Leveraging experience quality to increase loyalty of digital wallet user in Indonesia

Hanny Lubaba*(a) Fatchur Rohman(b) Surachman(c)

(a) Management Department, Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia.
(b) Associate Professor, Management Department, Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia
(c) Professor, Management Department, Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia

ABSTRACT

This study examines the effect of experience quality on loyalty to digital wallet users. The financial sector plays a role as a driving force for growth in the real sector, which can be done through capital accumulation and technological innovation. The novelty in this research is the addition of brand image and satisfaction variables as a mediation that has not been studied before. There are still inconsistencies in the results of previous studies regarding the direct effect of experience quality on loyalty. This study uses explanatory research with a quantitative approach. The sample size is 120 respondents to digital wallet users in Malang City. The purposive sampling method is the sampling technique in this study. The data were analyzed using structural equation modeling partial least square (SEM-PLS). The results of this study indicate that experience quality can directly improve brand image and satisfaction. Interestingly, this study found that experience quality directly did not have a significant effect on loyalty. The need to pay attention to service is the main key to customer satisfaction and brand image so that they can be loyal to digital wallet products.

Article Info

Received 11 May 2022
Accepted 27 June 2022
Keywords:
Brand Image, Digital Wallet, Experience Quality, Loyalty, Satisfaction.

JEL Classification:
M31

Introduction

The financial sector plays an important role in the economy of a country. The financial sector plays a role as a driving force for growth in the real sector, which can be done through capital accumulation and technological innovation. Talking about technological innovation in the financial sector, the emergence of various types of companies that combine financial services with technology or commonly referred to as financial technology companies is one form of this innovation (Tang et al., 2021). In general, financial technology companies can be grouped into 3 groups. The first group is the payment system. Then the second group, is lending, which is divided into several parts, namely peer-to-peer lending, balance sheet lending, online credit and online loan providers with pawn mechanisms. And the third group is financial technology outside the payment and funding system that is engaged in crowdfunding and digital banking (Ministry of Communication and Information, 2019).

The development of digital wallets and the increasing number of users prove that there is great acceptance from the consumer side (Alkhowaiter, 2020). The great acceptance from consumers is due to the perception of greater profits and the perceived security when using digital wallets during transactions (Mombuïl, 2020). Payment options via digital wallets are also considered more practical, and can increase efficiency for both companies and consumers (Frączek & Urbanek, 2021). In addition, the increasing use of digital wallets is also caused by the transition factor of people’s new lifestyle towards a cashless society (Rahman et al., 2020). Some of the digital wallet names in Indonesia with the most users based on Google Playstore during the 2020-2021 period are (Aditiya, 2021) Dana, LinkAja, GoPay, Sakuku and OVO.
In fact, major developments in the digital wallet business have given rise to intense competition between companies (Komba & Abd Razak, 2021). Data from IPrice illustrates the intense competition by showing the position of the number of digital wallet users that move dynamically over time. From the first quarter of 2017 to the second quarter of 2019, GoPay became the first digital wallet with the most active users, and recorded a transaction value of $6.3 billion. Furthermore, OVO, which was previously in the second position, experienced a decline in the third position in the first quarter of 2018. LinkAja became a digital wallet that managed to stay in the third position from the second quarter of 2018 to the first quarter of 2019, then DANA which managed to climb one place in the second quarter of 2019 replaced LinkAja which was in third position (Devita, 2020).

Consumer loyalty is the main determinant of the sustainability of a business (Mohammadi, 2015). Loyalty feelings felt by consumers are considered as their expressive and instrumental responses which are formed from the perception of trust (intrinsic and extrinsic) and heuristic or rational-based perception values of the products or services that have been used (Chai et al., 2015). The process of the emergence of loyalty is completely explained in a conceptual framework that integrates the Satisfaction-Loyalty Theory and the Expectation-Confirmation Theory, and produces a more comprehensive loyalty model (Fu et al., 2018). Satisfaction-Loyalty Theory and Confirmation Expectation Theory are two theories that specifically explore how loyalty is influenced by perceived quality, overall satisfaction, as well as how the process of evaluating satisfaction and post-purchase behavior as concepts that describe the complete consumption process (Oh, 1999). A study supports both theories by revealing that loyalty arises when consumer expectations or expectations can be fulfilled properly after a purchase (Teng, 2018). The Satisfaction-Loyalty Theory is also supported by the study of (Hwang et al., 2020) which found that satisfaction plays a role as the main trigger of loyalty. There are many studies that have examined how consumer loyalty can be formed ((Baul et al., 2021; Chai et al., 2015; Mohammadi, 2015). Several research results reveal that loyalty appears to be influenced by the existence of a collection of good experience qualities for consumers (Li et al., 2021; Wu & Ai, 2016).

In the context of using digital applications, (Cambra-Fierro et al., 2019; Darmiasih & Setiawan, 2021; Japutra et al., 2021; Purnama et al., 2021) specifically reveal how important experience during the transaction process can shape perceptions consumers, which in turn affects their loyalty in using digital wallets. However, several previous studies have shown that there are no consistent results of the quality of experience on loyalty (Cachero-Martinez & Vázquez-Casiesles, 2021; Ridhwan et al., 2021). These inconsistent results become a gap for researchers to form a new conceptual model as well as close the research gap by adding other variables as mediating variables, namely brand image and satisfaction which are considered to be able to strengthen the influence of experience quality on perceived loyalty.

The absence of positive results from the quality of experience on loyalty above may be due to the presence of other more dominant factors capable of strengthening loyalty. These factors may come from the brand image, which can be awakened from the inherent experience in the minds of consumers (W.-J. Chang, 2020). Brand image itself is defined as a set of brand associations stored in the memory of consumers, which is also shaped by the quality of the product or service offered (Schiffman & Kanuk, 2008). The definition of brand image illustrates that the quality of a product or service is able to influence consumer perceptions so as to produce a good experience, and have an impact on loyalty. In addition, as one of the variables in the service marketing strategy, the quality of the experience is one of the determinants of the extent to which consumers perceive the services used (Hussein, 2018). Therefore, the brand image variable is considered to be able to strengthen the influence of the quality of experience on loyalty.

In addition to brand image, another factor that also influences the quality of experience on loyalty is the level of satisfaction felt by consumers (Kusumawati & Rahayu, 2020). A study revealed that the quality of the experience is a determinant of the level of satisfaction of a consumer (Haji et al., 2021). The level of experience quality which consists of product and interaction aspects is the main dimension that affects the extent to which a consumer’s satisfaction and loyalty can be formed (Hussein, 2018). (Batouei et al., 2020) also found that the consumer experience factor consisting of the service process, the time spent and the technology used had a significant influence on consumer satisfaction. (Moon & Han, 2018) also support that the dimensions of the quality of experience that are built from the presence of hedonic factors, tranquility to escape are the determinants of the level of perceived satisfaction. (Li et al., 2021; Wu & Ai, 2016) also state that there is a significant influence of the quality of experience on the satisfaction of a consumer. The explanation above proves that customer satisfaction plays a major role and is considered to be a factor that can strengthen the influence of experience quality on loyalty.

Digital payment transactions are growing rapidly and are increasingly in demand by the people of Malang City. This development was marked by an increase in the number of transactions from only 47% to 70%, especially during the Covid-19 pandemic (Wijaya, 2020). The increase in the number of digital transactions is also influenced by the population density factor of 8,187 people/km, which makes Malang City one of the most densely populated areas in East Java Province (BPS, 2020). With the population density and diverse demographics in Malang City, consumer behavior in using financial services, especially digital wallets, is certainly different. This is the background of the researchers conducting research by focusing on the area of Malang City.

This study aims to further investigate the role of brand image and satisfaction in mediating the effect of experience quality on digital wallet user loyalty.
Literature Review

Conceptual Background and Hypothesis Development

Loyalty

Customer loyalty is defined as a positive evaluation of a customer that leads to the possibility of another purchase in the same category (Li et al., 2021). (Japutra et al., 2021) stated that customer loyalty is a condition in which consumers feel compelled to remain loyal and recommend products or services to others. In principle, the concept of loyalty applies to brands, services, organizations, product categories, and activities. The concept of customer loyalty is dominated by two main streams, namely behavioral and deterministic or attitudes, or in other words, customer loyalty can be viewed from what brands are purchased by consumers, and how consumers feel or attitudes towards certain brands (Tjiptono et al., 2008). Likewise with satisfaction, in the concept of Satisfaction-Loyalty Theory, loyalty is the result of the quality and satisfaction felt by customers (Fu et al., 2018). The stronger a customer develops a perception of a service or product, the more likely it is that quality will exceed initial expectations, which in turn can have an impact on loyalty (Chiu et al., 2005). (Fu et al., 2018) proves the above theory by examining how consumer loyalty is associated with two theories, namely Satisfaction-Loyalty and Expectation-Confirmation (ECT). Based on some of the definitions above, it can be concluded that customer loyalty is a form of customer loyalty in using the product or service continuously, which tends to invite surrounding objects to use the product or service.

Experience Quality

Experience quality is conceptualized as an effective response to the psychological and social benefits expected by consumers (T.-Y. Chang & Horng, 2010). In full, the quality of experience is defined as a set of stimuli that can evoke emotions in customers, which can affect their perception, evaluation, and decision making (Molinillo et al., 2020). Experience quality helps customers shape their actual experience to the fullest, and is considered the result of an overall evaluation of a product or service over a certain period of time (Lemke et al., 2011). The result of the quality of experience is the emergence of behavior (positive or negative) from consumers towards the use of a product or service (Haji et al., 2021).

The quality of the customer experience is now an important factor for organizational performance, because it plays a major role in shaping consumer perceptions in the long term (Wu & Ai, 2016). Good perception and value creation will also have a positive influence, such as the formation of profitable loyalty in the future (Patma et al., 2020). Furthermore, previous studies related to the effect of experience quality generally showed positive and significant results on customer loyalty (Hussein et al., 2018; Kashif et al., 2016; Li et al., 2021). Furthermore, the importance of the quality of experience as a component of brand image formation has been discovered by (Hussein, 2018). Then the results of another study were also found by (Li et al., 2021) which showed a positive and significant influence of experience on image formation. Furthermore, the relationship between the quality of experience and customer satisfaction is also found in previous studies of (Haji et al., 2021; Li et al., 2021).

H1 = Experience quality can increase loyalty
H2 = Experience quality can improve brand image
H3 = Experience quality can increase satisfaction

Brand Image

Brand image is the perception and belief held by consumers, which is reflected in associations, and occurs in consumer memory (Kotler & Keller, 2012). Brand image is considered as one of the important components in running a business, it is assessed as a special perception that will continue to be relatively consistent in the long term (Cham et al., 2016).

This is supported by several studies that found the potential of brand image that can influence consumers in making repurchase decisions in the future (Ishida et al., 2016). Brand image is related to brand associations attached to consumer memories, memories the inherent factors are influenced by various factors that exist in the product such as the shape and quality of the product or service, brand name, logo, color to other factors (Rangkuti, 2010). Easily, the form of a successful brand image is when consumers consciously remember the various components that exist in the product or service that they have used. Brand image is closely connected with the form of customer behavior towards the company after the purchase. Based on the description above, it can be concluded that brand image is a perception inherent in consumers’ minds when they hear or remember a brand name of a particular product or service. In context using a digital banking system, (Rahi et al., 2017) found a link between brand image and customer loyalty. Another study belonging to (Fu et al., 2018) support the results of the study by revealing that the existence of a good image is considered a trigger for consumer conditions and moods, which can then influence their decision to consume the product in the future, or in this case is reflected as a form of loyalty.

H4 = Brand image can increase loyalty
Satisfaction

Customer satisfaction is one of several key elements that determine the success of marketing implementation (Giese & Cote, 2000; Tjiptono et al., 2008) define customer satisfaction as a response (cognitive and emotional) that involves a particular focus (expectations, products, consumption experiences). At certain times (after consumption, after product or service selection, based on accumulated experience, etc.). This definition is clarified by (Kotler, 2009) who defines consumer satisfaction as the level of one's feelings after comparing the performance or expected results of the products or services that have been used. In the service concept, customer satisfaction is specifically caused by good service quality. A marketer must be able to ensure that the services offered can be carried out properly (Jain et al., 2021). (Haji et al., 2021) also revealed that with great satisfaction from consumers, positive behavior will appear so that in the end, consumers become loyal and consume continuously. Based on the description above, it can be concluded that customer satisfaction is a condition where consumers feel happy due to the fulfillment of performance expectations from the services that have been used. Research related to customer satisfaction and customer loyalty has been widely carried out and shows a positive influence between the two.

In the context of online services, (Yoo & Park, 2016) tried to examine the dimensions of the perceived value of consumers and found that satisfaction has a positive and significant effect on loyalty. Similar to the service context, (Meesala & Paul, 2018) also finds a positive relationship between the satisfaction of the service used and the level of loyalty.

H5 = Satisfaction can increase loyalty

In the service industry, customer loyalty is formed from a variety of positive factors, including a good image and customer satisfaction. Research conducted by (Hassan & Salem, 2021) found that airline passenger loyalty is dominantly formed from the presence of a good airline image, rather than perceived satisfaction. More specifically, the study explains that their inner perception of airline image is better able to reach them to stay loyal to using an airline. Different research results were found by (Li et al., 2021) who actually found a greater influence of customer satisfaction on the loyalty of environmental tourism visitors. Various dimensions that form the image of tourist destinations, such as attractive visuals and the balance between the environment and infrastructure, are proven not to affect loyalty. On the other hand, visitor satisfaction that is felt from the existence of an entertaining environmental destination and well-operated tourist services is more able to reflect loyalty.

H6 = Brand image mediates the influence between experience quality and loyalty

H7 = Satisfaction mediates the influence between experience quality and loyalty

Research and Methodology

This study uses an explanatory research approach to test the theory objectively by testing the relationship between each variable, and to measure the variables in this study by conducting an instrument test, so that the total data can be analyzed using statistical procedures using a quantitative approach.

The researcher determined the purposive sampling method as the sampling technique in this study. Bias in research can be minimized by using purposive sampling technique, namely determining the characteristics of the sample that are considered appropriate in this study, namely: 1) The sample is at least 17 years old. 2) The sample is residents who live in Malang City, which in this case consists of 5 sub-districts, namely Lowokwaru, Blimbing, Klojen, Kedungkandang, and Sukun Districts. 3) The active sample uses one of 5 digital wallets, namely GoPay, OVO, DANA, LinkAja or Jenius for at least the last 1 year, and has made payment transactions at least twice.

The sampling technique followed (Hair et al., 2010). The reason for using this technique is because the number of population in this study is unknown, so determining the number of samples based on indicators is deemed appropriate. This study uses 12 indicators for each variable multiplied by 10 (12 X 10 = 120), so the number of samples is 120 respondents to digital wallet users in Indonesia.

Sampling uses questionnaires that are administered personally, distributed electronically, or sent to respondents. The data were analyzed using structural equation modeling partial least square (SEM-PLS). The reason for using PLS data analysis is because the concept is to test the modified result of several research models to provide an overview of the variables studied (Garson, 2016).
In this study, the experience quality variable uses a scale from (Kuppelwieser & Klaus, 2021). Meanwhile, for the brand image variable, three indicators were adapted from (Kartika et al, 2020). Then the satisfaction variable uses two indicators from (Supriadi et al, 2017) and finally loyalty follows (Wonglakorn et al, 2021). Research data on the questionnaire submitted, there is a Likert scale that is used to determine the extent to which respondents give their opinions according to a predetermined scale.

Findings and Discussions

Table 2: Demographic Respondent

| Categories          | Frequency | %  |
|---------------------|-----------|----|
| **Age**             |           |    |
| 17-20 years         | 22        | 18.3|
| 21-25 years         | 83        | 69.2|
| 26-30 years         | 13        | 10.8|
| >30 years           | 2         | 1.7 |
| **Residence**       |           |    |
| Blimbing            | 12        | 10  |
| Kedungkandang       | 19        | 15.8|
| Klojen              | 13        | 10.8|
| Lowokwaru           | 61        | 50.8|
| Sukun               | 15        | 12.5|
| **Digital Wallet Used** |     |    |
| Dana                | 23        | 19.2|
| GoPay               | 40        | 33.3|
| Jenius              | 5         | 4.2 |
| LinkAja             | 12        | 10  |
| OVO                 | 40        | 33.3|

The majority of the age group of respondents were 21-25 years old (69.2%), the rest were 17-20 years old (18.3%), 26-30 years old (10.8%) and more than 30 years old (1.7%). This shows that the majority of the samples taken are the baby boomers generation, which is a productive generation and has a lot of understanding of technology. Furthermore, the majority of respondents live in Lowokwaru sub-district (50.8%), the rest are in Blimbing district (10%), Kedungkandang district (15.8%), Klojen (10.8%), and Sukun (12.5%). This illustrates that the sample taken in this study is in accordance with the scope that has been determined from the start, namely in the city of Malang.

Furthermore, the digital wallets used by the majority of respondents use GoPay and OVO (33.3%), the rest use digital wallets Dana (19.2%), LinkAja (10%) and Jenius (4.2%). This indicates that the majority of the sample uses GoPay and OVO digital wallets, this figure is in accordance with the reality on the ground because the two digital wallets have collaborated with online driver applications, namely Gojek and Grab.

**Descriptive Statistic and Correlation**

In this study using four variables (experience quality, brand image, satisfaction and loyalty) and can be seen in table 2 the results of the average value of respondents' answers are equipped with the standard deviation of each variable, then also presented the correlation value of each variable which shows that there is a strong correlation between variables.
Table 3: Descriptive Statistic and Correlation

| Variable         | Mean | SD  | 1      | 2      | 3      | 4      |
|------------------|------|-----|--------|--------|--------|--------|
| Experience Quality | 4.65 | 0.54 | 0.59** | 0.59** | 0.63** |
| Brand Image      | 4.29 | 0.62 | 0.57   | 0.57   |        |
| Satisfaction     | 4.45 | 0.57 | 0.55** | 0.55** | 0.63** |
| Loyalty          | 3.90 | 0.75 | 0.51** | 0.51** | 0.60** |

Measurement Model Analysis

To testing the quality of the data in this study using convergent validity and discriminant validity following the advice of (Hair, et al., 2017). In more detail the results of validity and reliability testing can be presented in tables 4 and 5 below.

Table 4: Validity Analysis

| Latent Variable     | Indicator | Convergent Validity | Discriminant Validity |
|---------------------|-----------|---------------------|-----------------------|
|                     |           | Loading Factor      | Results               | √AVE      | Results |
| Experience Quality  | X.1       | 0.804               | Valid                 | 0.780     | Valid   |
|                     | X.2       | 0.766               | Valid                 |           |         |
|                     | X.3       | 0.698               | Valid                 |           |         |
|                     | X.4       | 0.806               | Valid                 |           |         |
|                     | X.5       | 0.760               | Valid                 |           |         |
|                     | X.6       | 0.660               | Valid                 |           |         |
|                     | X.7       | 0.866               | Valid                 |           |         |
|                     | X.8       | 0.859               | Valid                 |           |         |
| Brand Image         | Z1.1      | 0.769               | Valid                 | 0.754     | Valid   |
|                     | Z1.2      | 0.833               | Valid                 |           |         |
|                     | Z1.3      | 0.700               | Valid                 |           |         |
|                     | Z1.4      | 0.739               | Valid                 |           |         |
|                     | Z1.5      | 0.825               | Valid                 |           |         |
|                     | Z1.6      | 0.648               | Valid                 |           |         |
| Satisfaction        | Z2.1      | 0.839               | Valid                 | 0.759     | Valid   |
|                     | Z2.2      | 0.887               | Valid                 |           |         |
|                     | Z2.3      | 0.648               | Valid                 |           |         |
|                     | Z2.4      | 0.632               | Valid                 |           |         |
| Loyalty             | Y.1       | 0.769               | Valid                 | 0.782     | Valid   |
|                     | Y.2       | 0.791               | Valid                 |           |         |
|                     | Y.3       | 0.768               | Valid                 |           |         |
|                     | Y.4       | 0.822               | Valid                 |           |         |
|                     | Y.5       | 0.659               | Valid                 |           |         |
|                     | Y.6       | 0.845               | Valid                 |           |         |
|                     | Y.7       | 0.812               | Valid                 |           |         |

Table 4 shows the results of the convergent validity test by looking at the loading factor value of each indicator on the four variables (experience quality, brand image, satisfaction and loyalty) which has a value greater than 0.60 (Ghozali & Latan, 2015). Furthermore, the validity test with discriminant validity can be seen in the root value of the Average Variance Extracted (AVE) by comparing the coefficient values in each variable with the correlation value in each variable relationship in the research model, it can be seen that in table 4 also that each root value AVE above 0.50. So it can be concluded that the items used in this study are valid.

Table 5: Reliability Analysis

| Latent Variable | Cronbach’s Alpha | Composite Reliability |
|-----------------|------------------|-----------------------|
| Experience Quality | 0.907            | 0.925                 |
| Brand Image     | 0.847            | 0.888                 |
| Satisfaction    | 0.755            | 0.842                 |
| Loyalty         | 0.894            | 0.917                 |

After the data is tested for validity, then reliability testing is carried out using Cronbach's alpha and composite reliability values. The threshold value for reliability is 0.70 (Ghozali and Latan, 2015). In table 5 it can be seen that each variable has a Cronbach's alpha value and composite reliability greater than 0.7. So it can be concluded that the items used in this study are reliable.

Structural Model Analysis

The structural model is a model that describes the causal relationship between latent variables that is built based on the substance of the theory (Abdillah and Hartono, 2015). The PLS structural model was tested by measuring the value of R2 and the path coefficient
by comparing the t statistic with the t-table on the SmartPLS output. This study follows (Masyhuri et al, 2021), first, testing the direct influence between experience quality and loyalty as hypothesis 1, then the direct influence between experience quality on brand image and satisfaction which is the second and third hypotheses. Furthermore, direct testing between brand image and satisfaction with loyalty as the fourth and fifth hypotheses. In Figure 1 below, the results of the structural model testing are presented with the acquisition of the t-statistic value of each hypothesis.

Figure 2: Path Diagram

Table 6 shows the results of direct hypothesis testing. Surprisingly, the effect of experience quality on loyalty was not significant (β = 0.044, t = 0.513, p > 0.05). Furthermore, as previously expected, the effect of experience quality on brand image has a significant effect (β = 0.658, t = 14.599, p <0.05), on satisfaction (β = 0.613, t = 9.345, p <0.05). Furthermore, the direct effect of brand image on loyalty has a significant effect (β = 0.327, t = 3.630, p <0.05) and satisfaction on loyalty (β = 0.532, t = 7741, p <0.05) has a significant effect.

| Path Coefficient          | T-Statistic | P-Value | Result   |
|---------------------------|-------------|---------|----------|
| EQ → Loyalty              | 0.044       | 0.513   | 0.608    | Rejected |
| EQ → Brand Image          | 0.658       | 14.599  | 0.000    | Accepted |
| EQ → Satisfaction         | 0.613       | 9.345   | 0.000    | Accepted |
| Brand Image → Loyalty     | 0.327       | 3.630   | 0.000    | Accepted |
| Satisfaction → Loyalty    | 0.532       | 7.741   | 0.000    | Accepted |

Then in table 7 shows the indirect test or the mediating role of the brand image variable between the relationship between experience quality and loyalty successfully became a mediating variable (β = 0.215, t = 3.239, p <0.05), then the satisfaction variable also succeeded in mediating (β = 0.326, t = 6.507, p < 0.05). This can be interpreted that the two variables, namely brand image and satisfaction, have been proven empirically in this study to mediate the effect of experience quality on loyalty to digital wallet users in Malang City. The two variables mediate in full mediation because the direct influence between experience quality is not significant on loyalty, but with the mediating variable in the form of brand image and satisfaction, the influence of these two variables becomes significant.

| Path Coefficient          | T-Statistic | P-Value | Result   |
|---------------------------|-------------|---------|----------|
| EQ → Brand Image → Loyalty| 0.215       | 3.239   | 0.001    | Accepted |
| EQ → Satisfaction → Loyalty| 0.326       | 6.507   | 0.000    | Accepted |
Overall the effect of the independent variable on the dependent variable can be known using the R-Square value, in the study it can be seen that the R square value of the Loyalty variable is 0.689 which means that the experience quality, brand image and satisfaction variables are able to explain the variation of the loyalty variable by 68.9% while the rest is explained by other variables outside the research model. Furthermore, the brand image variable has an R-Square value of 0.432 which means that the experience quality variable can explain the brand image variable by 43.2% and then it can also explain the satisfaction variable by 37.6%. If it is concluded then the model used in this study can be categorized as strong.

Surprisingly, this study found that experience quality did not significantly increase loyalty. Based on the findings in the field, it indicates that the quality of the experience in the form of brand experience, service experience and post-purchase is not able to make customers loyal to digital wallet products, there are other factors that significantly increase customer loyalty directly. The results of this study are in line with research from (Cachero-Martínez & Vázquez-Casielles, 2021; Ridhwan et al., 2021) who agree that customer loyalty cannot be influenced by experience quality.

Then according to the hypothesis proposed that the quality of the experience can significantly improve the brand image of digital wallets. The image of a brand can be influenced by the quality of experiences such as performance, pleasant conditions and also emotional experiences in consumers. The quality of the experience found is proven to have a significant effect on the image of a product or service. Other studies also support that the quality of experience has a significant effect on the brand image of (Hussein, 2018; Khan & Fatma, 2021).

Furthermore, the quality of experience also has a significant effect on satisfaction. The initial experience is formed by a series of interactions, evaluation of performance, and the quality of the product or service used. The process of forming this experience then determines overall satisfaction. The quality of experiences such as the fulfillment of hedonic desires, peace of mind, and escape felt by a customer can have an impact on the high level of satisfaction possessed by a service. The results of this study are in accordance with research from (Haji et al., 2021; Li et al., 2021; Suhartanto et al., 2020) who agree that the quality of the experience can increase customer satisfaction.

The image of a service is based on the preference of mind awareness goals, which include attractiveness, ease of reach, feelings of pleasure which in turn creates loyalty in the form of future re-consumption plans. The result of the influence of image on loyalty also has a large enough value so that it can clearly reflect the loyalty obtained. A number of other studies also support the resulting effect of brand image on customer satisfaction. The results of this study support previous research from (Rahi et al., 2017; Mehta & Tariq, 2020).

Loyalty is the ultimate goal expected by business people. In one of the previous studies, customer satisfaction was even found to be the main antecedent of customer loyalty. This study found that as a marketer, it is important to target marketing attention, resources, and can help in delivering satisfaction to be able to retain more loyal customers in the long term. The results of this study are in line with previous research from (Li et al., 2021; Thakur, 2019; Hsiao et al., 2016; Canalejo & Río 2018).

Brand image mediates the effect of experience quality on loyalty. The physical description of a product or service is able to present an emotional side to consumers, which is then supported by various experiences that have been accumulated and result in the possibility of repeat purchases. This shows that it is important to link the experience quality variable, which is simultaneously supported by the existence of a good image with the level of loyalty. The results of this study are in accordance with research from (Altaf et al., 2017; Choi & Johnson, 2019; Lo et al., 2018). Furthermore, satisfaction mediates the effect of experience quality on loyalty. Satisfaction reinforces the collection of quality experiences that visitors get, which in turn affects their level of desire to revisit in the future. The results of this study support previous research from (Haji et al., 2021; Hussein, 2018; Sangpikul, 2018)

Conclusions
The results of this study indicate that experience quality can directly improve brand image and satisfaction. Likewise, the direct influence of brand image and satisfaction on loyalty also has a significant effect. Then in the mediation test, it can be concluded that brand image and satisfaction act as a full mediation between the influence of experience quality on loyalty. Interestingly, this study found that experience quality directly did not have a significant effect on loyalty. Customer loyalty cannot be directly influenced by experience quality but needs to be mediated with a brand image variable, meaning that customers also need to pay attention to the attractiveness, reputation and feature enhancement of a digital wallet application so that they can become loyal to the digital wallet. Then it also needs to be mediated using satisfaction, this means that customers in increasing their loyalty must go through recommending certain digital wallets to their friends and they no longer have any complaints about the digital wallet application they are using, with these conditions, customer loyalty can be increased.

This study has several research limitations including a small and limited sample in Malang City, further researchers can enlarge the research sample and compare it with digital wallet users in other cities, considering that each city has different demographics and characteristics, so that the results of the study can be generalized to larger group.

The theoretical implication in this research is to support two theories, namely the Satisfaction-Loyalty theory and the Expectation-Confirmation (ECT) theory which says that the service quality factor perceived by consumers positively and significantly affects the
increase in the level of confirmation, perceived value, company image, and loyalty. In addition, the results of this study also add to the scientific knowledge of marketing in general, especially in digital wallet service products.

Practically, the results of this study can provide advice to digital wallet companies so that in an effort to make customers loyal to their service products, it is necessary to increase a good brand image for the company, including product attractiveness, brand reputation and feature enhancements that are continuously up to date. Because with the brand image, customer loyalty can increase. Furthermore, customer satisfaction also needs to be maintained through continuing to give a positive impression and being consistent in providing services when complaints occur in an effort to minimize customer complaints, because this is proven by making customers loyal to the digital wallet product that is being used.

Acknowledgement

All authors have read and agreed to the published version of the manuscript.

Author Contributions: Conceptualization, H.L., F.R. and S.R.; methodology, H.L., validation, S.R.; formal analysis, H.L., F.R. and S.R.; investigation, H.L.; resources, H.L.; writing—original draft preparation, H.L.; writing—review and editing, H.L., F.R. and S.R.

Informed Consent Statement: “Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to restrictions.

Conflicts of Interest: The authors declare no conflict of interest.

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