



Analysis of The Influence of Negative E-Word of Mouth on Brand Disloyalty and Distrust of Digital Payment Application Users

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Abstract

This study examines the possibility that brand mistrust mediates the indirect impact of unfavorable e-WOM on brand disloyalty among users of financial applications. Users of financial applications make up the research's sample population. With a total of 100 respondents, the researchers sampled using the non-probability sampling approach. Quantitative data is the type of information that researchers employ. In this study, questionnaires were used to gather data. Path analysis is the data analysis technique applied by the researchers in this study. According to research findings, bad E-WOM has an impact on consumers' mistrust of brands. Negative E-WOM has an impact on brand disloyalty. Brand disloyalty is not partially influenced by brand mistrust. Negative E-WOM and brand mistrust both have an impact on brand disloyalty simultaneously. Negative E-WOM does not have an indirect impact on brand disloyalty, which is mediated by brand distrust.

Keywords: Negative E-WOM, Application Users, Financial Application, Brand Distrust, Brand Disloyalty.

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1. Introduction

Currently, the digital era has begun with the emergence of new companies that take advantage of technological developments. These companies are start-ups. According to the use of communication and information technology supported by the internet, which companies can easily use to develop their start-up businesses, the start-up movement in Indonesia is continuing to experience rapid development. Internet users in Indonesia will reach 212 million in January 2023 [1]. The number of internet users in Indonesia has reached 77% of the Indonesian population who have used the internet [2]. This means that people are more aware of technology and follow current developments by using the internet in their daily lives. The internet has made many changes in various areas of life, including, of course, the economic sector. With the emergence of start-up or startup companies, this can make the economy in Indonesia experience rapid progress, namely with the existence of e-commerce and financial technology, which are part of start-ups [3]. The rapid development of technology today has also made the market increasingly sensitive to the development of fintech itself. Indonesia is a country that has the third-largest quantity of fintech users in the world, after India and Brazil [4]. This is because the number of users is increasing day by day. The state of financial application marketing in 2021 is among the 4.7 billion fintech applications worldwide in the first quarter of 2019 and the first quarter of 2021, and Indonesia is ranked third in installations of this application, making Indonesia the largest in 15 other countries and regions [5].

Due to the pandemic, not a few fintech companies in Indonesia were able to survive, but the Flip company was able to survive. In the market, there are now many fintech players for money transfer services that are used as the main menu in their businesses, such as Flip, which has become a well-known application and currently has 12 million users throughout Indonesia in its seventh year, namely in 2023 [6]. It can be said to be a financial application being the most used when looking at downloads on the Google Play Store compared to other competitors. The financial application is in first place compared to its competitors with a similar business model, which has been identified in five other applications on the Google Play Store [7]. Judging from the ratings and reviews, the financial application is still the best, with a rating of 4.4/5 and more than 10 million downloads. Even though there was an increase in the number of downloads, there was a decrease in the rating for the application in February 2022, which was 4.7/5.0; in July to December 2022, it was 4.4/5.0 [8]. This decrease can be seen from reviews from old users who give ratings, namely because the process in the application is quite long, there are frequent interruptions in the application, and slow chat responses by customer service who receive many complaints about the application, namely due to the existence of new policies in the application that leave old users

disappointed [9]. Users also felt disappointed because the money sent did not enter their savings account and there was an application error, which made the transaction process slower [10]. So many users make bad reviews of the application and ultimately give a bad rating in the application assessment on the Google Play store [11]. Based on existing data, applications for making money transfers easily and quickly that currently exist in Indonesia are in first place as applications for transferring money that are easy to use, economical, and safe [12]. And when compared to other applications, financial applications are applications that are developed with a focus on transferring money free of admin fees easily and quickly, without the need for a second party or recipient to have the application, and with other advantages of the application that make it successful in becoming number one in its field [13]. The following are some of the advantages of the application that make it number one as an application developed with a focus on transferring money without admin fees compared to similar applications with the same features, namely: Free transfer fees between banks: the financial application is a pioneer as the first application that can make interbank transfer fees, which were originally charged from IDR 6,500 to IDR 0 or free. Users can make transactions easily on the application or web [14]. The destination account does not have to have a financial application. To be able to make transactions using the application, you only need the initial account to have a financial account, and the destination account is not required to have an account or application because money transfer transactions using financial applications are entirely transactions by the bank concerned. Verified by Bank Indonesia and OJK, this financial application, with its complicated struggles, now has a permit from Bank Indonesia with number 18/196/DKP/68 and is licensed under the supervision of the Financial Services Authority (OJK) [15]. Financial applications are third parties that bridge the process of transferring money between banks. intermediary in the transfer process [16]. Covers many domestic and foreign banks, providing access to transfers to more than 100 banks in Indonesia, with 17 sending account options. Apart from domestic inter-bank transfers, it also has a Globe feature, namely a remittance feature, which can now bridge transfer access to 50+ destination countries; can be used for other purposes; application features are now more complete, which include e-wallet TopUp, credit purchases and payments, data packages, insurance, electricity, water, internet, TV, and others [17]. Judging from the many advantages of this application, of course there are several disadvantages, such as: limited application access time, not 24 hours; a self-verification process required at the beginning, which is quite complicated because you need a photo of yourself and an ID card; and the transfer process is a bit slow, as complained about by users with reviews on previous apps [18]. Apart from that, there are several inappropriate incidents that users have experienced regarding Flip, namely the existence of fake customer care and frequent fraud in the name of financial applications. With the fake customer care incident disturbing users who don't know the application's official account, the Instagram posting page immediately provides a warning about this so that users don't make the mistake of seeing official accounts and fake accounts and as a preventive measure so that there are no similar incidents in the future [19]. The financial application also received bad news, allegedly experiencing an error. An error occurred in the application, and some users complained that the application reported a successful bank transfer. In fact, the user concerned claimed that they did not carry out any transfer activities even that day [20]. More than once, dozens of reports of such transactions have even occurred, sending many users into a panic. Therefore, when this incident occurred, dozens of users who felt the same way uploaded content about it on Twitter [21]. After the Twitter trending incident, the application took action on its Instagram social media to respond to the problem, which became a topic of conversation and went viral by uploading it to the official Instagram story account [22]. The same thing was posted on the official website to remind the public to be more alert and careful, because currently many people are cheating and using the name of the application for bad methods [23]. These scammers usually target people who are unfamiliar with financial applications, trick them into transferring some funds to their account, and then transfer them to the scammer's account [24]. This can result in losses for users and can also tarnish the good name of the application [25]. There are various modes of fraud currently, namely fraud disguised as a loan, fraud disguised as selling, and fraud disguised as a job vacancy.

2. Research Methods

The population taken in this research is financial application users. The population studied is a limited population because it cannot be known with certainty the specific population size, only a rough number. The method used by researchers in sampling is the non-probability sampling method. And the researcher carried out a sampling technique using an accidental sample. The number of samples taken in this research was 100 respondents who were met by researchers, namely people who used financial applications in the last three months. Quantitative data is the type of information that researchers employ. Researchers used a research instrument in the form of a research questionnaire to gather data for this study. A questionnaire is a method of gathering data in which respondents are given a list of questions or written statements to respond to. If the researcher is aware of the variables to be measured and what to anticipate from the respondents, a questionnaire can be an effective method for gathering data. In addition, if the respondents are dispersed over a big area, it is appropriate to employ questionnaires. To make it simpler for researchers to measure the data in this study, a scale is used. The Likert scale is the measurement system in use. The data analysis process is a crucial step that affects the outcomes in the future. The data is now

processed to determine the truth, which can then be used to respond to the research's open-ended questions. Path analysis is the data analysis technique applied by the researchers in this study. By deleting exogenous variables from a path analysis structure model whose route coefficients are not significant, a trimming model can be utilized to improve it. If the path coefficient assessed as a whole reveals that some factors are not significant, the researcher will use this trimming model to refine the proposed path structure model.

3. Results and Discussion

According to the findings of the descriptive analysis of respondents' responses, specifically in the negative E-WOM variable, respondents overwhelmingly responded "agree (S)" to six statement items, while the answer "disagree (TS)" predominated for two statement items. Of the 8 statements that received the most responses, statement number 8 received the most responses. The number of respondents who answered 'agree (S)' was 35%. This shows that respondents think that the indicator that the existence of information related to the price of financial application services that is not appropriate can influence respondents to use the application is the dominant answer. And this indicator can influence respondents' trust and loyalty in using financial applications in the future, namely regarding service prices. In the distrust variable, respondents predominantly answered 'agree (S)' to 3 statements; 2 statement items were dominated by the answer strongly agree (SS), and 1 statement item was dominated by 2 series of answers, namely 'strongly agree (SS)'. Of the six statements that received the most responses, statement number 1 received the most responses. The number of respondents who answered "strongly agree" was 46%. This shows that respondents think that indicators of user distrust can worsen the reputation of financial applications and can influence respondents to use applications, which is the dominant answer. And this indicator shows that if users no longer trust a brand, namely a financial application, it will worsen the brand's reputation. If a brand's reputation is bad, it can result in users' reluctance to rely on the brand and use the brand again. Respondents overwhelmingly selected "disagree (TS)" as their response to 4 statement items in the brand disloyalty variable, "agree (S)" for 2 statement items, and "undecided (RR)" for 1. Of the seven statement items. The one that received the most responses was statement number 5, and the number of respondents who answered "disagree" was 47%.

Based on the research results, it was found that the R-square (R^2) value was 0.3. This value can be used to see the magnitude of the influence of negative E-WOM on brand distrust. This value indicates that the negative E-WOM variable has a 30% influence on brand distrust, with other factors influencing the remaining. It can be seen that the influence of the negative E-WOM variable on the brand distrust variable is only 27%. This means that respondents who are users of financial applications can be influenced by negative reviews and comments regarding financial applications, but this is not the case large compared to the user's need to continue using financial applications repeatedly, because the majority of users use financial applications 2–5 times a month, so the existence of rumors and negative news regarding financial applications does not necessarily mean that users will immediately distrust financial applications. Based on the results of this research, the t-count of the negative E-WOM variable on brand distrust is 6.04, which is greater than the t-table value, namely 1.984, so H_a is accepted and H_o is rejected. So, there is a direct influence of negative E-WOM on brand distrust. This means that users may be influenced not to trust the financial application brand again if a negative E-WOM is heard or read on social media.

The R^2 value obtained was 0.3. This value can be used to see the magnitude of the influence of negative E-WOM on brand distrust. This value indicates that the negative E-WOM and brand distrust variables have a 30% influence on brand disloyalty (Z), while other factors influence the remaining. It can be seen that the influence of the negative E-WOM variable and the brand distrust variable on brand disloyalty is only 27%. This implies that negative reviews and comments about financial applications can influence respondents who use those applications, but this is not that big compared to the need for users to continue using financial applications repeatedly, because the majority of users use financial applications 2–5 times a month, so the existence of rumors and negative news regarding financial applications does not necessarily mean that users will immediately become disloyal and use financial applications again for good.

Based on the research results, the t-count for the negative E-WOM variable on brand disloyalty is 5.03, which is greater than the t-table value, namely 1.984, so H_a is accepted and H_o is rejected. So there is a direct influence of negative E-WOM on brand disloyalty, which means that users may be influenced to become disloyal to financial applications again if negative E-WOM is heard or read on social media. And brand distrust towards brand disloyalty is 0.10, which is smaller than the t-table value, namely 1.984, so H_a is rejected and H_o is accepted. So there is no direct influence between brand distrust and brand disloyalty, which means financial application users can still trust and be loyal because of active users who use financial applications 2–5 times in a month, even though they are influenced by negative E-WOM, but if they have never directly experienced the obstacles they experience while using the application, they will still trust and remain loyal. The t-count value is $1.4 < t\text{-table}$, namely 1.984, so H_o is accepted. So it can be concluded that there is no indirect influence between the negative E-WOM variable and brand disloyalty through brand distrust as an intervening variable, or that brand disloyalty does not mediate the negative E-WOM variable on the brand disloyalty variable. Which means that even though financial application users receive, read, or hear negative E-WOM circulating, if they have never directly experienced the obstacles they

experience while using the application, they will remain loyal and continue using financial applications in the future.

Based on the results of this research, the t-count of the negative E-WOM variable (X) on brand disloyalty is 6.03, which is greater than the t-table value, namely 1.984, so H_a is accepted and H_o is rejected. After the trimming model is carried out, there are results, namely that there is a direct influence between negative E-WOM and brand disloyalty, which means that users could be influenced to be disloyal to the financial application brand if negative E-WOM is frequently heard or read on social media continuously. The results of this research show that negative E-WOM can influence brand distrust. The results obtained, namely that H_o is rejected and H_a is accepted, explain that there is an influence between negative E-WOM and brand distrust. This implies that reviews, unfavorable comments on social media, and unfavorable news about financial applications can all influence how trustworthy a brand is in the eyes of its customers. The results of this research indicate that negative E-WOM can influence brand disloyalty. with the result that H_a is accepted and H_o is rejected. Which means that there is a direct influence of negative E-WOM on brand disloyalty. This means that financial application users can be influenced by reviews, negative words on social media, and negative news about financial applications and brand loyalty. The results of this research indicate that brand distrust cannot have an effect on brand disloyalty. The results obtained, namely that H_a is rejected and H_o is accepted, explain that there is no partial influence between brand distrust and brand disloyalty. What this means is that even though financial application users do not trust the application, users will still remain loyal to using financial applications.

Based on the research results, it was found that 71% of respondents agreed that they would still be willing to use financial applications again. There were 64% of respondents who agreed that they would still be willing to use financial applications regularly. There were 62% of respondents who agreed that, compared to other products, they would definitely choose financial applications. There were 31% of respondents who agreed that they would still be willing to use financial applications even if the fees set were less appropriate. There were 77% of respondents who agreed that they were satisfied using financial applications. There are 38% of respondents who agree that they will not use products other than financial applications. And there are 50% of respondents who agree that they will remain committed to using financial applications. The results of this research show that negative E-WOM and brand distrust can have a significant influence on brand disloyalty, with the results H_o being rejected and H_a being accepted. This explains that there is an influence between negative E-WOM and brand distrust on brand disloyalty simultaneously. This implies that user distrust, negative comments on social media, and news about financial applications, as well as reviews, can influence a user's loyalty to a brand. The results of this research show that negative E-WOM has no significant effect on brand disloyalty through brand distrust, with H_o being accepted and H_a being rejected. So, it can be seen that there is no indirect influence between the negative E-WOM variable and brand disloyalty through brand distrust as an intervening or mediating variable. Which means that the brand distrust variable does not mediate between the negative E-WOM variable and brand disloyalty.

With the research results, Negative E-WOM confirms that negative news or untrue news regarding financial applications can give rise to distrust of a brand, so financial applications must continue to monitor developments that occur on social media and be alert to respond and correct negative news issues and reviews from users that are not suitable to maintain the trust and loyalty of its users and potential future users. With the research results, financial applications need to continue to provide excellent service so that their users remain active in using financial applications and instill confidence in companies to continue using financial applications again in the long term. It turns out that even though negative E-WOM influences user distrust, because the benefits of the application are quite large for users, they still use financial applications. So it is recommended that in order to maintain and increase user loyalty, the application can offer various special loyalty or membership programs according to the frequency of application use, where the more often it is used, the more benefits you get, for example, in the form of cashback, coins, free administration fees, etc.

4. Conclusion

There is an influence of negative E-WOM on brand distrust. There is an influence of negative E-WOM on brand disloyalty. There is no partial influence of brand distrust on brand disloyalty. There is a simultaneous influence of negative E-WOM and brand distrust on brand disloyalty. Negative E-WOM has no indirect effect on brand disloyalty because brand distrust mediates it. It is hoped that future research will be able to provide appropriate and relevant statements according to the research results in order to provide good results by using this research as a reference for further research that has the same variables, namely research on the influence of negative E-WOM and brand distrust on brand disloyalty with research objects in applications, and also to complete the brand disloyalty variable in financial applications, both using different indicators and dimensions and by exploring other possible variables that can influence the brand disloyalty of financial application users.

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