Promotion (X2)	3,595	1,968
Brand Trust (X3)	11,287	1,968

Source: Processed primary data, 2023

Based on Table 4, the results of the hypothesis tests are summarized as follows:
a. E-service quality (X1) has a significant positive influence on the usage decision (Y) variable in the Pegadaian Digital Service application at one of the pawnshops in Central Java. An improvement in system availability, fulfillment, privacy, and efficiency leads to an increase in the Usage Decision in the application.
b. Promotion (X2) has a significant positive influence on the usage decision (Y) variable in the Pegadaian Digital Service application at one of the pawnshops in Central Java. An enhancement in the quality, quantity, timing, and accuracy or target alignment of promotions leads to an

increase in the usage decision in the application.

c. Brand trust (X3) has a significant positive influence on the usage decision (Y) variable in the Pegadaian Digital Service Application at one of the pawnshops in Central Java. An increase in trustworthiness, reliability, honesty, and security results in an increase in the Usage Decision in the application.

Simultaneous Test (F Statistical Test)

To ascertain whether the regression model satisfies the goodness of fit requirements, the F-test is performed. The F-table value is 2,636 when viewed with a significance level of 0,05. The regression model is therefore deemed appropriate for study or approved if the estimated F-value > F-table value, which is the decision-making requirement for the F-test.

The calculated F value is 150.059, which is more than the tabulated F value of 2.636, and has a significance range of 0.000 to 0.05 based on the calculation findings. The "E-service quality, promotion, and brand trust simultaneously influence usage decision" hypothesis is therefore supported, demonstrating that e-service quality, promotion, and brand trust all have an impact on usage decision.

Determination Coefficient Test (R^2)

The coefficient of determination (R2) is used to measure the extent to which independent variables are capable of explaining the dependent variable.

Given that the value of adjusted R Square can change when an independent variable is included in the model, using this value to assess the goodness of fit of a regression model is highly advised (Ghozali, 2018). The coefficient of determination test shows that the e-service quality (X1), promotion (X2), and brand trust (X3) independent variables collectively influence the dependent variable, usage decision (Y), by 60,2%. This coefficient of determination value

is 0,602, according to the test. Other factors outside the scope of this study have an impact on the remaining 39,8%.

Implication

Based on the discussion results, the researcher provides several implications:

a. It is hoped that the company can continue to increase the trust of the brands it owns. Providing the best service to customers is the best way to achieve this improvement. Companies must consistently maintain their existing quality. Effective communication can also be made with customers. This helps the company to know what customers feel. The communication can explore customer experiences that can be used as constructive criticism and advice. Companies can share a questionnaire containing customer criticism, suggestions, and complaints. This step can help in improving the existing constraints.

b. The company is expected to improve the application interface for easy readability and understanding by customers. Additionally, new customers who want to register for the Pegadaian Digital Service and use iOS devices face an issue where the OTP code cannot be received. Prospective app users need to switch to an Android device to receive the OTP code. The company is encouraged to review and rectify this issue.

c. Companies can increase promotional quantity and always update promotional media and promotional systems to keep up with current developments. This is in line with respondents' statements concerning less persuasive promotions. Promotions can be expanded on the TikTok app by collaborating with famous people. The content can be advertising and challenge that involves the audience to dance and sing while displaying the advantages of Digital Pegadaian Service. The more parties involved, the wider the information is distributed.

d. Companies may visit factories or offices to conduct socialization regarding the use of the Pegadaian Digital Service application. The company can target its market to people who are busy and cannot leave their jobs. With applications that can always be used, they'll feel the need.

e. It is hoped that research can contribute to providing information on e-service quality, promotion, and brand trust to a company that has electronic service. This study can serve as a reference to future research.

f. Research results show that e-service quality, promotion, and brand trust influence the decision of customers of one of the pawnshops in Central Java to use the Pegadaian Digital Services application. In line with Service-Dominant Logic, it means that applications can be beneficial for their own entities and other entities that can build the company's power to provide good service to its consumers.

CONCLUSION

Based on the analysis and discussion results, the following conclusions can be drawn:

a. The findings of the partial significance test (t-test) show that the decision to use the application service is positively and significantly influenced by the quality of the e-service.

b. According to the results of the partial significance test (t-test), promotion significantly and favorably influences whether or not a person decides to utilize the application service.

c. The findings of the partial significance test (t-test) reveal that brand trust significantly and favorably affects the choice to use the application service.

d. According to the coefficient of determination (R2) test results, brand trust, promotion, and e-service quality together have an influence of 60,2% on the decision to use an application service, with the remaining 39,8% being influenced by other factors not included in this study.

This research has been conducted in accordance with scientific procedures, however, it still has limitations, such as:

a. Because each responder has unique ideas, presumptions, and understandings, their responses to questionnaires may not always accurately reflect their opinions. Other elements, such the respondent's sincerity in answering the questionnaire, also played a part.

b. Because each indicator is only represented by two statements, it doesn't adequately capture how consumers feel.

c. It is hoped that future research would concentrate on a range of issues and viewpoints so that readers can gain knowledge of different issues and viewpoints.

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