Jurnal Ilmu Manajemen (JIMMU), 10(2) 2025, 299-311
Published Online: January, 2026
https://doi.org/10.33474/jimmu.v10i2.24296, e-ISSN 2621-6957

THE EFFECT OF PROMOTIONAL ATTRACTIVENESS, DIGITAL PAYMENT, E-ADVOCACY ON PERFORMANCE WITH CUSTOMER RETENTION QUALITY AS A MEDIATION IN E-WALLET USE

Erene[1*], Edy Yulianto Putra[2], Ferdinand Nainggolan[3]

[1,2,3] Department of Management, Faculty of Business and Management, Universitas Internasional Batam, Kepulauan Riau, Indonesia
*Corresponding Author(s) Email : 2018erene@gmail.com

ABSTRACT
This study aims to analyze the effects of Promotional Attractiveness, Digital Payment, and Electronic Advocacy on Performance, with Customer Retention Quality serving as a mediating variable among e-wallet users in Indonesia. The study focuses on how promotional strategies, the convenience of digital payments, and consumer digital advocacy strengthen customer loyalty, which in turn enhances e-wallet performance. The novelty of this research lies in the simultaneous integration of three strategic variables—Promotional Attractiveness, Digital Payment, and Electronic Advocacy—which are rarely examined together in relation to Customer Retention Quality as a mediating construct. Furthermore, this study contributes to the existing literature by emphasizing the central role of Customer Retention Quality as a reinforcing mechanism that links digital marketing strategies to the performance of financial technology services. A quantitative approach with a causal-comparative research design was employed. Data were collected from 250 e-wallet users in Indonesia using purposive sampling. Partial Least Squares–Structural Equation Modeling (PLS-SEM) was applied to assess the relationships among variables, evaluate measurement validity and reliability, and test the mediating effects. The results indicate that all three independent variables have a positive and significant effect on Customer Retention Quality, which subsequently has a positive and significant impact on Performance. Moreover, Customer Retention Quality is proven to be a significant mediator in the relationships between Promotional Attractiveness, Digital Payment, and Electronic Advocacy and Performance. These findings highlight that customer loyalty and retention are critical determinants in improving the performance of e-wallet services.

ARTICLE INFO

Article Type: Research Paper/Literature Review/Systematic Review/General View/etc.

Article History:
Received : October 2025
Reviewed : October 2025
Revised : November 2025
Accepted : January 2026

Keywords: Promotional Attractiveness; Digital Payment; e-Advocacy; Customer Retention

1. Introduction

The rapid development of digital technology has significantly transformed financial services in many developing countries, including Indonesia. The increasing penetration of smartphones and internet connectivity has accelerated the adoption of financial technology (fintech), particularly electronic wallets (e-wallets), which enable users to conduct transactions more efficiently, securely, and conveniently. As reported by Bank Indonesia, the volume of digital payments continues to grow annually, indicating a strong behavioral shift toward cashless transactions. This shift highlights the importance of understanding the factors that influence sustained user engagement and loyalty toward e-wallet platforms. Within the highly competitive digital payment landscape, e-wallet providers implement various strategies to enhance user acquisition and retention. Promotional Attractiveness, often manifested through cashback, discounts, loyalty points, and exclusive offers, plays a critical role in shaping user perceptions and encouraging repeated usage. Previous studies suggest that attractive promotional programs not only stimulate short-term usage but also support long-term customer retention. However, the extent to which promotional initiatives contribute to sustainable platform performance through retention mechanisms has not been fully explored in the Indonesian context. Digital Payment features represent another key determinant of e-wallet adoption and continued usage. Convenience, transaction speed, perceived security, and system reliability contribute to a positive user experience, which reinforces satisfaction and loyalty. Prior research has demonstrated that effective digital payment systems positively affect customer retention and service sustainability. Nevertheless, empirical evidence on how digital payment convenience indirectly contributes to e-wallet performance through customer retention remains limited. In addition, the increasing level of digital engagement has highlighted the role of E-Advocacy, defined as voluntary online recommendations, reviews, or endorsements by users, which increasingly shape consumer behavior in digital markets. Positive digital advocacy enhances brand visibility and credibility, influences the perceptions of other users, and encourages broader adoption of digital financial services. Although several studies emphasize the importance of advocacy in strengthening user engagement, limited attention has been given to its indirect contribution through customer retention in improving platform performance.

Customer Retention Quality itself is increasingly recognized as a crucial mediating construct within the digital service ecosystem. Retained customers tend to engage in more frequent repeat transactions, utilize platform features more extensively, and disseminate positive word-of-mouth, thereby contributing to key performance outcomes such as transaction volume, user loyalty, and market share. Despite its strategic relevance, empirical studies that examine Customer Retention Quality as a mediating mechanism linking Promotional Attractiveness, Digital Payment, and Electronic Advocacy to e-wallet performance remain scarce. Most existing studies explore these variables independently, overlook mediation pathways, or lack contextualization within Indonesia’s dynamic digital financial environment.

Based on these gaps, this study integrates the three strategic variables Promotional Attractiveness, Digital Payment, and Electronic Advocacy into a single structural model to examine their effects on Performance through Customer Retention Quality. By focusing on Indonesian e-wallet users, this research provides insights into behavioral patterns within one of Southeast Asia’s largest and fastest-growing digital payment markets. The study offers theoretical contributions by deepening the understanding of mediating mechanisms in digital financial behavior and practical implications for e-wallet providers seeking to strengthen customer loyalty and enhance platform performance. Accordingly, the objective of this study is to analyze the direct effects of the three independent variables on Customer Retention Quality, examine the effect of Customer Retention Quality on Performance, and investigate its mediating role in linking digital marketing and service-related variables to e-wallet performance in Indonesia’s digital economy.

2. Literature Review

The Technology Acceptance Model (TAM), developed by Davis (1989), is one of the most influential theories in explaining technology acceptance and usage. TAM posits that two core constructs Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) determine users' attitudes toward a technological system, which subsequently influence Behavioral Intention (BI) and ultimately Actual Use. In the context of e-wallet services, TAM has been widely applied to understand how users' perceptions of usefulness and ease of use become key factors determining the sustainability of digital service usage.

In this study, the TAM framework is relevant in strengthening the understanding of how e-wallet features and user experience influence customer retention. For instance, digital payment systems that are fast, secure, and easy to operate directly enhance PEOU and PU, thereby encouraging user satisfaction and the intention to continue using the service. Thus, TAM provides a strong theoretical foundation for explaining the relationship between digital service quality and Customer Retention Quality, as users who perceive greater benefits and ease of use are more likely to remain loyal to the platform.

Furthermore, TAM can also be linked to E-Advocacy, as users who hold positive perceptions of the usefulness and ease of digital services are more inclined to provide recommendations, reviews, or support through digital media. This indicates that positive experiences formed through PU and PEOU can extend into advocacy behaviors, which ultimately contribute to improved performance of digital platforms. On the other hand, Promotional Attractiveness may function as an external factor that enhances perceived usefulness (PU), as promotions such as cashback or loyalty rewards increase the perceived value users obtain from using e-wallet services.

Therefore, although TAM is not employed as the primary model in this study, the theory remains relevant in explaining the psychological mechanisms underlying how users respond to digital features, promotions, and technology-based interactions. TAM helps clarify that positive perceptions of technology constitute an essential foundation for the development of customer retention which, in this research model, serves as a key mediating variable influencing Performance. Consequently, integrating TAM into the literature review enriches the theoretical understanding of how strategic elements such as promotional attractiveness, payment convenience, and digital advocacy shape consumer behavior within the e-wallet ecosystem.

The Effect of Promotional Attractiveness on Customer Retention Quality

Studies by Daud et al. (2022); Esawe (2022); Feriningsih et al. (2023) indicate that Promotional Attractiveness has a significant positive effect on Customer Retention Quality. This implies that when promotions offered by a product or service are attractive to customers, they tend to be more motivated to remain loyal to the brand. Attractive promotions may include various elements such as discounts, loyalty programs, and exclusive offers, all of which can enhance customer experience and satisfaction. Theoretically, this concept is supported by customer satisfaction and relationship marketing principles, which suggest that customers who feel valued or rewarded are more likely to make repeat purchases and recommend the product or service to others.

H1: Promotional Attractiveness has a significant positive effect on Customer Retention Quality.

The Effect of Digital Payment on Customer Retention Quality

Research by Alfiani and Setiawan (2023); Meidawati et al. (2022); Rahayu et al. (2022) demonstrates that Digital Payment has a significant positive effect on Customer Retention Quality. This means that when customers experience ease of use through fast, secure, and convenient digital payment options, they are more likely to remain loyal and return for future transactions. Digital Payment enables more efficient and practical transaction processes, which positively influence customer satisfaction. From a marketing perspective, a positive payment experience can strengthen customer–brand relationships, enhance satisfaction, and create favorable impressions that support customer retention.

H2: Digital Payment has a significant positive effect on Customer Retention Quality.

The Effect of E-Advocacy on Customer Retention Quality

Studies conducted by Sudirjo et al. (2023); Kumar et al. (2024); Acelian and Basri (2021) reveal that E-Advocacy has a significant positive effect on Customer Retention Quality. This suggests that active promotion or recommendations of a brand by consumers through digital channels such as social media, online reviews, or digital campaigns can help improve customer retention. E-Advocacy fosters brand loyalty and community building while enhancing brand reach and credibility. Customers who engage in online advocacy tend to be more involved with the company, which strengthens their loyalty and increases their intention to remain customers in the future.

H3: E-Advocacy has a significant positive effect on Customer Retention Quality.

The Effect of Customer Retention Quality on Performance

Research by Aisyah and Ali (2023); Aseng and Pandeirot (2023); Firdausy and Fernanda (2021) shows that Customer Retention Quality has a significant positive effect on Performance. This indicates that higher levels of customer retention quality contribute to improved performance of e-wallet platforms. Customers who are satisfied and engaged with e-wallet services tend to use them more frequently and are more likely to recommend them to others. Strong customer retention quality encourages increased transaction volumes, more frequent usage, and greater platform loyalty, which ultimately enhances performance in terms of revenue, market share, and brand perception.

H4: Customer Retention Quality has a significant positive effect on Performance.

The Effect of Promotional Attractiveness on Performance Mediated by Customer Retention Quality

Studies by Hermiati et al., 2022); Jannah et al., 2019); Sakanko & David, 2019) indicate that Promotional Attractiveness has a significant positive effect on e-wallet Performance when mediated by Customer Retention Quality. This means that strong promotional appeal not only directly improves e-wallet performance but also strengthens this effect through enhanced customer retention quality. Customers are more likely to use e-wallet services and remain engaged when incentives such as discounts, cashback, or loyalty points are perceived as attractive. This increases Customer Retention Quality, which ultimately benefits e-wallet performance. In this context, Customer Retention Quality acts as a linking mechanism that enhances the relationship between promotional attractiveness and performance outcomes, including higher transaction volumes, market share, and user loyalty.

H5: Promotional Attractiveness has a significant positive effect on e-wallet Performance mediated by Customer Retention Quality.

The Effect of Digital Payment on Performance Mediated by Customer Retention Quality

Research by Setiawan et al., 2022); Esawe, 2022); Anugrah, 2020); Sentoso *et al.* (2024) demonstrates that Digital Payment has a significant positive effect on e-wallet Performance mediated by Customer Retention Quality. This indicates that the convenience and comfort offered by digital payment systems not only directly enhance e-wallet performance but also strengthen this impact through improved customer retention quality. When customers perceive digital payment services as fast, secure, and practical, they are more likely to feel satisfied and loyal to the platform. This increases Customer Retention Quality, which subsequently leads to better e-wallet performance. Thus, customer retention quality reinforces the relationship between effective digital payment features and performance outcomes such as increased transaction volumes, customer loyalty, and brand reputation.

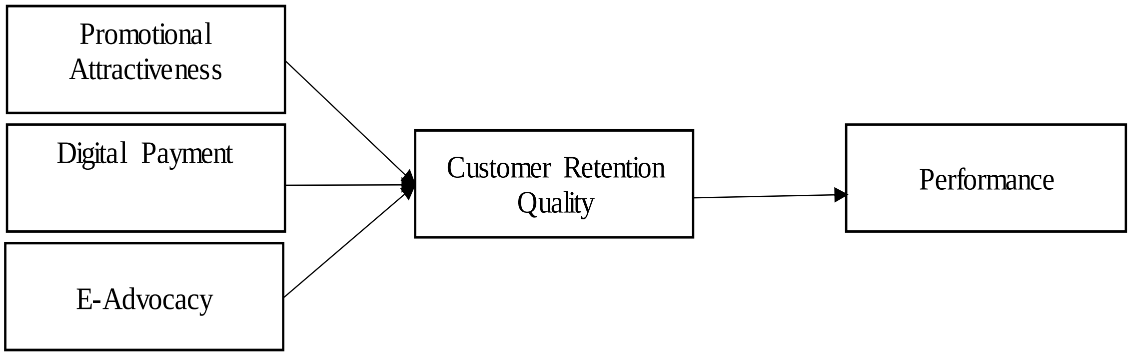
H6: Digital Payment has a significant positive effect on e-wallet Performance mediated by Customer Retention Quality.

The Effect of E-Advocacy on Performance Mediated by Customer Retention Quality

Studies by Bhattara et al., 2023); Alfiani & Setiawan, 2023); Aseng & Pandeirot, 2023); Sentoso and Muchsinati (2024) show that E-Advocacy has a significant positive effect on e-wallet

Performance mediated by Customer Retention Quality. This implies that digital advocacy by customers such as positive reviews, social media recommendations, or support within online communities not only directly improves e-wallet performance but also strengthens it through enhanced customer retention quality. When customers actively promote e-wallet services, they increase brand exposure while also feeling more connected to the platform. This engagement enhances Customer Retention Quality, as customer advocates tend to be more loyal and committed to continued usage. Improved retention subsequently contributes to e-wallet performance through increased user numbers, transaction frequency, and brand reputation in the market. Therefore, Customer Retention Quality serves as a crucial mediating mechanism that strengthens the relationship between E-Advocacy and e-wallet performance.
H7: E-Advocacy has a significant positive effect on e-wallet Performance mediated by Customer Retention Quality.

Conceptual Framework



Source: Processed Primary Data (2025).

3. Research Methods

Type of Research

This study employs a quantitative research design with a causal-comparative approach. Quantitative research is used to measure the effects of the independent variables promotional attractiveness, digital payment, and e-advocacy on the dependent variable, namely performance, with customer retention quality serving as a mediating variable. The causal-comparative approach enables the researcher to evaluate cause-and-effect relationships among the variables using data collected through questionnaires.

Population and Sample

According to Waruwu *et al.* (2025) a population is a set of units to be measured and examined. A population represents a domain that generally consists of objects or subjects with specific values and characteristics determined by the researcher. The population in this study comprises e-wallet users in Indonesia who have conducted digital transactions within the last six months. The research sample was determined using purposive sampling, which involves selecting respondents who meet specific criteria, such as having active experience using e-wallet services and having been exposed to relevant promotional activities.

Based on the guideline proposed by Hair et al. (2019), the minimum sample size is calculated using a formula in which the number of questionnaire items is taken into account. With a total of 22 questionnaire statements distributed, the minimum required sample size is 220 respondents. To enhance the reliability of the analysis, this study targeted data collection from 250 respondents.

Research Instruments

The research instrument used in this study was a questionnaire designed to measure the five research variables, namely:

1. *Promotional Attractiveness*: Measures the attractiveness of promotional offers provided by e-wallet service providers.
2. *Digital Payment*: Assesses the convenience and efficiency of digital payment systems.
3. E-*Advocacy*: Evaluates online recommendations and reviews related to e-wallet services.
4. *Customer Retention Quality*: Measures the quality of customer retention based on users' experiences.
5. *Performance*: Assesses the outcomes of e-wallet usage in relation to financial or operational objectives.

Respondents in this study were selected using purposive sampling, which involves choosing samples based on specific criteria relevant to the research objectives. The respondent criteria included: (1) active e-wallet users within the last six months, (2) individuals who had conducted digital transactions using at least one popular e-wallet platform such as OVO, GoPay, Dana, or ShopeePay, and (3) respondents aged at least 17 years, as they are considered capable of making independent financial decisions. To reach respondents who met these criteria, the researcher utilized several distribution channels, including the dissemination of the questionnaire link through social media platforms such as WhatsApp, Instagram, and Telegram, as well as through digital payment user community forums. This approach was adopted because the population of e-wallet users is widely dispersed and lacks an identifiable population list, making online network-based distribution the most effective and efficient method.

The questionnaire was developed using the Google Forms platform and distributed online to facilitate access for respondents across various regions in Indonesia. Prior to the main distribution, a pilot test was conducted with 30 respondents to ensure the validity and reliability of the instrument. Feedback from the pilot test was used to refine several statement items to improve clarity and comprehension. After revision, the questionnaire was distributed more widely over a two-week data collection period. A total of 250 respondents were successfully collected, meeting the minimum sample size recommended by Hair et al. (2019) for PLS-SEM analysis.

3.1. Research Results

Table 2. Respondent Demographics

Characteristics	Type	n	Percentage
Gender	Male	127	50,80%
	Female	123	49,20%
Age	17-24 years	136	54,40%
	25-32 years	75	30,00%
	33-40 years	23	9,20%
	>40 years	16	6,40%
Duration of e-wallet usage	<6 months	56	22,4%
	6-12 months	132	52,8%
	>12 months	62	24,8%

Based on the descriptive results of respondent characteristics, it can be observed that the proportion of respondents by gender is relatively balanced, with 127 male respondents (50.80%) and 123 female respondents (49.20%). This indicates that participation from both genders is almost equal, suggesting the absence of gender dominance in the data collection process. In terms of age, the majority of respondents fall within the 17–24 year age group, totaling 136 individuals (54.40%), which reflects a predominance of young respondents. The second largest age group is 25–32 years, with 75 respondents (30.00%), followed by the 33–40 year group with 23 respondents (9.20%), and respondents aged over 40 years with 16 individuals (6.40%). This composition suggests that most respondents belong to younger generations who are likely more familiar with digital technology and information, which is particularly relevant for studies related to digital behavior, social media usage, or technology adoption. Furthermore, based on the duration of e-wallet usage, most respondents have been using e-wallet services for 6–12 months, accounting for 132 individuals (52.80%). A total of 56 respondents (22.40%) are relatively new users with less than six months of usage, while 62 respondents (24.80%) have used e-wallet services for more than 12 months. These findings indicate that the majority of respondents are active users who are sufficiently familiar with the features and benefits of e-wallet services, while a segment of new users continues to emerge and expand.

Table 3. Outer Model Test, Common Method Variance, Validity, Reliability, and Coefficient of Determination

Variable Name	***Outer Loading***	**VIF**	***Average Variance Extracted***	***Composite Reliability (Rho A)***	***Composite Reliability (Rho C)***	***Cronbach Alpha***	***R Square Adjusted***
Customer Retention Quality			0,697	0,789	0,873	0,781	0,558
Digital Payment			0,715	0,942	0,945	0,930	
E-Advocacy			0,830	0,932	0,951	0,931	
Performance			0,567	0,733	0,838	0,737	0,433
Promotional Attractiveness			0,773	0,909	0,932	0,902	
ADV1 <- E-Advocacy	0,859	2,372					
ADV2 <- E-Advocacy	0,931	4,419					
ADV3 <- E-Advocacy	0,917	3,997					
ADV4 <- E-Advocacy	0,936	4,897					
CRQ1 <- Customer Retention Quality	0,766	1,402					
CRQ2 <- Customer Retention Quality	0,883	2,000					
CRQ3 <- Customer Retention Quality	0,852	1,844					
DP1 <- Digital Payment	0,900	4,328					
DP2 <- Digital Payment	0,867	3,443					
DP3 <- Digital Payment	0,896	3,793					
DP4 <- Digital Payment	0,881	4,322					
DP5 <- Digital Payment	0,884	4,251					
DP6 <- Digital Payment	0,865	3,085					
DP7 <- Digital Payment	0,578	1,363					
PA1 <- Promotional Attractiveness	0,915	3,446					
PA2 <- Promotional Attractiveness	0,876	2,868					

Variable Name	*Outer Loading*	VIF	*Average Variance Extracted*	*Composite Reliability (Rho A)*	*Composite Reliability (Rho C)*	*Cronbach Alpha*	*R Square Adjusted*
PA3 <- Promotional Attractiveness	0,838	2,181					
PA4 <- Promotional Attractiveness	0,887	2,681					
PE1 <- Performance	0,601	1,110					
PE2 <- Performance	0,816	1,824					
PE3 <- Performance	0,820	2,005					
PE4 <- Performance	0,754	1,581					

Source: Processed Primary Data (2025).

The table presents the results of factor analysis for several variables examined in the study, namely Customer Retention Quality, Digital Payment, E-Advocacy, Performance, and Promotional Attractiveness. Several indicators were used to assess the quality of the measurement model, including Outer Loading, Variance Inflation Factor (VIF), Average Variance Extracted (AVE), Composite Reliability (Rho A and Rho C), Cronbach's Alpha, and Adjusted R Square.

Outer Loading reflects the contribution of each indicator to its latent variable. An acceptable Outer Loading value is generally above 0.70 (Hair *et al.,* 2014), indicating a strong relationship between the indicator and the latent construct. As shown in the table, most indicators have Outer Loading values above 0.70, except for DP7 (0.578) and PE1 (0.601), which indicate relatively lower contributions compared to the other indicators.

VIF is used to assess the potential presence of multicollinearity among variables. A VIF value below 5 is considered acceptable (Hair *et al.,* 2014). The results indicate no multicollinearity issues, as all VIF values fall within the acceptable threshold.

AVE measures convergent validity by indicating the extent to which a latent variable explains the variance of its indicators. An AVE value greater than 0.50 suggests good convergent validity (Fornell & Larcker, 1981). The table shows that all constructs have AVE values exceeding 0.50, meaning that each latent variable explains more than 50% of the variance of its indicators.

Composite Reliability (Rho A and Rho C) and Cronbach's Alpha are used to evaluate construct reliability. Values above 0.70 indicate good reliability (Nunnally & Bernstein, 1994). The results demonstrate that all variables have Composite Reliability values above 0.70, confirming strong internal consistency.

Adjusted R Square measures the extent to which the independent variables explain the dependent variables. The highest Adjusted R Square value is observed for Customer Retention Quality (0.558), indicating that 55.8% of the variance in Customer Retention Quality is explained by the independent variables. Meanwhile, Performance has an Adjusted R Square value of 0.433, meaning that 43.3% of the variance in Performance is explained by the independent variables included in the model.

Table 4. HTMT Test

	Heterotrait-monotrait ratio (HTMT)
Digital Payment <-> Customer Retention Quality	0,831
E-Advocacy <-> Customer Retention Quality	0,730
E-Advocacy <-> Digital Payment	0,683
Performance <-> Customer Retention Quality	0,857
Performance <-> Digital Payment	0,550
Performance <-> E-Advocacy	0,419
Promotional Attractiveness <-> Customer Retention Quality	0,736

	Heterotrait-monotrait ratio (HTMT)
Promotional Attractiveness <-> Digital Payment	0,709
Promotional Attractiveness <-> E-Advocacy	0,738
Promotional Attractiveness <-> Performance	0,687

Source: Processed Primary Data (2025).

In addition, the table presents the results of the Heterotrait–Monotrait Ratio (HTMT) analysis, which is used to assess discriminant validity among latent variables. An HTMT value below 0.90 indicates adequate discriminant validity (Henseler *et al.,* 2015). As shown in the table, all HTMT values are below the recommended threshold, demonstrating that the constructs exhibit good discriminant validity. The highest HTMT value is observed in the relationship between Performance and Customer Retention Quality (0.857), while the lowest value is found between Performance and E-Advocacy (0.419). These results indicate that each latent variable is sufficiently distinct from the others.

Table 5. SRMR Test

	Original sample (O)
Saturated model	0,108
Estimated model	0,111

Source: Processed Primary Data (2025).

The model analysis also includes a comparison between the Original Sample (O) in the saturated model and the estimated model. In this study, the SRMR value for the saturated model is 0.108, while the estimated model shows a value of 0.111. The small difference between these two models indicates that the model used is sufficiently stable and demonstrates a good level of fit in representing the relationships among variables (Hair *et al.,* 2017).

Table 6. t-test Results

X → Y	**Sample mean**	**p-value**	**Conclusion**	**Decision**
Promotional Attractiveness -> Customer Retention Quality	0,181	0,006	Positive Significant	H1 Accepted
Digital Payment -> Customer Retention Quality	0,468	0,000	Positive Significant	H2 Accepted
E-Advocacy -> Customer Retention Quality	0,197	0,002	Positive Significant	H3 Accepted
Customer Retention Quality -> Performance	0,662	0,000	Positive Significant	H4 Accepted
Promotional Attractiveness -> Customer Retention Quality -> Performance	0,121	0,011	Positive Significant	H5 Accepted
Digital Payment -> Customer Retention Quality -> Performance	0,310	0,000	Positive Significant	H6 Accepted
E-Advocacy -> Customer Retention Quality -> Performance	0,130	0,002	Positive Significant	H7 Accepted

Source: Processed Primary Data (2025).

4. Discussion

The Effect of Promotional Attractiveness on Customer Retention Quality

Based on the t-test results, the p-value is 0.006, which is less than 0.05, with a sample mean of 0.181. This indicates that Promotional Attractiveness has a significant positive effect on

Customer Retention Quality. Therefore, Hypothesis 1 is accepted. These findings are consistent with previous studies by Daud et al. (2022); Esawe (2022); Feriningsih et al. (2023), which reported that Promotional Attractiveness has a significant positive influence on Customer Retention Quality. This implies that when product or service promotions are attractive to customers, they are more motivated to remain loyal to the brand. Attractive promotions may include discounts, loyalty programs, and exclusive offers, all of which can enhance customer experience and satisfaction. From a theoretical perspective, this concept is supported by the principles of customer satisfaction and relationship marketing, which suggest that customers who feel valued or benefited are more likely to make repeat purchases or recommend the product or service to others.

The Effect of Digital Payment on Customer Retention Quality

Based on the t-test results, the p-value is 0.000, which is less than 0.05, with a sample mean of 0.468. This indicates that Digital Payment has a significant positive effect on Customer Retention Quality. Therefore, Hypothesis 2 is accepted. Studies by Alfiani and Setiawan (2023); Meidawati et al. (2022); Rahayu et al. (2022) show that Digital Payment has a significant positive influence on Customer Retention Quality. This means that when customers experience convenience in using digital payment options that are fast, secure, and user-friendly, they tend to be more loyal and are more likely to return for future transactions. Digital payment systems enable more efficient and practical transaction processes, which positively affect customer satisfaction. In a marketing context, a positive payment experience can strengthen the customer–brand relationship, enhance customer satisfaction, and create favorable impressions that support customer retention.

The Effect of E-Advocacy on Customer Retention Quality

Based on the t-test results, the p-value is 0.002, which is less than 0.05, with a sample mean of 0.197. This indicates that E-Advocacy has a significant positive effect on Customer Retention Quality. Therefore, Hypothesis 3 is accepted. Research by Sudirjo et al. (2023); Kumar et al. (2024); Acelian and Basri (2021) demonstrates that E-Advocacy has a significant positive influence on Customer Retention Quality. This suggests that active promotion or recommendations of a brand by consumers through digital channels, including social media, online reviews, or digital campaigns, can enhance customer retention. E-Advocacy helps build brand loyalty and brand communities while increasing brand reach and credibility. Customers who participate in online advocacy tend to be more engaged with the company, thereby strengthening their loyalty and their intention to remain customers in the future.

The Effect of Customer Retention Quality on Performance

Based on the t-test results, the p-value is 0.000, which is less than 0.05, with a sample mean of 0.662. This indicates that Customer Retention Quality has a significant positive effect on Performance. Therefore, Hypothesis 4 is accepted. Studies by Aisyah and Ali (2023); Aseng and Pandeirot (2023); Firdausy and Fernanda (2021) show that the better the performance of an electronic wallet platform, the higher the quality of customer retention within it. Customers who are satisfied and engaged with electronic wallet services tend to use them more frequently and are more likely to recommend them to others. High customer retention quality in electronic wallet companies can drive increased transaction volume, more frequent usage, and stronger platform loyalty. This, in turn, contributes to improved performance in terms of revenue, market share, and customer brand perception.

The Effect of Promotional Attractiveness on Performance Mediated by Customer Retention Quality

Based on the t-test results, the p-value is 0.011, which is less than 0.05, with a sample mean of 0.121. This indicates that Promotional Attractiveness has a significant positive effect on Performance mediated by Customer Retention Quality. Therefore, Hypothesis 5 is accepted. Studies by Hermiati et al., 2022); Jannah et al., 2019); Sakanko & David, 2019) show that Promotional Attractiveness has a significant positive influence on e-wallet performance through the mediation of Customer Retention Quality. This implies that strong promotional attractiveness not only directly enhances e-wallet performance but also strengthens this effect by improving customer retention quality. Customers tend to use e-wallet services more frequently and feel more engaged when the incentives offered are perceived as attractive, such as discounts, cashback, or loyalty points. This enhances Customer Retention Quality, which ultimately benefits e-wallet performance. In this context, Customer Retention Quality serves as a mediating mechanism that strengthens the relationship between attractive promotions and e-wallet performance outcomes, including higher transaction volumes, increased market share, and stronger user loyalty. The model suggests that to achieve optimal performance impacts, promotional strategies must not only be appealing but also capable of fostering and sustaining customer loyalty.

The Effect of Digital Payment on Performance Mediated by Customer Retention Quality

Based on the t-test results, the p-value is 0.000, which is less than 0.05, with a sample mean of 0.310. This indicates that Digital Payment has a significant positive effect on Performance mediated by Customer Retention Quality. Therefore, Hypothesis 6 is accepted. Research by Setiawan et al., 2022); Esawe, 2022); Anugrah, 2020) demonstrates that Digital Payment has a significant positive influence on e-wallet performance through the mediation of Customer Retention Quality. This means that the convenience and ease offered by digital payment systems not only directly improve e-wallet performance but also strengthen this effect by enhancing customer retention quality. When customers perceive digital payment services as fast, secure, and practical, they are more likely to feel satisfied and loyal to the platform. This increases Customer Retention Quality, which in turn positively affects e-wallet performance. In other words, customer retention quality reinforces the relationship between effective digital payment features and performance outcomes, such as increased transaction volumes, higher customer loyalty, and improved brand reputation. In this context, Customer Retention Quality acts as a key mediating factor that amplifies the impact of Digital Payment on e-wallet performance, suggesting that platforms focusing on efficient and satisfying digital payment experiences are more likely to achieve superior performance through loyal customers.

The Effect of E-Advocacy on Performance Mediated by Customer Retention Quality

Based on the t-test results, the p-value is 0.002, which is less than 0.05, with a sample mean of 0.130. This indicates that E-Advocacy has a significant positive effect on Performance mediated by Customer Retention Quality. Therefore, Hypothesis 7 is accepted. Studies by Bhattara et al., 2023); Alfiani & Setiawan, 2023); Aseng & Pandeirot, 2023) show that E-Advocacy has a significant positive influence on e-wallet performance through the mediation of Customer Retention Quality. This means that digital advocacy by customers, such as positive online reviews, social media recommendations, or support within online communities, not only directly enhances e-wallet performance but also strengthens this effect by improving customer retention quality. When customers actively promote e-wallet services to others, they not only increase brand exposure but also develop a stronger emotional and relational connection with the service. This engagement can enhance Customer Retention Quality, as customer advocates tend to be more loyal and have stronger intentions to continue using the service. Improved customer retention, in turn, contributes to e-wallet performance in terms of increased user numbers, higher transaction frequency, and enhanced brand reputation in the market. Thus, Customer Retention Quality plays a crucial mediating role in strengthening the relationship between E-Advocacy and e-wallet performance.

5. Conclusion

This study concludes that Promotional Attractiveness, Digital Payment, and E-Advocacy have significant positive effects on Customer Retention Quality, which in turn significantly influences e-wallet performance. Furthermore, Customer Retention Quality is proven to be a significant mediating variable in the relationship between the three independent variables and e-wallet performance. These findings indicate that customer retention quality plays a crucial role in strengthening the impact of promotional strategies, digital payment convenience, and digital advocacy on improving e-wallet service performance. The practical implications of this study suggest that e-wallet service providers should prioritize strategies focused on attractive promotions, efficient digital payment systems, and the encouragement of customer-driven digital advocacy. Such strategies indirectly enhance customer retention, which subsequently drives overall service performance. This implies that retaining existing customers by providing positive experiences and added value is more important than merely attracting new users.This research contributes theoretically by reinforcing the literature on factors influencing e-wallet service performance through the mediating role of Customer Retention Quality. In addition, it offers practical contributions for digital industry practitioners, particularly in the technology-based financial sector, by highlighting the importance of customer loyalty in shaping the success of digital services. Thus, this study not only expands academic understanding but also provides a strategic foundation for the development of e-wallet business innovations in Indonesia.

Based on the findings and existing limitations, future research is recommended to expand the scope of respondents in terms of both demographics and geographic coverage, as well as to consider qualitative approaches to gain deeper insights into consumer behavior. In addition, other variables such as trust, user experience, or perceived security may be incorporated as additional factors that potentially have significant effects on Customer Retention Quality and performance. For practitioners, it is important to design promotional campaigns that are not only visually appealing but also consistent with the functional and emotional values sought by today's e-wallet users.

References

Acelian, R. M., & Basri, H. A. (2021). Analysis of Sales Promotion, Perceived Ease of Use and Security on Consumer Decisions to Use DANA Digital Wallet. *International Journal of Innovative Science and Research Technology*, *6*(1), 1436–1441. www.ijisrt.com

Aisyah, S. N., & Ali, H. (2023). The Effect of Digital Transaction Effectiveness, Financial Inclusion and Customer Satisfaction on Company Profits. *Dinasti International Journal of Economics, Finance & Accounting*, *4*(3), 454–464. https://doi.org/10.38035/dijefa.v4i3.1966

Alfiani, S. D., & Setiawan, A. I. (2023). The Role of Digital Technology Competency in the Optimization of Digital Advocacy Models in Distro Business in the New Normal Era. *International Research Journal of Economics and Management Studies*, *2*(1), 7–15. https://doi.org/10.56472/25835238/irjems-v2i1p102

Anugrah, F. T. (2020). Effect of Promotion and Ease of Use on Customer Satisfaction and Loyalty on OVO Application Users. *Quantitative Economics and Management Studies*, *1*(1). https://doi.org/10.35877/454ri.qems1177

Aseng, A. C., & Pandeirot, L. B. (2023). E-Wallet Attractiveness among Generation Z during the COVID-19 Pandemic. *CogITo Smart Journal*, *9*(1), 84–96. https://doi.org/10.31154/cogito.v9i1.445.84-96

Bhattara, B., Shrestha, R., Maharjan, S., Malla, S., & Shakya, S. (2023). Effectiveness of Digital Payments in the Performance of Nepalese Micro, Small and Medium Enterprises (MSME). *International Journal of Financial Studies*, *6*(1), 9–22. https://doi.org/10.3390/ijfs11030108

Daud, I., Nurjannah, D., Mohyi, A., Ambarwati, T., Cahyono, Y., Haryoko, A. D. E., Handoko, A. L., Putra, R. S., Wijoyo, H., Ari-Yanto, A., & Jihadi, M. (2022). The effect of digital marketing, digital finance and digital payment on finance performance of indonesian smes. *International Journal of Data and Network Science*, *6*(1), 37–44. https://doi.org/10.5267/J.IJDNS.2021.10.006

Esawe, A. T. (2022). Understanding mobile e-wallet consumers' intentions and user behavior.

Spanish Journal of Marketing - ESIC, *26*(3), 363–384. https://doi.org/10.1108/SJME-05-2022-0105
Feriningsih, W., Kumala, S., & Masri, I. (2023). The Influence Of Product And Service Quality, And Promotion On Customer Loyalty Through Brand Image Marvee Clinic In Jakarta. *International Journal of Current*, *13*(02), 363–374. https://scholarsnetwork.org/journal/index.php/ijeb/article/view/112%0Ahttps://scholarsnetwork.org/journal/index.php/ijeb/article/download/112/70
Firdausy, C. M., & Fernanda, M. (2021). The effects of sales promotion, attractiveness of internet advertising, and website quality on impulse buying of consumers of Tokopedia in Indonesia. *International Journal of Management and Enterprise Development*, *20*(1), 34–48. https://doi.org/10.1504/IJMED.2021.113641
Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203
Hermiati, N. F., Rimadhani, A. N., Bintarti, S., & Daspar. (2022). Enrichment: Journal of Management is Licensed under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0) Enrichment: Journal of Management THE EFFECT OF PROMOTION AND BRAND AWARENESS ON CUSTOMER SATISFACTION AND CUSTOMER L. *Enrichment: Journal of Management*, *12*(2), 2239–2245.
Jannah, R., Mappatompo, A., & Haanurat, I. (2019). The Influence of Product Quality and Promotion onCustomer Satisfaction and Its Impact on Customer LoyaltyPT. Mahakarya Sejahtera Indonesia. *Proceeding of The 3rd International Conference on Accounting, Business & Economics (UII-ICABE 2019)*, *7*(4), 201–206.
Kumar, A., Haldar, P., & Chaturvedi, S. (2024). Factors influencing intention to continue use of e-wallet: mediating role of perceived usefulness. *Vilakshan - XIMB Journal of Management*, *5*(3), 16–25. https://doi.org/10.1108/xjm-12-2023-0243
Meidawati, N., Yunitasari, F., & Oktavina Diah Puspita. (2022). Effect of promotion, perceived usefulness, and perceived ease of use on interest in adopting e-wallet (Ovo And Dana). *International Journal of Research in Business and Social Science (2147- 4478)*, *11*(8), 191–201. https://doi.org/10.20525/ijrbs.v11i8.2060
Rahayu, R., Mariska, W., & Garantjang, M. F. (2022). E-Payment Innovation in Improving Bank Indonesia ' S. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *6*(1), 183–188.
Sakanko, M. A., & David, J. (2019). The Effect of Electronic Payment Systems on Financial Performance of Microfinance Banks in Niger State. *Esensi: Jurnal Bisnis Dan Manajemen*, *9*(2), 143–154. https://doi.org/10.15408/ess.v9i2.12273
Sentoso, A., & Muchsinati, E. S. (2024). Determining employee engagement and its influence on employee performance at holding state-owned enterprises insurance and guarantees Riau Islands region. *Jurnal Manajemen Dan Pemasaran Jasa*, *17*(1), 39–58. https://doi.org/10.25105/v17i1.18516
Sentoso, A., Sibarani, T. P., & Muchsinati, E. S. (2024). Business Performance of MSMEs: an Analysis of the Effect of Entrepreneurial Orientation, Market Orientation, and Technology Orientation. *Jurnal Dinamika Manajemen*, *15*(2), 318–333. https://doi.org/10.15294/jdm.v15i2.7559
Setiawan, A. I., Hendraningsih, A. P., Rahayu, S., & Dewi, A. S. (2022). the Role of Digital Marketing Interventions in E-Advocacy Leverage Capacity: a Culinary Business Breakthrough To Counter the Covid-19 Pandemic. *Journal of Indonesian Economy and Business*, *37*(2), 201–216. https://doi.org/10.22146/jieb.v37i2.3995
Sudirjo, F., Binsar Kristian Panjaitan, F. A., Yuniarti Utami, E., Judijanto, L., & Widarman, A. (2023). Analysis of The Influence of Digital Advertising Attractiveness, User Satisfaction, and Digitalization Perceive Ease of Use on User Loyalty of Digital Payment Card E-Money. *Jurnal Informasi Dan Teknologi*, *5*(4), 98–103. https://doi.org/10.60083/jidt.v5i4.422
Waruwu, M., Pu`at, S. N., Utami, P. R., Yanti, E., & Rusydiana, M. (2025). Metode Penelitian Kuantitatif: Konsep, Jenis, Tahapan dan Kelebihan. *Jurnal Ilmiah Profesi Pendidikan*, *10*(1), 917–932. https://doi.org/10.29303/jipp.v10i1.3057