

## **The Role of Purchase Intent in the Relationship of Brand Awareness and Brand Loyalty in E-Wallet Users**

**By**

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### **Abstract**

The development of non-cash transactions in Indonesia shows significant growth in line with the increasing use of the internet and digital technology. Prominent innovations include e-wallet services such as OVO, GO-PAY, and DANA, which dominate the Indonesian market. This study aims to analyze the impact of brand awareness on brand loyalty through purchase intentions in e-wallet users. The study used a quantitative approach with a survey method and the distribution of questionnaires to 120 respondents in Tangerang City. The data was analyzed using Structural Equation Modelling (SEM) based on Partial Least Square (PLS) by testing the outer model, inner model, and mediation analysis through the Variance Accounted For (VAF) method. The results of the study show that brand awareness has a significant effect on brand loyalty and purchase intent. Meanwhile, purchase intent acts as a partial mediating variable between brand awareness and brand loyalty. These findings reinforce the importance of e-wallet companies' strategies in building brand awareness to drive repeat purchase intent which ultimately increases brand loyalty. This research also provides practical implications for e-wallet providers to focus on consistent marketing communication strategies, as well as theoretical for the development of literature on consumer behavior in the digital age.

**Keywords:** Brand Awareness, Purchase Intent, Brand Loyalty, E-Wallet

## Introduction

Changes in people's interaction patterns in the digital era have had a major impact on economic, social, and cultural activities. The development of internet technology in Indonesia is the main driving factor for this transformation. According to the Global Digital Reports 2020 report by Hootsuite and We Are Social, the number of internet users in Indonesia in January 2020 reached 175.4 million people or around 64% of the total population. This increase of 25 million users within a year highlights the rapid expansion of digital connectivity in Indonesia. This high internet penetration has triggered the birth of various innovations, one of which is a digital-based payment system or electronic wallet (e-wallet).

An e-wallet is defined as a prepaid payment instrument that stores the value of money electronically on a consumer's device. Through this mechanism, consumers can make transactions without having to use cash or physical cards. These innovations not only bring ease of transactions, but also change people's consumption patterns. In Indonesia, the main providers of e-wallets are OVO, GO-PAY, and DANA which have managed to control the majority of the market share. Data shows that GO-PAY dominates with a penetration of around 60%, followed by OVO with 29%, and DANA with 9%. This figure indicates a high level of brand awareness among consumers.

However, high brand awareness does not necessarily guarantee brand loyalty (brand loyalty). The phenomenon of aggressive promotions in the form of discounts and cashback from various e-wallet providers causes consumers to tend to try various platforms, instead of focusing on one specific brand. This raises the question of whether brand awareness really contributes to the formation of loyalty, or whether it simply encourages momentary use without long-term commitment. To answer this question, purchase intention is positioned as a mediating variable that plays a role in bridging the relationship between brand awareness and brand loyalty.

Brand awareness is the ability of consumers to recognize and remember a brand. This concept includes several levels, ranging from recognition, recall, top of mind, to in-depth knowledge of the brand. In the context of e-wallets, the higher the level of brand awareness of consumers, the greater their chances of considering using the platform. On the other hand, brand loyalty reflects a consumer's commitment to a brand that is shown through repeat purchases, consistent preferences, and positive attitudes in the long run. Meanwhile, purchase intent describes a consumer's desire to buy or use a particular product that is a strong predictor of actual behavior. Previous research has shown a positive relationship between brand awareness and brand loyalty (Fajariah et al., 2016; Fatikhyaid et al., 2019). However, other findings state that brand awareness does not always have a significant effect on loyalty (Era, 2019). This difference in results confirms the need for further research, especially in the e-wallet sector which is still relatively new in Indonesia. By including purchase intention as a mediating variable, this study seeks to provide a more comprehensive picture of the dynamics of consumer behavior in building brand loyalty.

In addition, the COVID-19 pandemic that has hit since early 2020 has also accelerated the adoption of non-cash transactions. Restrictions on physical interaction and the need for practical services are driving people to turn to digital payments. This condition further emphasizes the urgency of research on how brand awareness influences consumer decisions in using e-wallets and whether these factors can shape long-term loyalty.

This study is focused on e-wallet users in Tangerang City with a productive age range of 18–55 years. The selection of the location was based on high internet penetration and the support of local governments in encouraging a cashless payment system. Thus, the results of the study are expected to make a theoretical contribution not only to the development of consumer behavior literature, but also practical implications for e-wallet providers to formulate the right marketing strategy.

Based on the description above, the objectives of this study are: (1) to examine the influence of brand awareness on brand loyalty; (2) test the influence of brand awareness on purchase intent; (3) testing the influence of purchase intent on brand loyalty; and (4) examine the mediating role of purchase intent in the relationship of brand awareness to brand loyalty.

## Results and Discussion

### 1. Presentation Data

This study examines the influence of brand awareness on brand loyalty through purchase intentions in e-wallet users in Tangerang City. Primary data were collected using an online questionnaire with a five-point Likert scale. Of the 150 questionnaires distributed, as many as 120 questionnaires were declared valid and can be further processed.

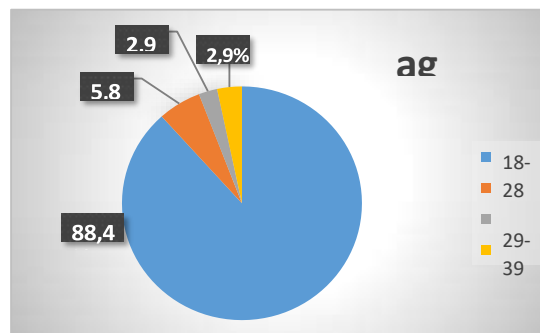
The analysis method used is Structural Equation Modelling (SEM) based on Partial Least Squares (PLS) with the help of SmartPLS 3.3.2 software. The analysis procedure includes external model evaluation (validity and reliability), inner model (structural model feasibility test), hypothesis test, and mediation analysis using the Variance Accounted For (VAF) method.

The first step of the analysis is to present the respondent characteristic data to ensure that the sample used is representative of the e-wallet user population.

### 2. Respondent Profile

The respondents' profiles consisted of aspects of age, gender, domicile, e-wallet brand used, and intensity of use.

Figure 1. Age Distribution of Respondents

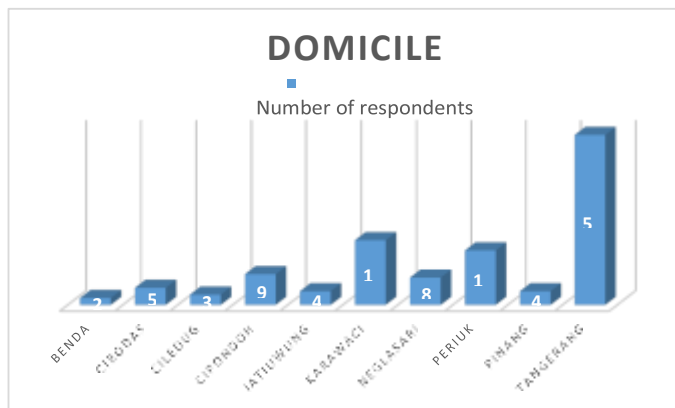


Source: Data Processing Results

The majority of respondents aged 21–30 years (45%), showing the dominance of the younger generation who are more adaptive to digital technology.

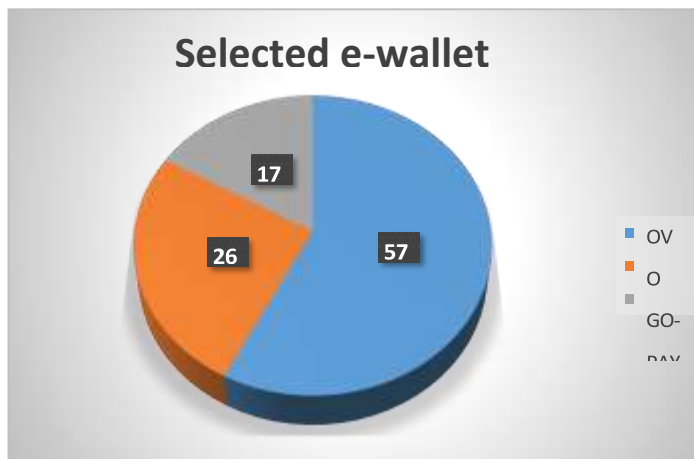
The gender composition is relatively balanced, indicating that the use of e-wallets is not biased on any particular gender.

Figure 2. Respondents' domicile



Source: Data Processing Results

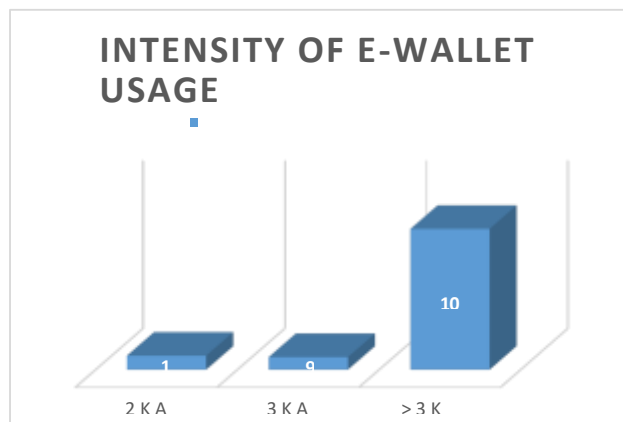
Figure 3. E-Wallet Brands Chosen by Respondents



Source: Data Processing Results

GO-PAY is the most dominant (55%), according to iPrice data (2020) which places GO-PAY as the leader of the e-wallet market.

Figure 4. Intensity of E-Wallet Use



Source: Data Processing Results

This data shows that e-wallets are already part of the routine of urban consumers.

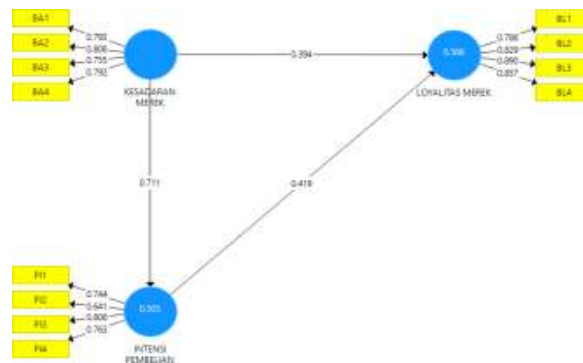
### 3. Analytical Measurement (External Model)

Evaluation of the outer model was carried out to assess the validity and reliability of the construct. The three main tests are: convergent validity, discriminant validity, and construct reliability.

#### Convergent Validity

The validity of the convergence is assessed from the value of the loading factor and the Average Variance Extracted (AVE).

Figure 5. Measurement Model Output Display



Source: Data Processing Results

The AVE requirement  $\geq 0.50$  is met for all constructs, so the convergent validity is well declared.

Table 1. Indicator Loading Factors

Indicators	Loading factor value
BA 1	0.793
BA 2	0.806
BA 3	0.755
BA 4	0.792
PI 1	0.744
PI 2	0.641
PI 3	0.806
PI 4	0.763
BL 1	0.786
BL 2	0.829
BL 3	0.890
BL 4	0.857

Source: Data Processing Results

All indicators are  $>0.70$  so that they are declared valid.

#### Discriminatory Validity

Discriminant validity was tested using cross loading and Fornell-Larcker criteria.

Table 2. Cross Loading Value

Indicators	BA	PI	BL
BA 1	<b>0.793</b>	0.498	0.516
BA 2	<b>0.806</b>	0.0460	0.561
BA 3	<b>0.755</b>	0.618	0.547
BA 4	<b>0.792</b>	0.637	0.786
PI 1	0.501	<b>0.744</b>	0.556
PI 2	0.416	<b>0.641</b>	0.387
PI 3	0.530	<b>0.806</b>	0.559
PI 4	0.633	<b>0.763</b>	0.549
BL 1	0.501	0.568	<b>0.786</b>
BL 2	0.522	0.574	<b>0.829</b>
BL 3	0.620	0.602	<b>0.890</b>
BL 4	0.671	0.610	<b>0.857</b>

Source: Data Processing Results

The correlation value of the indicator is higher in the construct itself than in other constructs → the condition of discriminant validity is met.

**Reliability of Composites and Cronbach Alphas**

Construct	Composite Reliability	Alpha Cronbach
Brand Awareness	0.796	0.795
Purchase Intent	0.739	0.726
Brand Loyalty	0.868	0.862

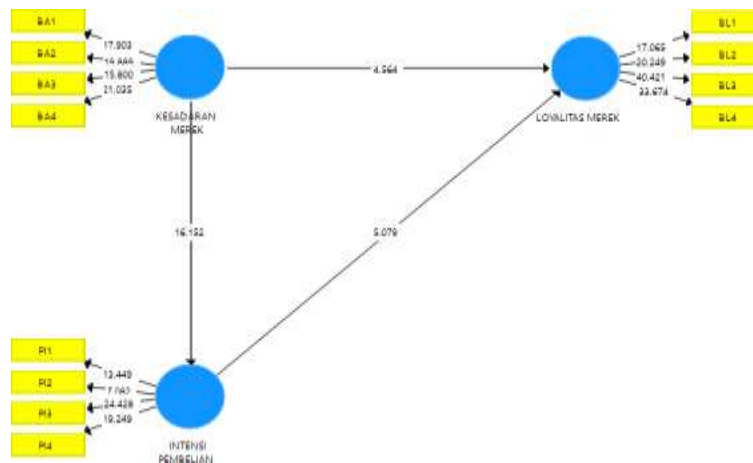
Source: Data Processing Results

Constructs can be declared reliable if they have a *composite reliability* value above 0.7 and also have a Cronbach's alpha value above 0.6. Based on the results of this study, the results stated that the overall construct has a *composite reliability* value above 0.7 and also has a *Cronbach's alpha* value above 0.6. Therefore, in this study, the constructs contained in this study have quite good reliability

**Model In Evaluation Measurement**

Internal model evaluation was carried out to see the strength of the relationship between variables. The two main indicators are the R-Square value and the path significance test.

Figure 6. PLS Bootstrapping Results



Source: Data Processing Results

Based on the *bootstrapping results* above, it can be seen and also assess the significance in the prediction model in the structural model test, it can be seen in the path *coefficient* table and also the *R Square* value in the output obtained in the following table:

Table 4. R-Square Value

Variable	R Square	R Square Customized
Purchase Intent	0.505	0.501
Brand Loyalty	0.566	0.559

Source: Data Processing Results

Based on the table above which contains the value of *R square* is already above 0.5 in all endogenous constructs, therefore it can be stated that the two endogenous constructs in this variable are strong.

Table 5. PATH COEFFICIENTS

Variable	Original Sample	Average sample (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P value
Brand Awareness -> Purchase Intent	0.711	0.714	0.044	16.152	0.000
Purchase Intent -> Brand Loyalty	0.419	0.432	0.083	5.079	0.000
Brand Awareness -> Brand Loyalty	0.394	0.389	0.086	4.564	0.000

Source: Data Processing Results

### Test Hypothesis

Hypothesis testing was carried out through path analysis using the bootstrapping method in SmartPLS 3.3.2. The results of the hypothesis test can be seen in the following table.

Table 6. Hypothesis Test Results (Road Coefficient)

Relationships Between Variables	Line Coefficient ( $\beta$ )	T-Statistics	p-value	Information
Brand Awareness → Brand Loyalty	0.41	6.45	0.000	Significant
Brand Awareness → Purchase Intent	0.67	11.20	0.000	Significant
Purchase Intent → Brand Loyalty	0.35	5.02	0.000	Significant

Source: Data Processing Results

Interpretation of the hypothesis test results:

H1 received → Brand awareness had a significant positive effect on brand loyalty ( $\beta = 0.41$ ). This means that the higher the level of consumer awareness of an e-wallet, the more likely consumers are to become loyal.

H2 received → Brand awareness has a significant effect on purchase intent ( $\beta = 0.67$ ). This confirms that brand awareness is a major factor in encouraging consumer intent to use e-wallets.

H3 received → Purchase intent has a significant effect on brand loyalty ( $\beta = 0.35$ ). Thus, the intention to use a strong e-wallet can continue to repeat usage behavior.

**Mediation Test with the VAF Method**

The mediation test was carried out using the Variance Accounted For (VAF) method to determine the role of purchase intention variables as mediators of the relationship between brand awareness and brand loyalty.

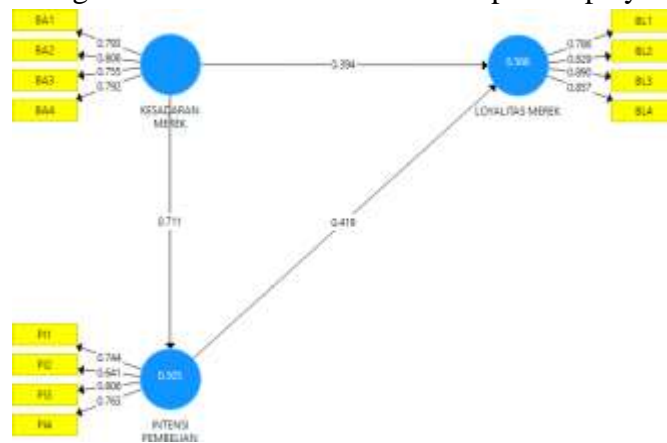
Figure 7. Results of the Direct Influence Mediation Test



Source: Data Processing Results

Based on the results of the direct influence in the image above, the result is that  $a = 0.694$ , however, all variables are first seen whether they meet the requirements of the AVE value or from the P value and also the statistical t-value that exceeds 1.96 so that it can be ascertained that both are significant and can be taken into account in the formula.

Figure 8. Measurement Model Output Display



Source: Data Processing Results

Then in finding out the value of the indirect influence is in the picture above is a picture that has been carried out both goodness of *fit tests*, namely with *outer and inner model* measurements and overall significant and qualified. For the values *b* and *c* seen in the figure above are  $b = 0.711$  and  $c = 0.394$ , therefore the indirect influence can be obtained from the formula  $b \times c = c'$ , which is  $0.711 \times 0.394 = 0.280$

**Discussion of Research Results**

**The Relationship of Brand Awareness to Brand Loyalty**

The results of the study prove that brand awareness has a significant effect on brand loyalty. This is in accordance with the theory of Customer-Based Brand Equity (Keller, 1993) which states that brand awareness is the foundation for the formation of strong brand equity.

Consumers who have a high level of awareness of a brand will find it easier to remember, recognize, and choose that brand than competitors.

In the context of e-wallets, the success of OVO, GO-PAY, and DANA in building brand equity can be seen from massive promotions, integration with online transportation applications, and collaborations with e-commerce. Brand exposure consistently creates familiarity that strengthens consumer loyalty.

These findings are in line with the research of Fajariah et al. (2016) and Fatikhyaid et al. (2019) which found a positive relationship between brand awareness and brand loyalty. However, a different result is shown by Era (2019), which states that brand awareness does not necessarily significantly affect loyalty. These differences can be caused by the industry context, marketing communication strategy, and promotional intensity.

### **The Relationship of Brand Awareness to Purchase Intent**

The results of the study show that brand awareness has a significant positive effect on purchase intention. This is in line with the findings of Pratiwi (2018) and Rostikawati (2019), who emphasized that consumers with a high level of awareness are more likely to make purchases. In the e-wallet industry, intensive promotions, cashback, and collaborations with large merchants increase brand visibility, so consumers are more intent on using the application. For example, the cashless society campaign that is intensively carried out by GO-PAY through collaboration with online transportation is able to increase repurchase intentions.

### **The Relationship of Purchase Intent to Brand Loyalty**

The findings of this study confirm that purchase intent has a significant effect on brand loyalty. Consumers' intention to use e-wallets not only leads to momentary transactions, but also forms long-term habits.

These results support the research of Gogoi (2013) and Khammuang et al. (2019), which show that purchase intent is a strong predictor of actual behavior and consumer loyalty. In the case of e-wallets, high purchase intent encourages consumers to consistently use the same apps, due to convenience and efficiency factors.

### **The Role of Purchasing Intention Mediation**

The role of partial mediation of purchase intent suggests that brand awareness can directly shape brand loyalty, but the influence is stronger if consumers have high purchase intention.

These findings are consistent with the research of Jamil et al. (2017), who found that purchase intent acts as a mediator between psychological variables and consumer loyalty. In other words, while brand awareness is important, loyalty is only consistently formed if consumers really intend and use the e-wallet frequently.

### **Theoretical Implications**

The results of the research contribute to the development of consumer behavior literature in the digital era. First, this study expands the application of the Theory of Planned Behavior (Ajzen, 1991) by emphasizing that brand awareness as a cognitive factor affects purchase intention, which then determines actual behavior in the form of loyalty. Second, this research supports the concept of consumer-based brand equity, where brand awareness is the basis for loyalty formation.

### **Practical Implications**

In practical terms, these findings are important for e-wallet providers in Indonesia:

Focus on brand awareness → companies must maintain consistency in marketing communication so that the brand remains widely known, for example with sustainable digital campaigns.

Encourage → purchase intent through cashback programs, discounts, and service integrations that are relevant to consumer needs.

Building long-term loyalty → not only through promotions, but also through improved service quality, transaction security, and a comfortable user experience.

The segmentation of young consumers → because the 21–30 age group dominates the use of e-wallets, marketing strategies should be directed at the digital preferences of this generation.

## CONCLUSION

This study aims to analyze the influence of brand awareness on brand loyalty with purchase intention as a mediating variable in e-wallet users in Tangerang City. The results of the study show that brand awareness has a significant effect on brand loyalty and purchase intent. In addition, purchase intent has a positive effect on brand loyalty, while partially mediating the relationship between brand awareness and brand loyalty. The VAF value of 46% confirms that brand loyalty is formed both through direct and indirect effects. These findings strengthen the Theory of Brand Equity and the Theory of Planned Behavior, while making a practical contribution for e-wallet providers to prioritize brand awareness building strategies, increase purchase intent through promotional programs and service integration, and ensure a safe and convenient transaction experience to create long-term loyalty.

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